CITY OF KIRKLAND
CITY COUNCIL

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

Vision Statement

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

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AGENDA
KIRKLAND CITY COUNCIL SPECIAL MEETING
City Council Chamber
Tuesday , December 8, 2015
6:00 p.m. – Study Session
7:30 p.m. – Special Meeting

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

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

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

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

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*
   a. Healthy Kirkland Initiative Update
4. *EXECUTIVE SESSION*
   a. To Review the Performance of a Public Employee
5. *HONORS AND PROCLAMATIONS*
   a. Proclamation Recognizing King County Councilmember Jane Hague
6. *COMMUNICATIONS*
   a. *Announcements*
   b. *Items from the Audience*
   c. *Petitions*
7. *SPECIAL PRESENTATIONS*
   a. Semi Annual 2015 Service Award Recognition

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

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

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

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

8. CONSENT CALENDAR

a. Approval of Minutes: (1) May 29, 2015
(2) November 17, 2015
(3) November 17, 2015

b. Audit of Accounts:
Payroll $
Bills $

c. General Correspondence

d. Claims

e. Award of Bids

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

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

h. Other Items of Business

(1) Resolution R-5172, Approving the Subdivision and Final Plat of Meritage Ridge Being Department of Planning and Building File No. SUB 13-02088 and Setting Forth Conditions to Which Such Subdivision and Final Plat Shall Be Subject.

(2) Resolution R-5173, Approving an Interlocal Agreement Regarding the Establishment and Administration of a Regional Equitable Development Initiative Fund and Authorizing the City Manager to Sign.

(3) Approval of City Hall Photography Art

(4) Resolution R-5174, Relinquishing Any Interest the City May Have in an Unopened Right-Of-Way as Described Herein and Requested by Property Owners Duane and Janice Burow.

(5) Resolution R-5175, Relinquishing Any Interest, Except for a Utility Easement, the City May Have in an Unopened Right-Of-Way as Described Herein and Requested by Property Owner Nancy Hopen.

(6) Report on Procurement Activities

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

a. Ordinance O-4508, Amending the Biennial Budget for 2015-2016.

b. Ordinance O-4507, Establishing the Amount of Property Taxes to be Levied for the Year 2016, the Second Year of the City of Kirkland's 2015-2016 Fiscal Biennium and Repealing Ordinance 4500.

c. Resolution R-5176, Adopting the 2015-2020 Six-Year Capital Improvement Program for the City of Kirkland.

d. Ordinance O-4509 and its Summary, Relating to Transportation Concurrency And Amending Title 25 of the Kirkland Municipal Code, "Concurrency Management."

e. 2013-2015 Comprehensive Plan Update and Related Code and Map Amendments:

(1) Ordinance O-4506 and its Summary, For the Nelson/Cruikshank Citizen Amendment Request, Relating to Comprehensive Planning, Land Use and Zoning, and Amending the Comprehensive Plan Ordinance 3481, as Amended, the Kirkland Zoning Code, Ordinance 3719, as Amended, and the Kirkland Zoning Map, ordinance 3710, as Amended, as Required by RCW 36.70A.130 to Ensure Continued Compliance With the Growth Management Act and Approving a Summary for Publication, File No. CAM13-00465.

(2) Ordinance O-4494 and its Summary, Relating to Zoning, Comprehensive Planning and Land Use and Amending the Neighborhood Plan Chapters of the Comprehensive Plan Ordinance 3481, as Amended, and Chapter 40 of the Zoning Code, Ordinance 3719, as Amended, as Required by RCW 36.70A.130 to Ensure Continued Compliance with the Growth Management Act and Approving a Summary for Publication, File No. CAM13-00465.

(3) Ordinance O-4498 and its Summary, For the Citizen Amendment Request Proposals, Relating to Comprehensive Planning, Land Use and Zoning, and Amending the Comprehensive Plan Ordinance 3481, as Amended, the Kirkland Zoning Code, Ordinance 3719, as Amended, and the Kirkland Zoning Map, Ordinance 3710, as Amended, as Required by RCW 36.70A.130 to Ensure Continued Compliance with the Growth Management Act and Approving a Summary for Publication, File No. CAM13-00465.

(4) Ordinance O-4493 and its Summary, Relating to Comprehensive Planning and Land Use and Amending the Introduction, Vision Statement and Guiding Principles, General and Implementation Strategies Chapters, General Elements and Appendices of the Comprehensive Plan, Ordinance 3481, as Amended, as Required by RCW 36.70A.130 to Ensure Continued Compliance with the Growth Management Act, and Approving a Summary for Publication, File No. CAM13-00465.

(5) Ordinance O-4495 and its Summary, Relating to Comprehensive Planning, Land Use, Zoning and Design Review, and Amending the Totem Lake Neighborhood Plan, to be Titled The Totem Lake Business District Plan, of the Comprehensive Plan, Ordinance 3481, as Amended, and Amending Kirkland Municipal Code Chapter 3.30, "Design Review Board,"

Section 3.30.040, "Design Guidelines Adopted by Reference," and Amending Chapters 10, 20, 55, 92, 95, 105, 110, 115, 142 And 180 of the Kirkland Zoning Code, Ordinance 3719, as Amended, and the Kirkland Zoning Map, Ordinance 3710, as Amended, as Required by RCW 36.70A.130 to Ensure Continued Compliance with the Growth Management Act and Approving a Summary for Publication, File No. CAM13-00465.

(6) Ordinance O-4496 and its Summary, Relating to Zoning, Comprehensive Planning, Land Use, and Design Review and Amending Chapters 10 and 142 of the Kirkland Zoning Code, Ordinance 3719, as Amended; and Amending Kirkland Municipal Code Chapter 3.30, "Design Review Board," Section 3.30.040, "Design Guidelines Adopted by Reference," as Required by RCW 36.70A.130 to Ensure Continued Compliance with the Growth Management Act and Approving a Summary Ordinance for Publication, File No. CAM13-00465.

(7) Ordinance O-4497 and its Summary, Relating to Zoning and Land Use and Amending the City Of Kirkland Zoning Map, Ordinance 3710 as Amended, and City of Kirkland Land Use Map, Ordinance 3481, as Amended, to Conform to the Comprehensive Plan and as Required by RCW 36.70A.130 to Ensure Continued Compliance with the Growth Management Act, and Approving a Summary for Publication, File No. CAM13-00465.

(8) Ordinance O-4499 and its Summary, For the MRM Amendment Request, Relating to Comprehensive Planning, Land Use and Zoning, and Amending the Kirkland Zoning Code, Ordinance 3719, as Amended, as Required by RCW 36.70A.130 to Ensure Continued Compliance with the Growth Management Act and Approving a Summary for Publication, File No. ZON11-00006 and File No. CAM13-00465.

(9) Ordinance O-4505 and its Summary, For the Walen Citizen Amendment Request, Relating to Comprehensive Planning, Land Use and Zoning, and Amending the Comprehensive Plan Ordinance 3481, as Amended, the Kirkland Zoning Code, Ordinance 3719, as Amended, and the Kirkland Zoning Map, Ordinance 3710, as Amended, as Required by RCW 36.70A.130 to Ensure Continued Compliance with the Growth Management Act and Approving a Summary for Publication, File No. CAM13-00465.

f. Kirkland 2035 Wrap-up

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

11. NEW BUSINESS

a. Resolution R-5177, Authorizing the City Manager to Sign a Temporary License Agreement with KPP Development LLC for the Temporary Use of City Property for the Purpose of Access to Central Way During the Construction of the Parkplace Project and the Construction of Public Utilities to be Permanently Located in the Easterly Edge of Peter Kirk Park.

12. REPORTS

a. City Council Reports

(1) Finance and Administration Committee

(2) Legislative Committee

(3) Planning, and Economic Development Committee

(4) Public Safety Committee

(5) Public Works, Parks and Human Services Committee

(6) Tourism Development Committee

(7) Regional Issues

b. City Manager Reports

(1) Calendar Update

13. EXECUTIVE SESSION

a. To Discuss Property Acquisition

14. ITEMS FROM THE AUDIENCE

15. ADJOURNMENT

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.

Council Meeting: 12/08/2015
Agenda: Study Session
Item #: 3. a.

CITY OF KIRKLAND
Human Resources Department
123 5th AVE, Kirkland, WA 98033 425.587-3210
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: James Lopez, Director of Human Resources and Performance Management
Nicole Bruce, Senior Human Resources Analyst

Date: November 19, 2015

Subject: Health Care Update

RECOMMENDATION

That the Council receives an update on the development of the City's long term efforts to improve employee health while mitigating the rising cost of health care. Specifically this memorandum will update the Council on the 2015 implementation of the City's "Healthy Kirkland Initiative". Staff is pleased to report the City's overall health care "Per Employee Per Month (PEPM)" contribution will ***decrease*** by 4.5% in 2016. The 4.5% reduction is based on the recommendation of the City's health plan consultants and actuaries. The actuarial description of how the forecast was derived is footnoted below.[1] By way of comparison the Association of Washington Cities account based high deductible health plan (approximately equivalent to the City's) will experience a 9.1% ***increase*** for 2016. This reduction correlates to approximately $384,000 in potential savings for 2016.

BACKGROUND

In 2013, 2014 and early 2015 City staff from Human Resources, Finance and the City Manager's office were researching, developing and implementing a plan to put a comprehensive healthcare system in place that would improve employee health while mitigating the rising cost of health care. During this time there were updates to Council regarding the multiple issues the City faced and recommendations were made to attempt to mitigate them.

In the October 3, 2013 Memorandum to Council, titled, "Health Care Update and 5 Year Benefits Framework", it was presented that the City's claims growth had been slightly over 15% since becoming

[1] The 2016 forecast was derived through standard underwriting methods using actual enrollment, claims data and costs for the City's plans through August 31, 2015. Per Employee Per Month (PEPM) costs were calculated and trended forward using national medical trend of 7.9% and a 3% margin is added to account for claim fluctuation. Since the CDMH claims are relatively immature, an adjustment factor was used to account for claims incurred but not yet reported. 2016 fixed fees, VEBA funding and clinic cost estimates were added in and resulted in a total 4.5% lower than year to date per employee per month funding.

self-insured in 2011.[2] During this time period by prudently balancing reserves levels against expected liabilities, Kirkland had managed to keep our premium equivalent increases closer to 8.8% on average. Despite keeping these rate increases at a reasonable level, this was an unsustainable trend that contributed to the "diverging lines" financial gap between City revenues and expenditures over time. In addition, the rate of growth would trigger the Affordable Health Care Act "Cadillac Tax" in 2018.

The "Cadillac Tax" was first introduced to Council during the October 15, 2013 Council study session. In the study session it was discussed that this tax could cost the City upwards of $1.5 million in 2018 if we were to see premium increases of 12% per year. Staying under the tax would require that the increases per year be limited to approximately 2.5%.[3] The City Council provided direction that the City should take all necessary actions to avoid paying the Cadillac Tax.

In May of 2014 in the face of these challenges, City leadership put forth the lofty goal of continuing to provide City employee's with a quality healthcare plan that would make them healthier, contain costs and be sustainable into the future. In order to achieve that goal, the City sought ideas that had shown success in improving health and slowing cost growth, and looked for ways to build upon those successes. The City also sought to avoid, if at all possible, strategies that emphasized traditional methods of benefit reductions or cost shifting such as employee premium share.

As a result, focusing on three guiding principles, 1) improving employee health, 2) bending the cost growth trend, and 3) avoiding liability under the coming "Cadillac Tax", the City designed a new approach to delivering high quality care.

The Healthy Kirkland Initiative

As outlined in the May 20, 2014 Council presentation[4], the City opted for a "full systems approach" dubbed the Healthy Kirkland Initiative that included:

1) individual economic incentives to better empower individuals to make more informed medical decisions and improve the likelihood of health savings;
2) increased market transparency so employees could be more informed in those decisions;
3) unlimited primary care services, free to employees and qualified dependents, to promote proactive healthy behavior, and ensure participants had ample opportunity to get the critical on-demand primary care necessary to help ensure healthier lives.

Each element of the Initiative has been done successfully somewhere in the United States. What differentiated the City's new approach was not so much the implementation of any of these ideas separately as isolated efforts to improve care. Rather what was unique to the City's strategy was implementing each of these elements together, at the same time, as ***interdependent*** parts of a full health care delivery system.

Below is a graphical depiction of the projected savings associated with each of each element in the system working together to bend the trend of future growth previously presented by the City Manager at the 2014 Washington City Managers Association Summer Conference. The combined cost reductions for all the elements were estimated to place the City within reasonable striking distance of the 2.5% growth rate necessary to avoid the Cadillac Tax.

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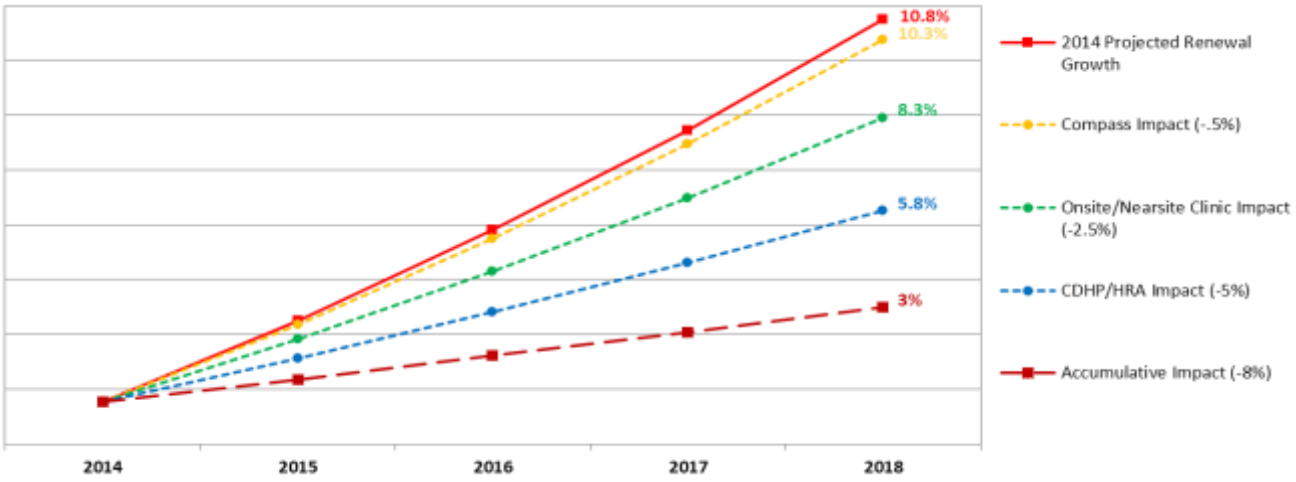
[2] October, 3, 2013 Memorandum to Council, "Heath Care Update and 5 Year Benefits Framework." Attachment A.
[3] October 15, 2013 Council Study Session Presentation, "Healthcare Update & 5 Year Framework." Attachment B.
[4] May 20, 2014 Council Retreat Presentation, "Health Care Update." Attachment C.



HOW DOES THE HEALTHY KIRKLAND INITIATIVE WORK?

High Deductible Health Plan

First, the City moved to a high deductible health plan. Establishing a high deductible framework created the necessary structure to incorporate real economic decision making to everyone participating in the new plan. With a high deductible plan, participants are required to pay a much larger portion of their initial health costs, emphasizing the need to make informed decisions on nearly every element of their care.

HRA VEBA

To offset the new financial exposure, the City created an expansive Health Reimbursement Voluntary Employee Benefits Association (HRA VEBA) benefit contribution, essentially matching annually the cost of the entire deductible for both individuals and families. HRA VEBA's, unlike traditional HRA's, are savings accounts that stay with employees and eligible dependents and accumulated account balances roll over from year to year. With this new approach, employees are given both a new economic exposure (the higher deductible) combined with a new financial incentive to save (the HRA VEBA contribution). In order to fully match the annual cost of the high deductible as part of their HRA VEBA contribution, however, most employees and their spouses/domestic partners have to complete a wellness incentive program.[5] These activities include a biometric screening, health risk assessment, visiting with a health provider and meeting with a health coach, and registering with the health concierge service.

Financial Exposure		
	Healthy Kirkland Plan	
	Employee Only	**Family**
Deductible	1500	3000
Out-Of Pocket Max	**2500**	**5000**
VEBA Contribution	1200	2400
Wellness Contribution	600	600
Total VEBA Contribution	**1800**	**3000**
Maximum Exposure	***700***	***2000***

[5]Employees can earn up to $600 in HRA VEBA deposits in addition to the $1,200 paid to individuals and $2,400 for families, by participating in wellness activities.

Thus, the new framework provides an incentive to engage in healthy behavior and make more judicious decisions regarding the utilization of care, supporting the notion put forth by economist Milton Friedman when he stated "nobody spends somebody else's money as carefully as he spends his own."

Compass Health Service Concierge
Recognizing that putting employees into the health care marketplace without guidance or better information was not enough, the City implemented the next critical element to the new approach by adding, at no cost to the employee, the availability of a health concierge service. This service helps guide employees in making better decisions in the market place by providing much needed data on provider cost, quality of care and convenience. The company selected to provide the service, Compass, even helps individuals better understand any questions on appropriate coverage and billing statements. By contracting with the Compass health service, City employees are more empowered consumers in an otherwise opaque marketplace.

Vera Whole Health Near Site Primary Care Clinic
The final element of the full systems approach was the creation of a near site primary care health center, free to employees and qualified dependents. As outlined in the December 2, 2014 memorandum to Council[6], the City chose Vera Whole Health Services as the operator of the health center. The Kirkland Vera clinic is located in the Totem Lake area, just a short drive from the Evergreen Hospital Emergency Room. Parking at the facility is free, and it is open to employees and their family members who are enrolled in the City's health plans. The health center provides preventative and same day acute care (immunizations, check-ups, limited prescriptions, etc.) along with behavioral and lifestyle health coaching, all at no cost to the employee. The health professionals at the clinic provide top notch care that includes both coaching and education, so employees can schedule appointments for a variety of preventative and acute services, as well as wellness and nutritional consultations. Finally, Vera was chosen as the clinic provider because it provides reciprocity among its clinics. Kirkland employees and qualified dependents can visit any Vera clinic for free. Currently there are several clinics in Seattle in addition to the Kirkland location and as more clinics are added, access of Kirkland employees and their families to high quality, free health care will only increase.

The health center is a critical component of the entire system. The reasons for this are several. First, because primary care is free and convenient, employees and qualified dependents have a powerful financial incentive to use the clinic to save their HRA VEBA balances and be more active in maintaining their health. Second, because the operation of the clinic is informed by a council made up of employees, the quality and availability of care is part of a participatory process that encourages employee engagement and oversight. Finally, because the Vera model involves unlimited free access to a health coach, the clinic could become a catalyst for cultural change at the City that promotes more healthy proactive living as part of the employment experience.

Each element of the Healthy Kirkland Initiative taken alone would likely be an important improvement to an existing health care plan. Taken together and implemented as part of a comprehensive system however, each element is enhanced to realize much more of its full potential providing entirely new opportunities for participants to improve health, increase savings and enjoy a better quality of life.

[6] December 2, 2014, Memorandum to Council, "Vera Whole Health." Attachment D.

Shooting for the Moon
The implementation team of HR, Finance and Vera staff nicknamed the Healthy Kirkland Initiative "The Moon Project" since the City and Vera were shooting for the moon to improve employee health and reduce costs. In the Vera clinic by the reception desk is a framed photograph of the moon (taken by Nicole Bruce's father) to inspire the project to success. The City Council launched the City's moon shot by boldly adopting a 2015-2016 budget that assumed no increase for health care costs and set the health care budget at the 2014 level in hopes that the Healthy Kirkland Initiative would be successful. AFSME, Teamsters, PSEU and MAC employees all signed on to the new plan for 2015 and their willingness to take the journey with the City should be recognized and commended. Starting January 1, 2016, the Police Guild will also join the plan. Contract negotiations that include health care benefits are still underway with the IAFF and the Non-commissioned members of the Police Guild. Both bargaining units have been offered the Healthy Kirkland Plan by the City.

HOW ARE WE DOING?

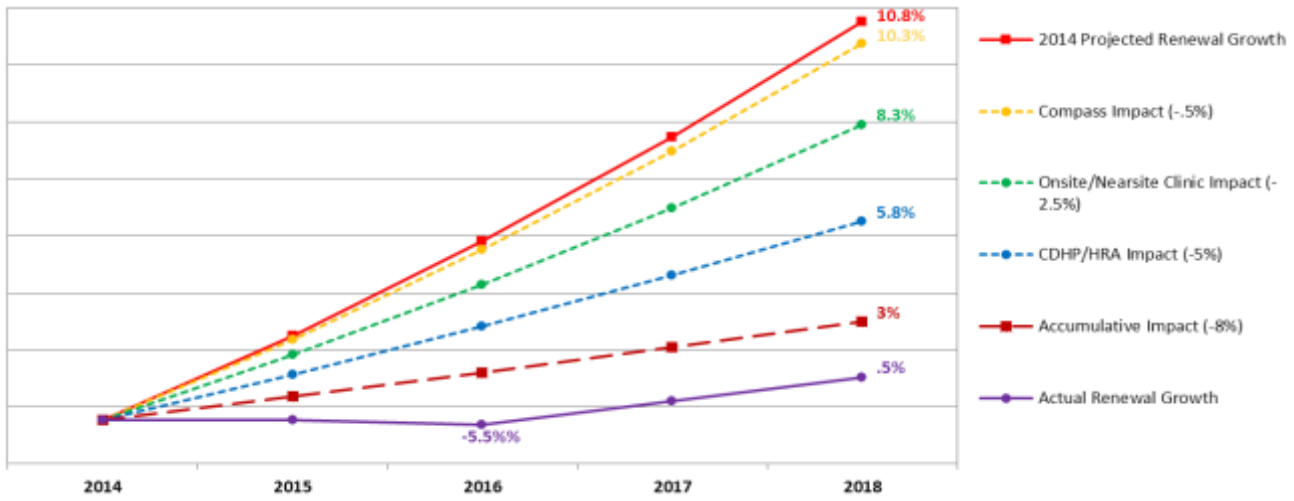
DECREASE IN TREND

The City's new plan with all of these elements went into effect in April 2015. So far, the new framework is showing promising results as the City's consultant recommended proposed 2016 PEPM contribution for health care will ***decrease*** by 4.5%. The 4.5% decrease actually represents a negative growth trend as the City budgeted for a 0% increase in contributions over 2014 levels. The decrease is especially significant given the national average shows a 6% ***increase*** in health care costs.[7] For a more local comparison, the 2016 Association of Washington Cities high deductible health plan (similar to the City's) will experience a 9.1% ***increase*** for 2016.

The dramatic reversal in trend is both remarkable and critical to the financial stability of the health benefits program. In 2013 a cost increase trajectory of 2.49% would have reached the "Cadillac Tax" threshold at the Employee and Family level of coverage in 2016. If 2013/2014 cost trajectory (7%-12%) continued with no plan changes, the City's tax bill in 2018 would have been between $500k and $1.5 Million. With the changes that have been made with plan design and change in employee behavior, this tax liability is now conservatively projected to be between $20k and $50k even if the City returns to historical trend increases (7%-12%).[8] Part of the reason for the dramatic decrease is because the City's tax liability would be limited to the Employee Only category and there are only 88 employees that have currently elected this level of coverage. The initial success of the Healthy Kirkland Initiative makes it probable that the City will actually remain below the Cadillac Tax threshold, but with only 7 months of actual data, it is too early to determine if the savings will be sustained over time.

Below is an updated graphic reflecting the actual impact of the Healthy Kirkland Initiative against original projections. Please note all data beyond 2016 are projections against the new adjusted trend.

[7] October 6, 2015, Towers Watson Article, "U.S. Employers Expect Rate of Increase in Health Care Costs in 2015 to Remain Low but Well Above Inflation."
[8] 2018 "Cadillac Tax" Projections Spreadsheet. Attachment E.



EMPLOYEE SAVINGS

Importantly, it's not just the City that is realizing economic benefits from the new system. While high utilizers of health care have needed to spend their VEBA contributions (which was expected), preliminary data shows many of our participating employees are maintaining health care savings as part of the new plan design. So, on a very practical level, many employees are achieving greater retirement health savings under the new system. Recent data reveals that the average balance in employee HRA VEBA accounts is over $2,000. It is important to note that about 260 of these employees, primarily in Police and Fire, had funded accounts prior to implementation of the new system. However, that still leaves over 300 new accounts contributing to the high average balance.[9]

Since April 2015, employees filed 1,217 individual claims for reimbursement towards their HRA VEBA accounts. The total of paid claims reimbursements during this period is $185,064 although this amount is expected to increase as reimbursements from November and December are filed. The City has contributed approximately $800,000 to HRA VEBA accounts during this same time period. As we enter 2016, the final difference in total funds paid for claims reimbursements versus total funds distributed to employees in 2015 will be another important indication of employee savings that may be carried forward into future years.[10]

WELLNESS PROGRAM PARTICIPATION

A significant percentage of employees responded to the economic incentives included in the wellness program. To date more than 65% of our eligible employees and their spouses/domestic partners have earned this incentive. This is a dramatic improvement over participation rates of less than 20% for our wellness screenings in previous years. Given these participation numbers, many employees are on the way toward being both financially better off (see above) and healthier under the new system.

[9] BPAS Kirkland Quarter 3, 2015 Report, pages 5, 6. Attachment F.
[10] BPAS Kirkland Quarter 2, 3, 2015 Report, pages 2, 3. Attachment F and G.

COMPASS UTILIZATION

The Compass health concierge service is also proving to be an important part of the new approach. The Compass phone lines have been very active with employees getting assistance with everything from finding doctors to auditing bills. To date there have been over 244 doctor recommendations resulting projected possible savings of $142,815 if all of their recommendations were used. It is important to note that these are savings are projected—not confirmed. A complete breakdown of the projected savings can be found Compass Performance Report.[11] The City did confirm program participants made 478 calls to get assistance in navigating our new plan and to become better health care consumers. That level of call participation meets with City projections of meaningful participation but higher utilization of Compass will be a focus for 2016.[12]

VERA UTILIZATION AND CUSTOMER SATISFACTION

The City is pleased to report that participation levels at the VERA health center have been excellent. Between the opening in April and the end of September, 52% of our eligible participants, including children were seen at the center for a total of 1,735 patient visits, 533 of which are coaching visits.[13] The non-coaching visits include everything from biometric screenings and flu shots, to pediatric well child visits and acute care (sick appointments). These 6 month participation rates are the highest on record for Vera. Because of this robust utilization, City costs for the clinic have actually risen, which a favorable economic development is given the clinic's lower fixed costs compared to the market. The data reveals that increased clinic utilization is a key factor in the overall reduction of the City's health care budget.

52% of eligible members is 479 unique members that have been seen in a 6 month period. This record breaking pace did cause some challenges during the first few months, but even with this challenge Vera was able to receive good patient satisfaction scores from the City's employees and families. Vera has provided the City with two patient satisfaction survey results in which 109 of the 479 clinic utilizers responded. From the first survey to the second, we have seen improvement in all categories with overall satisfaction going from 4.3 to 4.48 out of 5. Another noteworthy data point is that the clinic is performing above 4.3 in every category, an important benchmark in measuring customer service. Given the large participation in the clinic, this is a very good result.[14]

Finally in order for the City to continue to have success in our Healthy Kirkland Initiative, culture change will be a critical factor. The City hopes to achieve this culture of health through the implementation of Vera's Whole Health Council. The council is made up of City employees and Vera staff and its mission is to *"…help employees and families engage in a healthy and proactive lifestyle. We do this by:*

- *Informing through open communication*
- *Listening and responding*
- *Supporting changing needs and expectations"*

[11] Compass Performance Report 2015, pages 2. Attachment H.
[12] Compass Performance Report 2015, page 3. Attachment H.
[13] Vera Kirkland Utilization Report. Attachment I.
[14] Vera Patient Satisfaction Reports. Attachment J and K.

So far this year the council has had three meetings. These first few meetings were designed to set the committee's mission and goals as well as train the committee to be change agents. The Whole Health Council will also make recommendations on issues such as services provided and hours of operation for the clinic as many employees have expressed the desire for Saturday clinic hours. We are hopeful that the Whole Health Council can serve as a model of employee engagement, keeping employee health and welfare at the forefront of City health care priorities.

CHALLENGES

During the 2015 implementation of the new program, the City experienced several challenges. To a certain extent, these challenges were expected given the speed at which the new system was introduced and the truncated timeline available to get all the programs running at full speed.

The principal area of concern revolved around getting eligible employees and dependents into Vera in time to achieve the wellness incentive. Because the program started in April and the wellness incentive needed to be achieved by July 1, there was less time to fulfill this requirement, creating demand on clinic time that otherwise would not have been a concern. Participants also were confused as to how many steps were required to achieve the wellness incentive, and during the process expressed concern over how to best confirm each of the steps were completed.

Another area of concern was how to pay individual claims under the new high deductible framework. Given the new plan's reliance on consumer driven decisions, employees and dependents needed time to work through the process of paying claims out of their HRA VEBA accounts and learn the steps necessary to insure compliance with federal laws governing those accounts.

The City has made several improvements for the 2016 year based on these concerns. Because the 2016 program is starting in January as opposed to April, the challenge of getting folks through Vera by July 1 to achieve the wellness incentive is significantly mitigated. Essentially there is now much more time to get the things done. The City has also increased the opportunity for participants to finish the wellness program early by adjusting the program calendar to allow for compliance visits much earlier in the process.

In order to address the communication issues around the wellness incentive requirements, the City has contracted with Compass to create an *online wellness tracker* tool available to all program participants. Starting February 1, 2016, employees and spouses/domestic partners can find all the information they need to confirm if they have completed the steps necessary to qualify for the incentive by calling Compass or logging into the Compass website to view the personal information tracker. This benefit should go a long way toward alleviating confusion over whether participants are compliant with the program.

Finally, to address questions on how to best pay individual claims, the City has, and will continue to conduct several brown bag information sessions with our vendor BPAS to continue to educate participants on this process. BPAS will also be offering investment consultation to interested employees on health saving strategies as part of the 2016 program.

CONCLUSION

Although we are just over 7 months into the new system the City is seeing promising results. Even with conservative estimates from our consultant, the City is estimating a 4.5% ***decrease*** in health care PEPM contributions compared to what was contributed in 2015. Moving forward, the City will continue to prioritize the need for clear, timely communication on how to successfully implement each element of the plan, including the most efficient and effective way for employees to pay claims, how to make the most out of the Compass service, and how the clinic can both save on health costs and improve the health of our employees and their families.

Moving forward, in addition to working to improve upon the programs now in place, staff is evaluating new ideas to build upon the full systems approach. These ideas include contracting with providers such as Evergreen Health that have created **high performing networks** and offering these networks at a discounted rate to our employees. High performing networks are closed systems that provide high quality care at discounted prices, and given the consumer-focused elements of our plan design, could have a beneficial impact on our plan.

Staff is also evaluating the idea of including a **referenced based pricing** element to the program. Referenced based pricing involves contracting with health providers to provide certain, specific procedures such as knee replacements to our employees at a deep discount in return for bulk purchases of that procedure. If the right balance of supply and demand can be determined from our data, such a strategy might be beneficial to our program.

Finally, the City is hopeful that the Vera Health Center network of available facilities grows in 2016. As mentioned previously, one of the key reasons the City chose Vera as our clinic provider was that Vera offers reciprocity to our program participants. As Vera grows, our employees and their qualified dependents have more opportunities to get primary care at convenient locations. Given the preliminary success the Healthy Kirkland Initiative, the City intends to market our program to other municipal entities and is hopeful that other public institutions will recognize the benefits of an on-site or near site health center, and in doing so, increase primary care availability to our program.

CITY OF KIRKLAND
Human Resources Department
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www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: James Lopez, Director of Human Resources and Performance Mgmt.

Date: October 3, 2013

Subject: Healthcare Update and 5 Year Benefits Framework

RECOMMENDATION

That the City Council receives an update on the results of Kirkland switching to self-insured healthcare benefits and a presentation on a 5 year benefits policy framework to improve employee health while mitigating the rising cost of healthcare to the City. Healthcare benefits are a complex topic and are also a key element of Kirkland's collective bargaining agreements. Several additional study sessions will likely be requested by staff in 2014 to keep the Council apprised of Kirkland's efforts on this issue.

BACKGROUND

Three years ago the Human Resources Department came to Council with a recommendation to move Kirkland's health coverage from the Association of Washington Cities (AWC) to a self-insured platform. Included in this packet for background purposes is Attachment A, a memorandum to Council dated February 23, 2010 titled "Medical Benefits Strategies." This 2010 memo describes the due diligence study that was undertaken to support the recommendation to Council to leave the AWC and become self-insured. The memo discusses marketplace options for providing insurance to employees, the City's obligations concerning the collective bargaining process, a high level overview of how to operate a self-insured plan, and the benefits of "controlling our destiny."

On October 5, 2010 Council approved Resolution R-4840, Approving a Self-Funded Medical Plan and Authorizing the City Manager to Execute Agreements with a Third Party Administrator and Other Providers Needed to Operate the Plan and the Fund to be Created to Finance the Plan. The link includes the staff memos and presentations made to the Council to support this decision. A major factor in making this decision was the ability to gather claims data to make informed decisions regarding our benefits. The City now has over two-and-a half years of data and is starting to get a good picture of our utilization. A claims analysis was done by Verisk Health (a third party Medical Intelligence vendor) and below is a high-level overview of some of the areas that stand out in our data compared to their norms with other organizations.

Demographics
The City has around 520 employees on the plan and 920 dependents and our average age on the plan is 33. This average age is below the norm of 36. Spouses make up 28% of our group, but account for 36% of our claims and 40% of our large claims.

Medical Spend
The City's gross medical spend in 2012 was $343.10 per employee per month; this number is 29% higher than the norm.

This high utilization can be seen through a couple of different statistics with professional services utilization being the largest driver at 27% above the Verisk Health norm ("norms"). Several of our office visit subcategories are above the norms, with behavioral health visits being one of the most significant at 173% above.

Another area where Kirkland is seeing above average utilization is in maternity visits which are 43% more than norms. We believed this to be a one-time 2012 phenomenon, but in 2013 we are seeing these trends continue, although they are stabilizing. This correlates to the large amount of new hires with young families due to annexation in 2011.

Emergency room utilization is usually one of the top focus areas for employers. Our ER utilization is actually below the norms, which is good news; however, the amount we are paying per visit is over $700 more than what is being seen in the marketplace.

Pharmacy Spend
Our pharmacy spend in 2012 averaged $52.98 per employee per month, which is 2.5% below the norms. With this good news also comes the inverse because our utilization patterns are 19% higher. Essentially Kirkland uses a higher volume of drugs than the norm, but pays less for them. This contrast can somewhat be explained by high generic drug usage which Kirkland promotes proactively. Our generic drug use is 2% higher than the norms.

Another area where we have room for improvement is in our mail order program. Through mail order employees can often get three months of medication for the cost of two months, yet we have very low participation in this program. Increased mail orders could not only lower the cost of pharmacy claims to our plan, but also reduce the amount employees spend out of pocket.

During this same two-and-a-half year period the federal government has passed the adoption, implementation, and interpretation of the Affordable Care Act. This legislation has and will have a major impact to our cost of providing benefits.

Attachment B, *Healthcare Reform Survival Guide for Employers*, is a guide that was published by our consultant Alliant. This guide provides an overview of how the Affordable Care Act has and will impact employers as well as the timing of when these impacts have been and will need to be implemented. This guide covers six topic areas including plan benefits, plan administration, plan finances and taxes, pay or play (requirements of employers providing coverage), communications, and participant issues.

During the upcoming Study Session the Council will be provided an overview of following:

- A discussion of key considerations that impact our health plan
- A discussion on the history and benefits of being self-insured
- A look at Kirkland's cost trends
- The impacts of the Affordable Care Act on Kirkland's health benefit plan

With all of these factors in mind, the Human Resources Department will present a five year framework to find strategies that improve the health of Kirkland employees while moderating the rising costs of providing quality health insurance.

One initiative in the 2013-2014 Work Plan is to *"Continue partnership initiatives with employees to achieve sustainability of wages and benefits."* In 2012 and 2013 the focus was on predictability of wages and HR implemented this through labor negotiations. In 2014 HR's work will focus on the second half of this initiative - finding healthcare strategies to achieve sustainability of benefits. We will continue to work with the now established Employee Benefits Advisory Committee (EBAC), our benefits consultant Alliant, and through negotiations with our union groups to implement plan designs that offer the City and its employee's quality healthcare that is compliant with legislation and is sustainable into the future. A strong component of success in achieving the 2014 health care work will be the education of our employees on all aspects of the ACA, Kirkland's health claims data, and potential changes to plan design to improve health and reduce costs. The Human Resources Department will be requesting one-time resources from the health benefits fund to provide the proactive 2014 education efforts necessary. More information about this request will be included in the mid-biennial budget process.

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MEMORANDUM

To: City Council

From: William R. Kenny, Human Resources Director

Date: February 23, 2010

Subject: Medical Benefits Strategies

As stated in previous Reading File and strategy updates, the City's medical benefits have been under review by the Human Resources Department, as well as our Medical Benefits Committee, with a cross-section of employee and Union representatives.

In keeping with this theme, we have spent the last couple of years completing a due diligence assessment or study of options, while closely watching the changes that are occurring with our current provider of medical benefits, the Association of Washington Cities (AWC).

Key Messages:
o AWC Regence Plans A&B not offered after December 31, 2011 (except LEOFF 1)
o AWC PPO plans (three) will replace Plans A&B, with a well city discount
o Unions have been provided notice and the Medical Benefits Committee was re-convened
o "Substantially Equivalent Benefits" (plan design and network) required per Union CBAs
o Due Diligence Study of options completed and recommendations developing

Council Direction Requested:
o Best option would seem to be going to a (Limited Risk) Self Funded Medical Program
o Change could be as early as July 1, 2010 and recommended not later than January 1, 2011
o Cost containment and "Control Own Destiny" goals are greater with Self Funded Program
o Alternative would be to stay with AWC and convert to PPO for 2011 (or 2012 latest)

Background
Kirkland has made a concerted effort over the past few years to move the majority of City employee's medical coverage from Regence Plan A to Plan B. This was a strategy to help contain the City's benefit costs in an environment of spiraling medical premium rates.

We were also able to get language in our negotiated collective bargaining agreements (CBAs) that provides, even mid-term of the agreements, for a due diligence study of the medical programs, associated costs and identification of other health options available to the City of Kirkland. Obviously, the Unions were hesitant to "pre-agree" to potential unknown changes but did agree to language that provides for exploring options toward "substantially equivalent benefits" and allowing for future changes. The CBAs also provides for (impacts) bargaining of any major changes.

In 2008 we received notice from AWC that they would be eliminating Regence Plan A and Regence Plan B and converting to three PPO plans effective at the end of 2011. The stated reason for the elimination is that the plans are no longer actuarially efficient for the Trust to continue to offer. It is noted that most other multi-employer trusts and medical plans have made or are making similar decisions and are or have moved to a PPO platform.

It might first be helpful to clarify what a PPO is - in contrast to our current Regence Plan A and B (known as a fully funded or POS / Point of Service medical program):

> PPO –"… a managed care organization of medical doctors, hospitals, and other health care providers who have covenanted with an insurer or a third-party administrator to provide health care at reduced rates to the insurer's or administrator's clients….
>
> A preferred provider organization is a subscription-based medical care arrangement. A membership allows a substantial discount below their regularly charged rates from the designated professionals partnered with the organization. Preferred provider organizations themselves earn money by charging an access fee to the insurance company for the use of their network (unlike the usual insurance with premiums and corresponding payments paid either in full or partially by the insurance provider to the medical doctor). They negotiate with providers to set fee schedules, and handle disputes between insurers and providers….
>
> Other features of a preferred provider organization generally include utilization review, where representatives of the insurer or administrator review the records of treatments provided to verify that they are appropriate for the condition being treated rather than largely or solely being performed to increase the amount of reimbursement due…." [Wikipedia]

To employees and their families, the key to the quality of care is the provider network – i.e. how inclusive the provider network is and, specifically, if their individual health care providers are members.

Due Diligence Study

In order to assure a prudent due diligence study, the Benefits Committee utilized the services of Alliant / ClearPoint to analyze options for the city within the medical benefits marketplace.

There are four options that are generally available to an employer. We reviewed each of these as part of the due diligence study. Those four options are:

1) contracting directly with insurance carriers,
2) moving to another multi-employer trust,
3) staying with AWC
4) initiating a Self Funded medical program

Previous Council Reading Files have provided more detailed discussion of these options and the pros and cons for each.

A lack of specific City of Kirkland claims data has represented a significant problem in looking at options. AWC does not provide access to the claims experience data to individual participating members. Because of this, we have been unable to provide exact claims data to potential carriers in order to secure quotes.

Rates are typically set through a combination of factors including employee population size, employee and family demographics and previous claim experience (actual costs). With our small employee population and lack of specific claims experience information, potential carriers initially either declined to quote or have come up with quotes significantly higher than our current costs.

As discussed further in the "Risk Management" section below, working with Aliant / ClearPoint, we were able to creatively mitigate this lack of Kirkland specific claims data by providing carriers with reasonable experience information utilizing known claims data from comparable jurisdictions and our own demographics. Even with this, carriers have tended to quote rates higher than current AWC rates (…Premera quoted, for example, 50% higher than current premium costs).

With the remaining options of either staying with AWC or moving to another multi-employer trust, both approaches result in a conversion to a PPO plan design. (It is noted that many of the other large multi-employer trusts, such as the PEBB state program or Union trusts, such as the Teamsters, are already in a PPO format). Therefore, coupled with a continuing increase in costs (…either through an immediately higher premium or as a result of a lack of ability to affect or control "trend" regarding escalating premium costs), it is not really a question of if Kirkland should move to a PPO platform but rather "when?" and "which one…?"

Competing Interests

Reconciling competing interests has been a challenging endeavor in this approach. All employers today are critically concerned in regard to the escalating costs associated with medical benefit programs. This is balanced with the needs of employees and their families, who are most interested in the benefit plan design and the provider network which is available to them. This has proven to be even more-so true for City of Kirkland employees. The Unions are concerned about change from current benefit levels and any efforts toward increasing their members' out-of-pocket expenses (cost-sharing) – hence the emphasis on assuring substantially equivalent benefits.

In order to attempt to balance these competing interests, and provide an "apples to apples" comparison to AWC's current (Plans A&B) and AWC's future (PPO) programs, the study of options was initiated with some clear initial parameters:

1) Plan design within a PPO framework
2) Substantially similar benefit levels
3) Substantially similar provider network
4) Preventative benefit component
5) Deductible and out-of pocket similar to the AWC PPO
6) Ability to manage costs and reduce "trend"
7) Ability to "control our own destiny"

Given all considerations, a "limited risk" Self Funded medical program would seem to provide the best prospect of meeting Kirkland's interests and reconciling these competing interests.

What Is Self Funding?

An employer who operates a Self Funded health plan assumes the financial risk for providing health care benefits for its employees. Self Funded plans differ from fully insured plans in that employers do not pay monthly premiums for health care, however they do pay the claims cost for the services that employees actually receive and the costs to administer the program.

The basic components of a well-established Self-Funded Plan would include:

1) Third Party Administrator (Eligibility & Claims Processing)
2) Plan Design (Actuarially prudent – note: "substantially equivalent" requirement)
3) Provider Network (Health care services and provider discounts)
4) Stop Loss Insurance (Risk Limitation or Cap)
5) Reserves and Rate Stabilization Fund (Assure adequate funding and cost containment)

To limit their liability most employers purchase Stop Loss insurance. The Stop Loss insurer agrees to reimburse the employer for health care costs that reaches certain individual and/or aggregate thresholds (for example, $100,000 monthly per individual and $3.8 mm annual aggregate) in exchange for premium payments on the Stop Loss coverage. Generally, the lower the threshold amount, the higher the premium.

Risk Management

Self-Funded programs are not totally without risk, but the risks can be minimized. As noted, having good Stop Loss coverage in place, with appropriate limits, is a key component of managing the risk.

As part of the due diligence study, we were able to do an actuarial analysis to predict our "Expected Liability" utilizing known claims data from comparable jurisdictions, coupled with a cross reference to our own demographics. This helps to overcome the issue of a lack of claims data from AWC and is best thought of as a base line average of anticipated claims.

To alleviate the volatility of claims, the Expected Liability average was then converted into a "Maximum Liability" (98% reliability factor). Stop Loss coverage would be put into place at this level.

Reserves and Rate Stabilization are tools to assure the adequate dollars are in place to pay both fixed costs and claims.

"Reserves" are built during the first year and do not necessitate a cash infusion. Typically, employers are in a position to "save" money in the first 12 months while self-funding. This occurs because claims payments for services in one month are not processed until the second or third month. For example, should Kirkland go to a Self Funded program, in the early months of the transition period, medical claims and provider billings "run-in" subsequent to when the service is actually delivered. Additionally, AWC would remain liable for services prior to the transition period, regardless of when paid. This allows reserves to build. (Please see Illustrative Example – Attachment 1)

The "Rate Stabilization" fund provides that anticipated costs remain constant for say a two year period, while providing a actuarially prudent hedge against "trend" in the second year. This is important, especially with a biennium budget. This helps to assure that overall costs are predictable and new cash infusions are not necessary.

"Control your own Destiny"

Performance measurement and management by information are powerful tools. With a Self Funded Program, cost containment options are different than with a fully funded program, such as AWC or direct contracting with a carrier. With Fully Funded programs, premium cost-sharing with employees is the only viable option toward cost containment and consumer managed care. Within Self Funded models, utilization and severity analysis are possible on an ongoing basis, and such elements as plan design, deductibles and out-of-pocket are variables within one's own control. Both the employer and the employees are in a greater position to influence and drive the type of care and the cost of it.

Typically, an employer would put into place a "Benefits Committee" (much like our current MEBT model) with both employee and management representation. If costs on a specific item are growing at an actuarially inappropriate rate, they can be specifically addressed. For example, if employees are over-utilizing Emergency Rooms, an alternative clinic or health care approach, or even a higher deductable, can be applied to that specific benefit to reduce utilization and to control cost.

Additionally, over-time, the employer can gather and analyze claims data to be responsive with provider or plan design changes or other modifications to meet utilization.

Further, the Self Funded model currently being used as a base line has a significant "preventive" component (annual physical, well-child, etc). This can be leveraged with the City's current wellness and health risk assessment efforts.

Questions deserving consideration

How would this be funded – won't it cost more?

When a conversion / transition is made to Self Funded, the employer is able to build reserves. Because fixed costs can be anticipated and claims costs have a gradual run-in, the additional cash can be retained as reserves against future claim costs. This alleviates the need for up-front cash.

By contributing even at current levels of cost (i.e. the amount that AWC premiums currently cost the City of Kirkland, which is approximately $5.1 mm), nearly $1.3 mm in reserves and rate stabilization could be achieved by the end of the first year. While no-one can assure claims cost, this assessment is based upon reasonably prudent actuarial analysis and risk factors.

Even with "trend" increases, this should assure that sufficient monies are being reserved to meet claims costs for a biennium budget, without additional annual adjustment. (Please see Illustrative Example – Attachment #1)

What is "trend?

Each year medical services cost more. Premium increases are correspondingly increased even more. However, depending upon an employer's approach, there can be a big difference in how much more. For example, in recent years, AWC has averaged 10% premium increases (and even more than that in prior years.) Contrast that with some of our neighbors such as Bellevue and Redmond, who are Self-Funded, and have averaged closer to 6% cost increases. In some years they have had 0% increases in cost (Redmond – 2009, Bellevue – 2008) and Everett, Renton and others have enjoyed similar successes.

Additionally, each year the Stop Loss premium may also increase. Again that is driven by the number of times that claims exceed maximum liability, either based upon unusual individual or aggregate experience. While there is only a 2% prospect of this occurring, the Rate Stabilization fund would provide adequate safeguard against the need for additional cash infusion, cover any trend increases, as well as provide predictability as to the total cost of a medical program.

What are factors that would jeopardize a Self Funded Plan?

Most Self Funded programs are successful. Very occasionally, you may hear about one that is not successful and that organization would then go back to a different medical program. While rare, there are some "lessons learned" in those instances. Generally, one or more of the following have occurred, when there are problems with Self Funded medical programs:

1) Inadequate Stop Loss Coverage
2) Too small of a group or "high cost / high risk" demographics
3) Incomplete or improper actuarial analysis
4) Too rich plan design
5) Not managing by information / adjusting to utilization
6) Reserves or Rate Stabilization set too thin
7) Treating Reserves or Rate Stabilization as "cash"

How will we know if we are reserving enough / too much?

First Choice Health would provide Third Party Administrative services. This will provide ongoing claims and experience data. Alliant / ClearPoint will then provide analytical, underwriting, key metrics analysis, risk measures and severity reports based upon actual Kirkland data.

Externally, the State of Washington provides an annual audit and detailed actuarial assessment of reserve levels and the adequacy of those reserves. Internally, a Benefits Committee will also provide a consumer-driven approach to managed health care, based upon composite information.

What about Group Health and other Insurances?

Group Health is an HMO and, by law, we would continue to offer Group Health as an option under this scenario. The Self Funded program basically replaces Regence Plans A and B. Other insurances such as Vision and Dental, as well as our FSA/125 Plan, etc. would continue to be offered at current levels, and would be generally unaffected.

It should also be identified that we would also have very significant opportunities as to Prescription Drugs access and cost. This approach allows for greater volume purchasing, pricing transparency and formulary management, resulting in lower costs.

What about employee cost-sharing?

Each of our Collective Bargaining Agreements has language that provide for the ability to change medical programs, with certain requirements. The basic tenant is "substantially equivalent." The language of the AFSCME Agreement serves as an example:

ARTICLE 15 – HEALTH & WELFARE

15.1 MAINTENANCE OF BENEFITS

Medical and Dental Insurance - The Employer may self-insure medical and/or dental insurance coverage or select a new medical and/or dental insurance plan and shall make every possible effort to maintain substantially equivalent benefits. The Employer and the Union shall meet to explore alternative insurance coverage prior to selecting any new medical and/or dental insurance plan in order to maintain substantially equivalent benefits at a reasonable cost. The Employer recognizes its responsibility to bargain with the union the impact of those decisions…..

Participation in benefits shall be consistent with Article 15.2 of this Agreement and the trusts and Plans described below.

15.2 HEALTH AND LIFE INSURANCE

Medical Insurance - the Employer shall pay each month one hundred percent (100%) of the premium necessary for the purchase of employee coverage and one hundred percent (100%) of the premium necessary for the purchase of dependent coverage under the Association of Washington Cities Regence Medical Plan B or Group Health Plan 2 for each employee of the bargaining unit.

Changes in insurance carrier shall be subject to Article 15.1….

Obviously, a change to a Self Funded Program will represent a significant "leap of faith" for our employees and their families. Additionally, to the Unions, it is their perspective that the components of benefit plan design, provider network and member cost are all elements of "substantially equivalent benefits."

It is a very significant question as to Union receptivity if this type of a change in programs (Self Funded) could be accomplished if employee cost-sharing was concurrently proposed.

Again, it is believed and recommended that the cost containment potential for the City of Kirkland is in the greater ability to "Control our own Destiny."

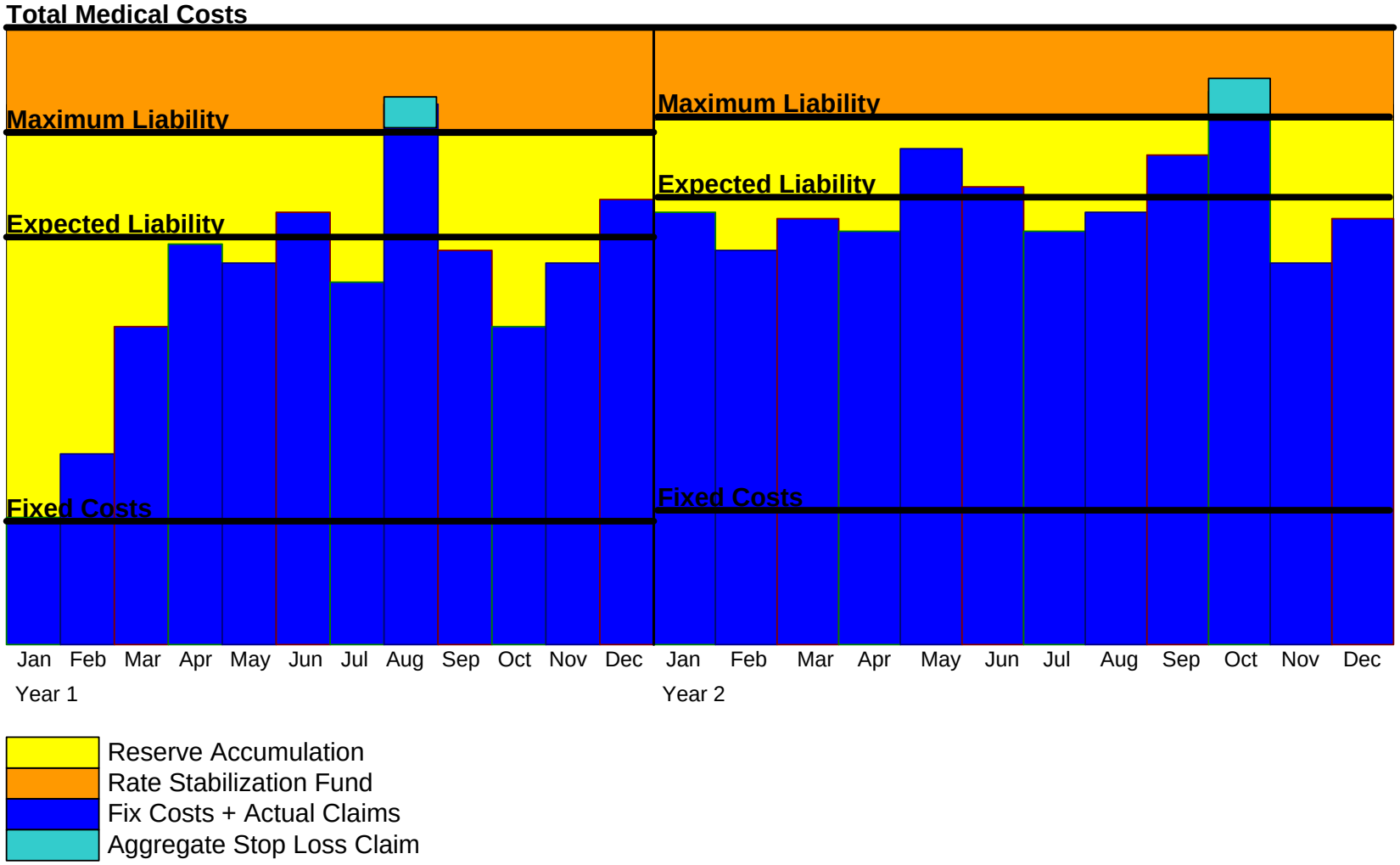
Conclusion

The opportunity to realize a positive change in medical programs (at a time when change is necessitated) is important for a variety of reasons. It is also noteworthy that the options available to the City of Kirkland become less with the passage of time.

This Reading File presents Self Funded as an option for Council's consideration, and one that does reconcile multiple competing interests. It also meets many of the goals necessitated by the City of Kirkland's understandable budget and financial concerns.

It is hoped that this Reading File represents an opportunity for Council discussion and direction, on a matter that is critical to our City as well as to its employees and their families.

How do we build reserves? -Illustrative Example



HEALTHCARE REFORM SURVIVAL GUIDE

FOR EMPLOYERS

Alliant
EMPLOYEE BENEFITS

PATIENT PROTECTION AND AFFORDABLE CARE ACT
HEALTHCARE REFORM
OBAMACARE

They're all different names for the same thing.
But what does it mean to you as an employer?

It means changes.
Lots of changes.

Changes to your…

- Plan design
- Plan administration
- Eligibility rules
- Plan finances
- Employee communication

And it also means changes for your employees and their dependents. In fact, there probably isn't a person in America who isn't affected by Healthcare Reform in some way.

We at Alliant know that it's hard to keep straight all of the changes that have already come, that are around the corner, and that are still a ways down the road. That's why we're providing you this Healthcare Reform Survival Guide.

Now, keep in mind, while we do **have** lawyers, we're not **your** lawyers. So you'll need to be in close touch with your plan's attorneys to be sure that you're doing what you're supposed to. But we hope that the Guide will help you survive all of the changes due to Healthcare Reform.

Alliant
EMPLOYEE BENEFITS

About this Guide

This guide is divided into six sections:

1. Plan Benefits
2. Plan Administration
3. Plan Finances and Taxes
4. Pay or Play
5. Communications
6. Participant Issues

Within each section, the specific provisions of Healthcare Reform are separated into provisions that are:

- Already in Effect
- Coming Up
  (Scheduled for implementation in the next year or so)
- Way Out There
  (Either not scheduled for implementation soon or likely to be delayed because of lack of guidance or proper infrastructure)

Also note that the following codes are used throughout the Guide:

ALL	This provision applies to all plans, regardless of grandfathered status
GF	This provision applies to grandfathered plans only
NOT GF	This provision does not apply to grandfathered plans
S	Applies only to small employers (fewer than 50 employees)
L	Applies only to large employers (50 or more employees)
XL	Applies only to large employers with more than 200 employees

Getting Started: A Vocabulary Lesson

Every time the government makes a new rule, they generally come up with new terms that need to be defined. Here are a few definitions to get you started. You'll be seeing these terms throughout the Guide, so we thought we'd put their meanings up front and center.

DEPENDENT CHILD

Healthcare Reform regulations don't define the term "child" for the purposes of deciding which children need to be offered dependent coverage. But as a rule the following categories of children would be covered:

- Biological children
- Adopted children
- Stepchildren
- Eligible foster children

They are considered children under the plan for at least as long as the relationship lasts. For example, a stepchild is considered a dependent child by the plan as long as the stepparent and biological parent are married. Children of a domestic partner could be covered if the child is considered a stepchild under state law (for example, in states that recognize same sex marriage).

If you're not sure about the rules that apply to your plan, talk to your carrier or TPA for specifics.

ESSENTIAL HEALTH BENEFIT

The federal government hasn't officially defined what an essential health benefit is. However, we know that it will include benefits in the following 10 categories:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use treatment, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services, including chronic disease management
- Pediatric services, including oral and vision care

Work with your carrier or TPA to decide which items and services are essential health benefits. Agencies will take into account a plan's good faith efforts to comply with these rules.

EXCEPTED BENEFIT

Excepted benefits are benefits that are not affected by some of the new Healthcare Reform rules. These include:

- **Fully-insured** dental and vision plans if the benefits are provided through separate insurance contracts.
- **Self-insured** dental and vision plans if the participant elects the coverage separately from the medical plan and pays a separate premium for the coverage. (100% employer-paid plans wouldn't qualify.)

GRANDFATHERED PLAN

A grandfathered plan is one that existed on March 23, 2010, otherwise known as the date Healthcare Reform was passed. The plan has also continued since that date without any major changes. Changes that trigger a loss of grandfathered status are generally those that are negative for the participant, such as increases in cost-sharing, limits on benefits, etc.

Grandfathered status affects compliance with various different rules.

ALREADY IN EFFECT

DOLLAR LIMITS ON ESSENTIAL HEALTH BENEFITS ALL

Currently, plans cannot have lifetime dollar limits on essential health benefits (see page 6). In addition, annual dollar limits on essential benefits cannot be less than $2 million for plan years starting between now and December 31, 2013. For plan years starting on or after January 1, 2014, plans cannot place annual limits on essential health benefits.

- **These rules apply to all plans regardless of grandfathered status.**
- **Make sure these rules are reflected in your plan document.**
- **You may want to consider using treatment-based limits (such as a limit on the number of office visits) as an alternative.**
- **Discuss your options with your carrier or TPA.**

DEPENDENT COVERAGE TO AGE 26 ALL

Plans that offer coverage for children must make that coverage available until the child reaches age 26 (through age 25). The plan can't deny coverage based on the child's employment, income level, ability to self-support, student status, or marital status. However, until 2014, grandfathered plans can exclude dependents who have access to coverage through their own employers. Coverage will generally be tax-free until the tax year when the child turns 27.

Make sure these rules are reflected in your plan document.

PATIENT PROTECTIONS NOT GF

Healthcare Reform added the following new rules. All of them took effect in plan years that began on or after September 23, 2010.

- **Participants must be allowed to choose any participating primary care provider (a pediatrician can be named as a child's primary care provider).**
- **Plans can't require pre-authorization or referral for care by a doctor of obstetrics or gynecology.**
- **Plans that provide benefits for emergency services can't do the following:**
  - Require pre-authorization for emergency care at in-network or out-of-network facilities.
  - Deny coverage because the facility is outside the network.
  - Impose administrative requirements or limits on coverage that are more restrictive in an out-of-network facility than they are at an in-network facility.
  - Require the patient to pay more than is allowable under cost-sharing rules.
- **Certain preventive health services must be covered with no cost sharing.**

- **Make sure your plan document reflects these changes.**
- **Talk to your carrier or TPA if you have questions about which preventive care items must be covered with no cost sharing.**

COMING UP

DOLLAR LIMITS ON ESSENTIAL HEALTH BENEFITS ALL

For plan years starting on or after January 1, 2014, plans cannot place annual limits on essential health benefits.

- **These rules apply to all plans regardless of grandfathered status.**
- **Make sure these rules are reflected in your plan document.**
- **You may want to consider using treatment-based limits (such as a limit on the number of office visits) as an alternative.**
- **Discuss your options with your carrier or TPA.**

REQUIRED COVERAGE OF CLINICAL TRIALS NOT GF

Starting on January 1, 2014, health plans must allow participation in an approved clinical trial and cannot discriminate against an individual participating in a clinical trial. Plans also can't limit or place conditions on coverage for routine patient care provided in the clinical trial.

If your plan is not grandfathered, make sure it is updated to reflect this change.

COST-SHARING LIMITATIONS APPLY

Out-of-Pocket Maximum Limits NOT GF

For plan years starting in 2014, out-of-pocket limits for self-only and family coverage can't be more than the limits for HSA-compatible HDHPs. These limits are indexed each year. In 2013, these limits are:

- **$6,250 (individual coverage)**
- **$12,500 (family coverage)**

Deductible Limits S

For small, insured health plans, there will be limits on deductibles. Deductibles cannot exceed:

- **$2,000 (individual coverage)**
- **$4,000 (family coverage)**

- **If your plan is not grandfathered, make sure it is updated to reflect this change.**
- **If you are considered a small employer, make sure that your plan deductibles are in line with these limits.**

WAY OUT THERE

None.

ALREADY IN EFFECT

NEW STANDARDS FOR APPEALS NOT GF

The rules have the following effects:

- Expand the definition of adverse benefit determination.
- Clarify procedures regarding full and fair review of claims.
- Provide guidance on conflicts of interest.
- Provide new content requirements for notices, and that they be provided in a non-English language in some cases.
- Change the compliance standards and rules about exhausting other avenues of appeal.
- Require continued coverage while an appeal is in process.

Make sure the new claims appeal rules are reflected in your plan document.

LIMITS ON CANCELING COVERAGE RETROACTIVELY ALL

Except in cases of fraud or intentional misrepresentation (lying), plans can't retroactively cancel coverage (called "rescission of coverage"). And even when there is fraud or lying, the plan document must state that it has the right to retroactively terminate coverage in these circumstances. Retroactive cancelation because of a failure to pay premiums is not considered a rescission and is, therefore, allowed.

Update your plan document to ensure that you can retroactively cancel coverage in the event of fraud or lying. Discuss with your carrier or TPA.

LIMITS ON PRE-EXISTING CONDITION EXCLUSIONS ALL

Any plan limits on pre-existing conditions cannot apply to children under age 19. Starting in 2014, plans can't apply pre-existing condition exclusions to any participant.

Make sure these changes have been included in your plan document.

REPORTING THE COST OF EMPLOYER-SPONSORED COVERAGE ON FORM W-2 ALL

Employers must report the aggregate cost of employer-sponsored coverage on Form W-2.

- For a **fully-insured** plan, the aggregate cost of coverage is the combined employer and employee contribution to premium.
- For a **self-insured** plan, aggregate cost of coverage is usually the COBRA applicable premium minus the 2% administration fee.

Excepted benefits (see page 4) do not have to be reported. Employers who issued fewer than 250 W-2s in the previous calendar year are currently not required to report. However, note that after you cross the 250 W-2 threshold, you will be required to report in the following year.

- **Make sure your payroll teams are prepared for this new reporting requirement.**
- **Ask your Alliant representative for a copy of our comprehensive W-2 reporting guide for additional support.**

ALREADY IN EFFECT

HEALTHCARE FSA CONTRIBUTIONS CAPPED AT $2,500 ALL

Employee contributions are limited to $2,500 (indexed for inflation starting in 2014). Employer contributions generally don't count toward the limit unless an employee could elect cash instead of the employer contribution. Please note that:

- **The $2,500 limit applies on an employee-by-employee basis. This means that two spouses employed by the same employer could each contribute $2,500.**
- **The $2,500 limit also applies on an employer-by-employer basis. This means that employees with more than one employer could contribute $2,500 under each employer's FSA.**

There has been no change to the allowable contribution for Dependent Care FSAs.

- **Make sure your cafeteria plan document includes this change.**
- **Communicate the new limit to employees.**

COMING UP

NON-DISCRIMINATION RULES

Healthcare Reform rules state that non-grandfathered fully-insured plans will now have to comply with the same non-discrimination rules that already apply to self-insured plans. In short, these rules prohibit discrimination in favor of highly compensated individuals. Technically, this rule is already in effect for self-funded plans. It is not yet being enforced against fully-insured plans.

So, here's what you need to know:

- **If you plan is fully-insured and non-grandfathered, your plan will need to comply once guidance is released.**
- **If your plan is self-insured, carry on and don't discriminate.**

- **Be on the lookout for new guidance as we approach 2014.**
- **If you have any plan terms that are a concern (for example, a plan that provides better coverage for certain classes of employees), know that these will probably need to be changed once regulations are released. Discuss any concerns with your carrier/TPA or legal counsel.**

Important Note!
The following designs tend to raise "red flags" for discrimination purposes. These features won't necessarily cause a testing failure, but should be looked at to make sure they don't violate the discrimination rules.

- **Excluding part-time, seasonal, or temporary employees from participation**
- **Having different plans available only to certain classes of employees**
- **Different eligibility provisions such as waiting periods for different classes of employees**
- **Employer contributions that increase with an employee's tenure or a percentage of the employee's compensation**
- **Different employer contributions for different classes of employees**

AUTOMATIC ENROLLMENT FOR LARGE EMPLOYERS ONLY ALL XL

Healthcare Reform rules are designed to ensure that everyone has healthcare insurance coverage. Therefore, large employers (200+ counted employees) must ensure coverage for benefits-eligible employees by:

- **Automatically enrolling new full-time employees in one of the employer's benefit plans**
- **Automatically continuing the enrollment of current employees from one plan year to the next (called "passive enrollment").**

COMING UP

If you're a large employer, watch for guidance on this and let your human resources/benefits administration teams know this is coming.

NO PRE-EXISTING CONDITION EXCLUSIONS ALL

Starting in 2014, plans can't apply pre-existing condition exclusions to any participant.

Make sure these changes have been included in your plan document.

EXCESSIVE WAITING PERIODS PROHIBITED ALL

Starting with the first plan year on or after January 1, 2014, plans can't apply a waiting period that is longer than 90 days. If your plan currently extends eligibility on the first of the month after 90 days, the plan will not be compliant. Coverage must begin no later than day 91. This is a true "days passed" standard and includes weekends and holidays.

EXAMPLE:

ABC Company has always allowed employees to participate in its health plan starting the first of the month after the employee has worked 90 days. Will this "first of the month after 90 days" standard be acceptable under the new Healthcare Reform rules?

No. Suppose ABC Company hires Danny as a full-time employee on June 1, 2014. Ninety days from Danny's first day of employment (June 1, 2014) is August 29, 2014. Waiting until September 1 to enroll Danny would violate the Healthcare Reform rules because this would result in a waiting period longer than 90 days.

Additional guidance on how waiting periods are applied in connection with the "Pay or Play" rules may be issued. Please see page 11 for more information on Pay or Play.

Make sure this change is included in your plan document.

REPORTING HEALTH INSURANCE STATUS TO IRS ALL L

Employers with 50 or more full-time employees who offer employer-sponsored coverage must report coverage status to the government. A summary of the reported information must be given to employees.

EMPLOYER ACTION ITEM

- **Watch for additional guidance.**
- **Make sure your payroll teams (or teams who will be responsible for this reporting) are prepared for this new reporting requirement.**

WAY OUT THERE

None.

ALREADY IN EFFECT

INSURANCE CARRIERS MUST ISSUE REFUNDS TO CERTAIN FULLY-INSURED PLANS ALL

Carriers must refund a portion of your plan's premiums if the carrier does not spend a minimum amount of your premiums on paying plan claims.

- **In large groups, the minimum is 85%**
- **In small groups, the minimum is 80%**

There are special rules about how refunds can be used. It will depend on:

- **The terms of your plan**
- **Whether it's an ERISA, non-ERISA, or church plan**
- **Whether the refund is considered a plan asset**

This rule does not affect self-insured plans.

Review your plan and talk to your carrier.

PATIENT-CENTERED OUTCOMES RESEARCH FEE ALL

This is also called the "clinical effectiveness fee." Fees are based on the number of employees and dependents covered by the plan. If an employer has more than one self-insured plan and if the self-insured plans have the same plan year, participants of both plans will usually be counted only once for the fee.

The fee is $1 per person per year for plan years that end before October 1, 2013, then $2 per person per year.

Get familiar with the different methods for taking a "headcount" and submit the fees by the date due (generally July 31).

COMING UP

ANNUAL FEES FOR INSURANCE CARRIERS OF FULLY-INSURED PLANS

Carriers will probably pass the fees along to plans. Plans could feel the impact of this as early as 2013 if carriers collect the fee in advance in order to have "cash on hand" when the fees are payable to the government in 2014.

If your plan is fully-insured, talk to your carrier about how much the fee will be and when it will be collected.

REINSURANCE FEES FOR INSURANCE CARRIERS AND TPAS

Insurance carriers and TPAs must contribute to a temporary reinsurance program. The fee is estimated at $63 per covered life, and lasts for three benefit years (2014–2016). Again, these fees are likely to be passed along to policyholders.

Talk to your carrier or TPA for information about how the fees will apply to your plan.

SECTION 4 PAY OR PLAY ALL L (SHARED RESPONSIBILITY TAX)

Because "Pay or Play" is such a big part of Healthcare Reform, we're devoting a whole section of the Guide to it. In this section, you'll get a good overview of how Pay or Play works, and how it will affect your organization.

OVERVIEW

The Pay or Play rules require that large employers offer minimum essential coverage to their full-time employees or pay a penalty. If an employer doesn't provide minimum essential coverage, it must pay an annual tax of $2,000 per employee starting with employee number 31. (There is no penalty for the first 30 employees.)

If an employer provides minimum essential coverage but the coverage is unaffordable or doesn't provide minimum value, the employer must pay an annual tax of $3,000 for each employee who gets subsidized coverage through an Exchange.

WHAT IS A LARGE EMPLOYER?

A large employer has at least 50 full-time or full-time equivalent employees. Add together the number of actual full-time employees and the number of full-time equivalent employees to see if there are at least 50 employees.

Ask your Alliant representative if you need assistance determining if your company is considered a "large employer."

LARGE EMPLOYER

50+ FULL-TIME EMPLOYEES AND FULL-TIME EQUIVALENT EMPLOYEES

WHAT MAKES AN EMPLOYEE FULL-TIME?

Full-time is defined as 130 hours per month. This includes:

- **Actual hours worked**
- **Hours paid, but not worked (for example, paid sick time or vacation time)**

WHAT IS A FULL-TIME EQUIVALENT EMPLOYEE?

Multiple part-time employees can be "added together" to make one full-time equivalent employee. For example, two employees working 65 hours per month (approximately 15 hours per week) add up to one full-time employee working 130 hours per month.

2 part-time employees 65 hrs./mo. = **1 full-time employee 130 hrs./mo.**

Alliant EMPLOYEE BENEFITS

PAY OR PLAY REQUIREMENTS

1. PLANS MUST PROVIDE MINIMUM ESSENTIAL COVERAGE

Although regulatory guidance has not yet been issued, most employer-sponsored major medical plans will be considered minimum essential coverage.

2. PLANS MUST PROVIDE MINIMUM VALUE

In order to provide minimum value, a plan's share of the cost of benefits must be at least 60%. Employers will have different options to make sure their plans meet this threshold.

- HHS and the IRS have created an Excel-based calculator
- A safe harbor or checklist method will also be available
- An actuarial analysis could be done (probably the least appealing option due to the expense)

3. COVERAGE MUST BE AFFORDABLE TO EMPLOYEES

Under Healthcare Reform, coverage that costs more than 9.5% of the employee's household income will not be considered affordable. Because employers will usually not know an employee's household income, the rules allow employers to use the following methods to calculate affordability. Calculations are based on employee-only coverage for the lowest cost plan offered that provides minimum value:

- **W-2 wages method:** The employee's annual premium contribution does not exceed 9.5% of W-2 wages.
- **Rate of pay method:** The employee's cost does not exceed 9.5% of the employee's hourly wage X 130 per month. (Note: 130 hours per month is used for the calculation even if an employee works more hours than 130.)
- **Federal Poverty Line (FPL) method:** The employee's cost does not exceed 9.5% of the federal poverty line for a single individual.

EXAMPLES

W-2 WAGES METHOD

Kathy earns $50,000 per year and pays $300 per month for single coverage on her employer's lowest cost plan. Kathy's annual contribution to coverage is affordable because it does not exceed 9.5% of her W-2 wages. (50,000 X .095 = 4,750, the maximum contribution that could be charged annually and still be considered affordable.) Kathy's contribution is below this threshold—she pays $3,600 in premiums annually.

RATE OF PAY METHOD

John makes $15.00 per hour and works 40 hours per week. He pays $150 per month for single coverage on his employer's lowest cost plan. John's contribution to coverage is affordable under the rate of pay method because it does not exceed 9.5% of his hourly wage multiplied by 130 hours (15 x 130 = 1950; 1950 x .095 = 185.25, the maximum contribution that could be charged and still be considered affordable).

FEDERAL POVERTY LINE METHOD

Using John from the previous example, would his $150 monthly contribution still be considered affordable using this method? No. If John lives in the continental U.S., the federal poverty level for a single individual is $11,490. 11,490 X .095 is $1,091.55 per year, or $90.96 per month (the maximum contribution that could be charged and still be considered affordable). John's $150 monthly contribution exceeds this threshold.

DETERMINING ELIGIBILITY FOR COVERAGE

Coverage must be available to all full-time employees. So the first thing employers need to do is determine which employees—in the eyes of the federal government—are considered "full-time."

WHO IS FULL-TIME?

The rules here are fairly complex. In short, employers must put employees into different categories. Employees who are working full-time (130 hours per month) generally must be offered coverage to avoid a penalty. Other employees whose hours are unpredictable will have their full-time status determined by looking back over a period of time called a measurement period.

HOW LONG IS THE MEASUREMENT PERIOD?

The measurement period is set by the employer, but can't be longer than 12 months. Most employers will have an initial measurement period for new and variable hour employees and a standard measurement period for ongoing employees. If, at the end of the measurement period, the employee has met the threshold for full-time status, he or she must be offered coverage to avoid a penalty.

WHAT IS A STABILITY PERIOD?

At the end of the measurement period, the employee usually enters what's called a stability period. The stability period has to be at least as long as the measurement period was, and during the stability period, employees are vested in their benefits coverage regardless of how many hours they actually work.

WHAT IS AN ADMINISTRATIVE PERIOD?

The rules allow an employer to use an administrative period—a time when the employer can:

- Collect paperwork
- Answer questions from employees
- Take care of other administrative tasks

The administrative period can't be longer than 90 days. The administrative period and measurement period together cannot last past the last day of the first month following the one-year anniversary of an employee's start-date.

- For example, if the employee is hired February 15, the combined measurement period and administrative period must end on or before March 31 of the following year.

PRACTICAL APPLICATION

Since most employers administer their plans on a monthly basis, the most common arrangement will be for an employer to have 13 distinct measurement periods:

- 12 "initial" measurement periods starting on the first day of each month for new employees. For example, if an employee starts work on March 13, his initial measurement period would start April 1.
- One "standard" measurement period for ongoing employees. Employers will likely want the standard measurement period to end close to their annual benefits enrollment so that eligibility for benefits is determined prior to annual enrollment beginning.

Most employers will probably use a split administrative period, with some administrative time before the measurement period starts (to answer questions and do initial paperwork) and after it ends (to calculate hours and complete enrollment). It would look like this:

EXAMPLE

Jane Doe is hired February 15 and is expected to have variable hours.

- Administrative Period #1 (February 15–February 28): She will enter the front end of an administrative period on February 15, which will last until the employer's next initial measurement period starts (March 1).
- Initial Measurement Period (March 1–January 31): Let's say the employer has an 11-month initial measurement period in order to have a longer administrative period. In this case, Jane finishes the initial measurement period on January 31.
- Administrative Period #2 (February 1–March 31): On February 1, she enters the back end of the administrative period, which will last until the end of the following month, or March 31.
- Eligibility Begins (April 1): If she is a full-time employee based on the measurement of her hours, she would be treated as full-time beginning April 1.

WHO IS FULL-TIME? (continued)

What happens if an employee does not meet the full-time threshold in the initial measurement period?

In this case, the employee enters what's called a "limited" stability period. It's considered limited because it will not necessarily last the same number of months as the measurement period—it will only last until the employer's standard measurement period for ongoing employees ends.

At the end of the limited stability period, the employer would take a second measurement of the employee's hours based on the standard measurement period—the one that started on or after the employee's hire date and generally ends just prior to annual enrollment. If the employee is full-time using this method, he or she will need to be offered coverage to avoid a penalty.

What if an employer misses someone?

It is possible to mistakenly determine that an employee is not full-time (and therefore not benefits-eligible) when in fact he or she is eligible. The rules provide some relief here. An employer who fails to offer coverage to a small number of full-time employees (5% or less) will not face the full pay or play penalty that would otherwise apply. This is known as the de minimis rule.

- **Familiarize yourself with these basic rules.**
- **Consider what groups within your organization will need training. For example, human resources and payroll teams will likely need training.**
- **Please contact your Alliant representative with specific questions on how the rules apply to you. The rules are complicated and represent a major change for most employers. Don't hesitate to reach out for assistance.**

WAY OUT THERE

CADILLAC TAX: TAX ON THE EXCESS BENEFIT OF HIGH COST HEALTH COVERAGE (2018)

A plan is considered a "Cadillac" plan if it provides a level of benefits that results in an annual premium of:

- **$10,200 for individual coverage**
- **$27,500 for family coverage**

Generally, these plans require little or no out-of-pocket cost for the participant, which tends to encourage overuse of medical care.

These plans will incur a 40% excise tax on the excess benefit (meaning, premiums that exceed these thresholds). There are many exceptions based on location and job classification.

- **Watch for guidance as the effective date approaches.**
- **Keep an eye on whether plans are trending toward the premium level, which would trigger the Cadillac tax.**

ALREADY IN EFFECT

PLANS MUST PROVIDE A SUMMARY OF BENEFITS AND COVERAGE (SBC)

Summary information using a template SBC must be provided to participants. The template allows for four double-sided, letter-size pages. Aside from adding the plan's specific information, the template cannot be changed.

- **Work with your carrier/TPA to ensure the SBC is written accurately and distributed to all individuals who should receive them.**
- **Determine if your dental and/or vision plans are required to provide SBCs. (See page 4 for information on excepted benefits.)**

COMING UP

EMPLOYERS MUST PROVIDE NOTICE OF EXCHANGES

Employers must provide employees with a written notice about the Exchange and the effect of buying Exchange coverage instead of employer-sponsored coverage. Regulators have issued a model notice. A pared down Alliant version of the notice is also available and will simplify the process for employers.

Distribute notice according to regulatory deadlines: October 1, 2013 (for employees hired on or after October 1, within 14 days of the employee's start date).

WAY OUT THERE

None.

ALREADY IN EFFECT

HSA PENALTIES INCREASE

If a participant uses HSA money for non-qualifying medical expenses, they are liable for a 20% penalty on the non-qualifying distribution. This is in addition to the regular income tax which would be due.

EMPLOYER ACTION ITEM

Even though it's not required, you may wish to communicate this change to employees in high deductible plans with HSAs.

RESTRICTIONS ON REIMBURSEMENTS FOR OVER-THE-COUNTER DRUGS

Over-the-counter medicines (other than insulin) cannot be reimbursed from an FSA, HSA or HRA unless prescribed by a doctor.

- **Make sure your cafeteria plan document has been updated to reflect this change.**
- **You will want to communicate this change to employees during annual enrollment if you offer a Healthcare FSA, an HRA or a high-deductible plan with an HSA.**

COMING UP

Exchanges become available.

Watch for additional guidance as we get closer to the effective date.

WAY OUT THERE

None.

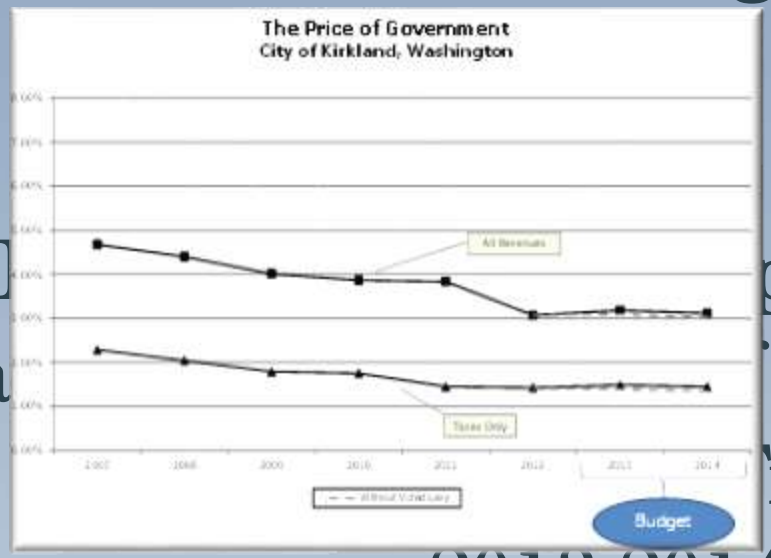
QUESTIONS?

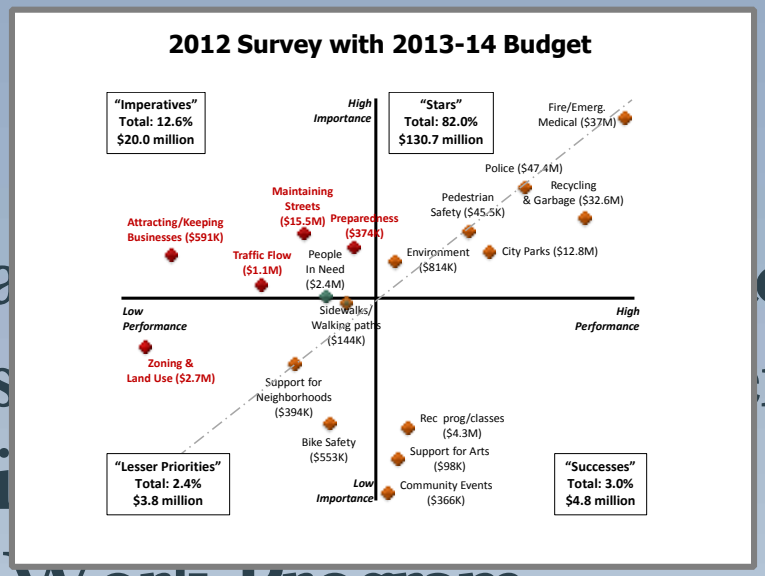
Contact your Alliant Employee Benefits representative if you'd like more information on Healthcare Reform and what it means to your company.

Healthcare Update & The Five Year Framework

October 15, 2013

Strategic Anchors





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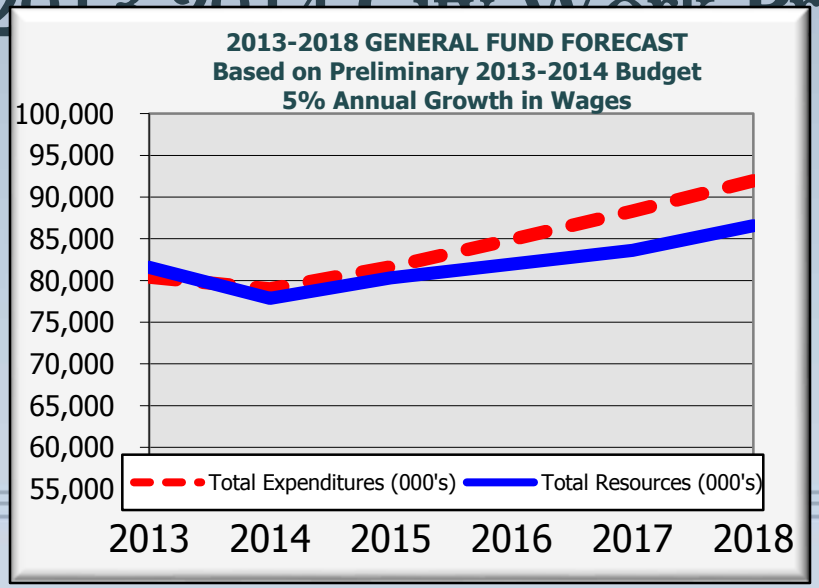
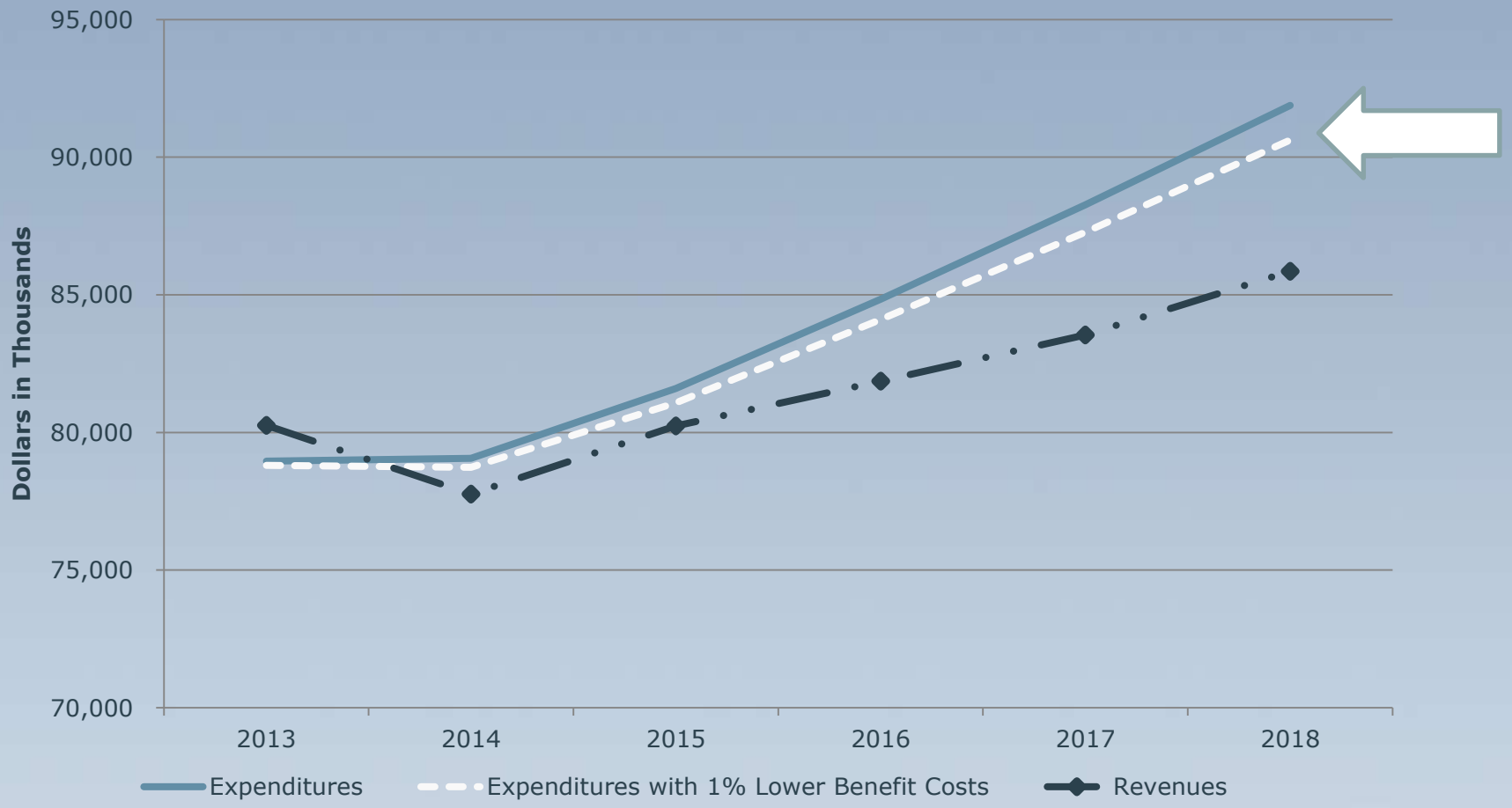
– 2013-2014 City Work Program



Strategic Anchors



Key Considerations

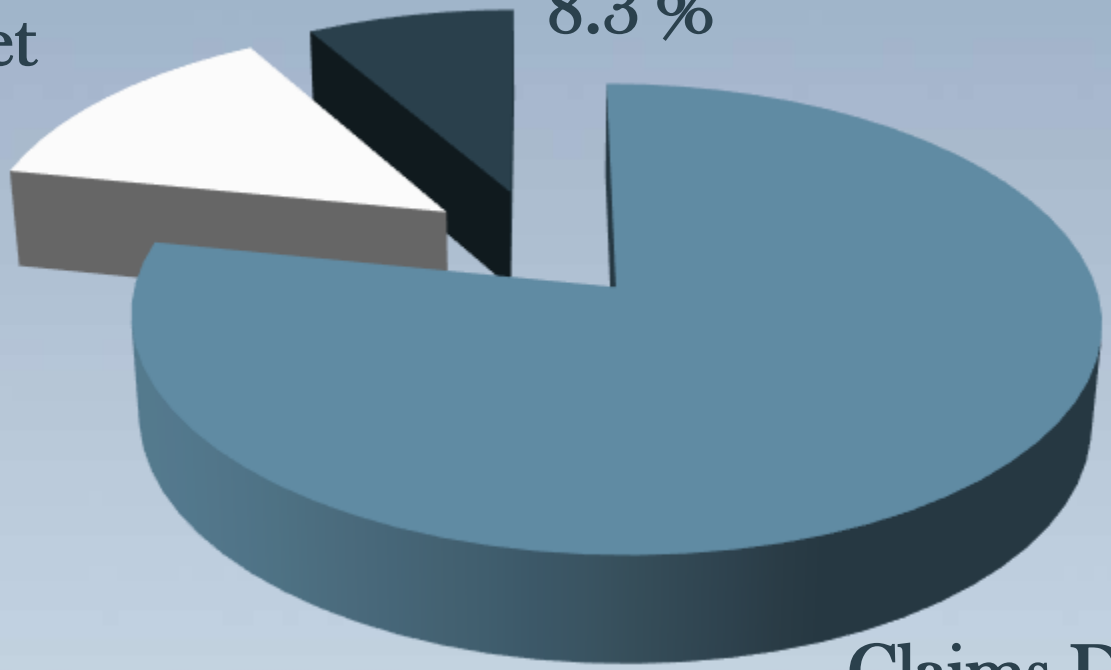
- The City of Kirkland as a Self-Insured Organization
- Employee Health
- Utilization and Trends
- Affordable Care Act
- Framework for the Future

The City of Kirkland as a Self-Insured Organization

COK as a Self-Insured Organization

- AWC announced termination of unsustainable, overly rich Plans A and B (2009)
- In 2011 the City decided to leave the AWC in favor of a Self-Insured plan with First Choice Health
- Self-Insurance is good decision for the City
  - Forestalled the pending plan reductions for 4 additional years
  - Postponed significant cost sharing
  - Gained "Control of Our Destiny" by having access to our data
  - Better financial outcome
    - After 32 months, the City has over $3.1M in benefit reserves and rate stabilization.
    - Our Per Employee Per Month [PEPM] costs have been below the AWC plans.

COK as a Self-Insured Organization



COK as a Self-Insured Organization

1. **Plan Design**
2. **Claims History** *(Population Health)*

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3. **Demographics**
4. **Geography**
5. **Industry**
6. **Trend**
   - Medical Inflation *(Currently 4%)*
   - Aging Population
   - New Technology
   - New Drugs
   - Taxes & Surcharges

Employee Health

Employee Health

Significant resources have been invested in promotion of employee health.

- 100% Preventative Care
- Health Risk Assessments
- Disease Management
- Wellness Committee
  - Incentives, activities, and campaigns
- Education *(Newsletters etc.)*

BUT…

Employee Health

Participation is low…

Health Risk Assessments	Less than 15% participation
100% Preventive Care	Below norms on compliance with preventive screenings
Disease Management	Less than 10% of eligible members participate in this program
Wellness Committee	Only 20% of our employees receive wellness incentives
Education	Low turnout at brown-bag sessions

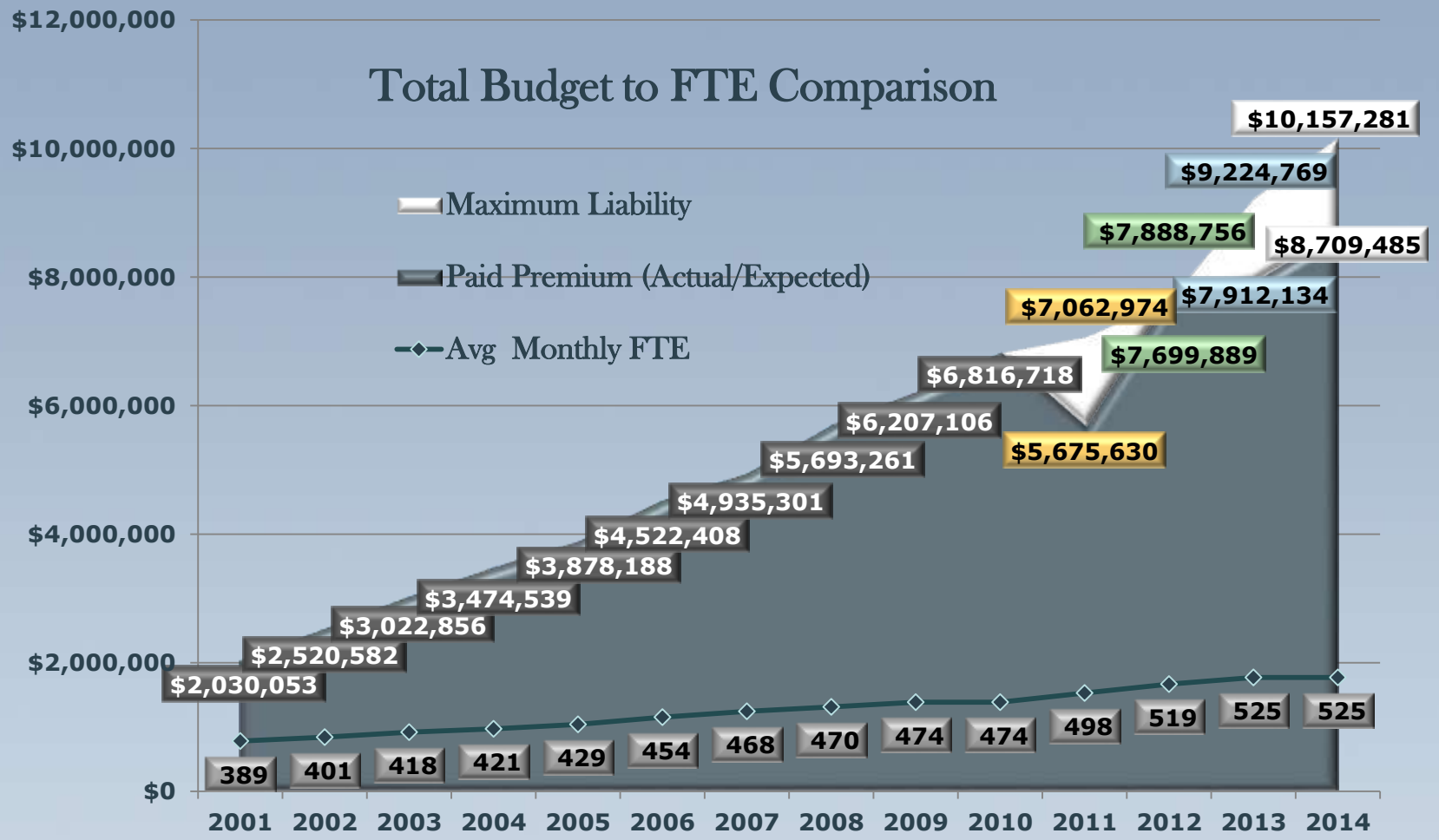
Employee Health

INCREASE PARTICIPATION RATES!

Our future plan designs should tie the level of coverage and its cost to proactive personal engagement in the maintenance and improvement of ones individual health.

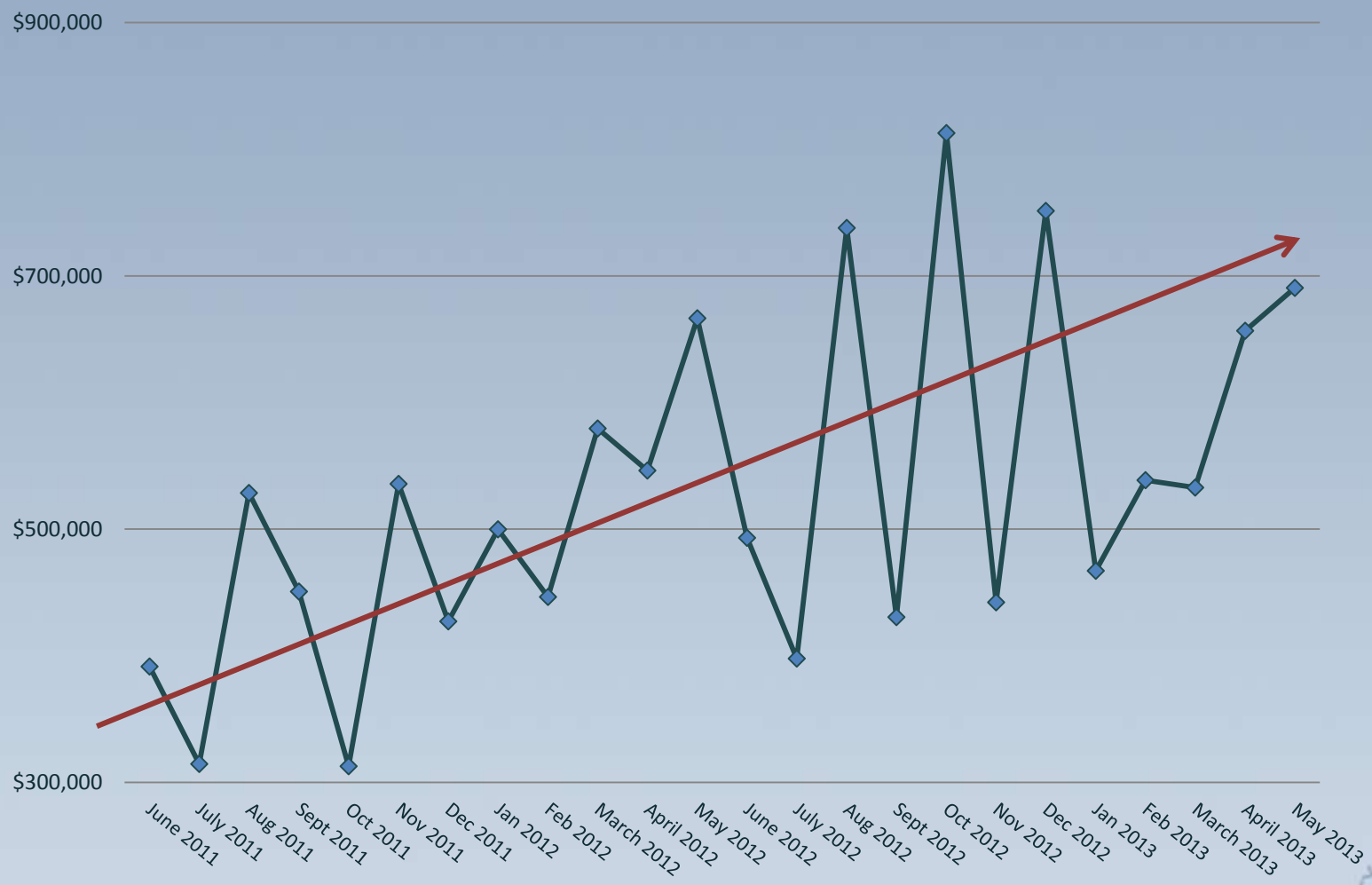
Utilization and Trends

Utilization and Trends

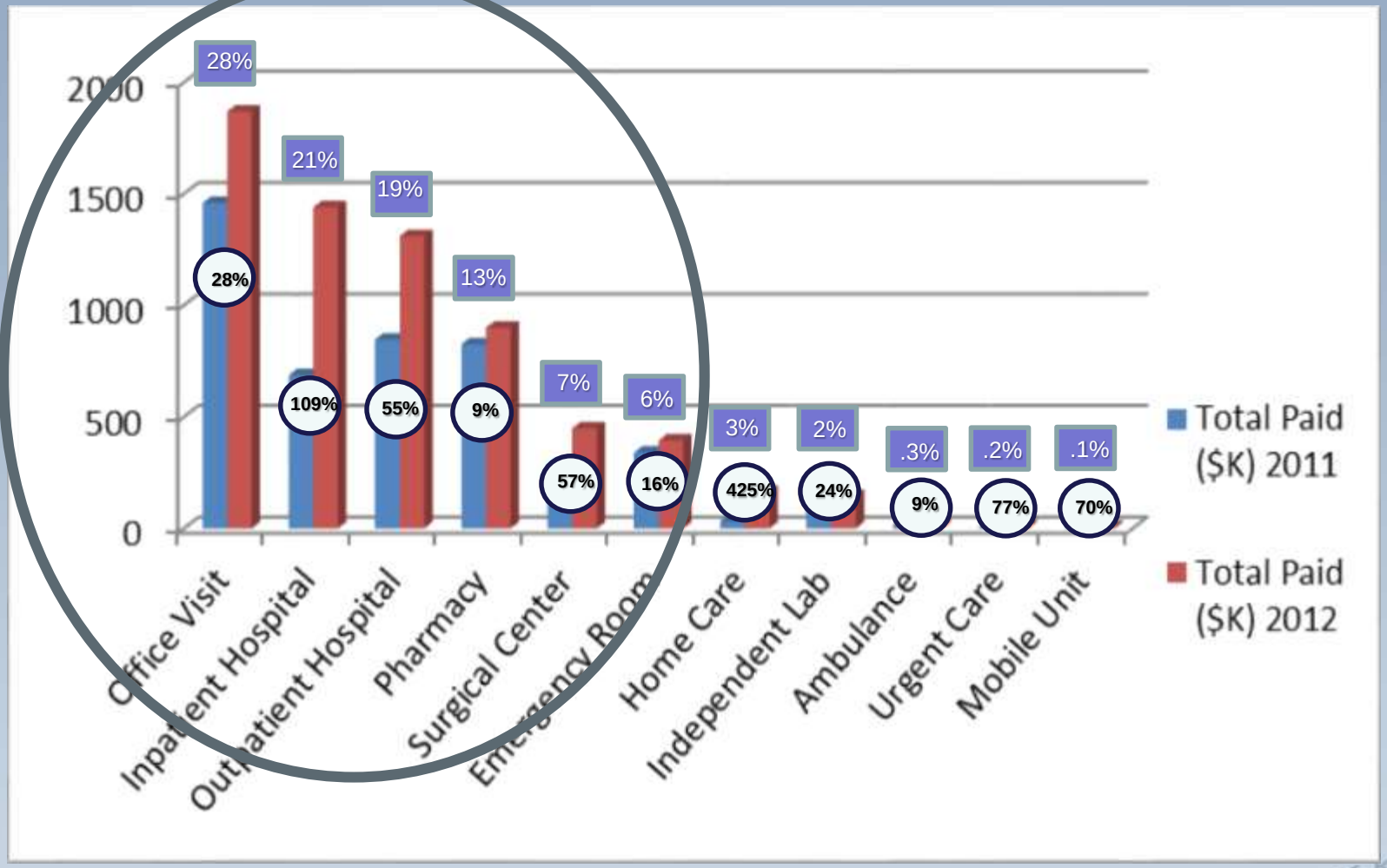


Utilization and Trends

Monthly Claims Trend



Utilization and Trends



Affordable Care Act

Affordable Care Act

Plan Design Impacts

Implemented Prior to 2014	Still to come...
Elimination of lifetime dollar limits on essential health benefits	Co-pays count towards out-of-pocket limits
Dependents covered to age 26	Required coverage for clinical trials
100% coverage for preventive services	Limits on deductibles
Limits on pre-existing condition exclusions	Cadillac Tax

Affordable Care Act

Pay or Play

- Plans must provide minimum essential coverage
- Plans must provide minimum value
- Coverage must be affordable to employees
- All full-time employees (30hrs/wk) must be offered benefits
  - Measurement Period
  - Stability Period
    - Implication to Seasonal Labor
    - Part-time Employees

Affordable Care Act

2018 "Cadillac" Tax

Prime Plan

	Current Cost	Projected Annual Cost 2018		
Annual Increase	N/A	2.49%	8%	12%
Employee	$7,720	$8,731	$11,344	$13,606
Employee + Spouse/DP	$16,212	$18,334	$23,821	$28,571
Employee + Child	$11,967	$13,533	$17,583	$21,089
Employee + Children	$16,213	$18,335	$23,822	$28,573
Employee, Spouse/DP + Child	$19,687	$22,263	$28,927	$34,695
Employee + Family	$24,319	$27,502	$35,733	$42,859
Projected Tax		$120	$648,016	$1,447,015

Individual Threshold • $10,200

Family Threshold • $27,500

A cost trajectory of 2.49% will just reach the "Cadillac" tax threshold in 2018. If current cost trajectory (7%-12%) continues, our tax bill in 2018 will be between $500k and $1.5 Million.

***Premium cost sharing does not reduce exposure to the Cadillac tax.

CITY OF KIRKLAND WASHINGTON

Framework for the Future

Framework for the Future

Population Health

Cost Trends

Affordable Care Act

Drivers of Change

Framework for the Future

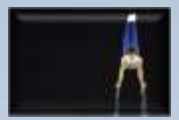
Guiding Principles

A. Health

B. Partnership

C. Individual Incentives

D. Market Transparency

E. Flexibility 

A. Framework for the Future – Health

$46 million saved 2007 – 2011 (King County)

Healthy Lifestyle

$14.6 M

Improved Health

Quality Health Care

$6.5 M

Shift to Higher Quality Health Care

Higher Value Health Care

$24.7 M

Plan Design Changes

King County

King County Presentation:
IBI/NBCH Forum on Health and Productivity
February 25, 2013
Dallas, TX

CITY OF KIRKLAND WASHINGTON

B. Framework for the Future – Partnership

Collective Bargaining

- Mandatory Subject of Bargaining
- EBAC
- Labor Management Meetings

Communication

- EBAC
- Brown Bag Presentations
- Organized Outreach

Model Success

- Leave No Stone Unturned
- Look to Public and Private Sector
- Focus on Outcomes

C. Framework for the Future – Individual Incentives

Tiered Plans

- Gold, Silver, Bronze
- Participation

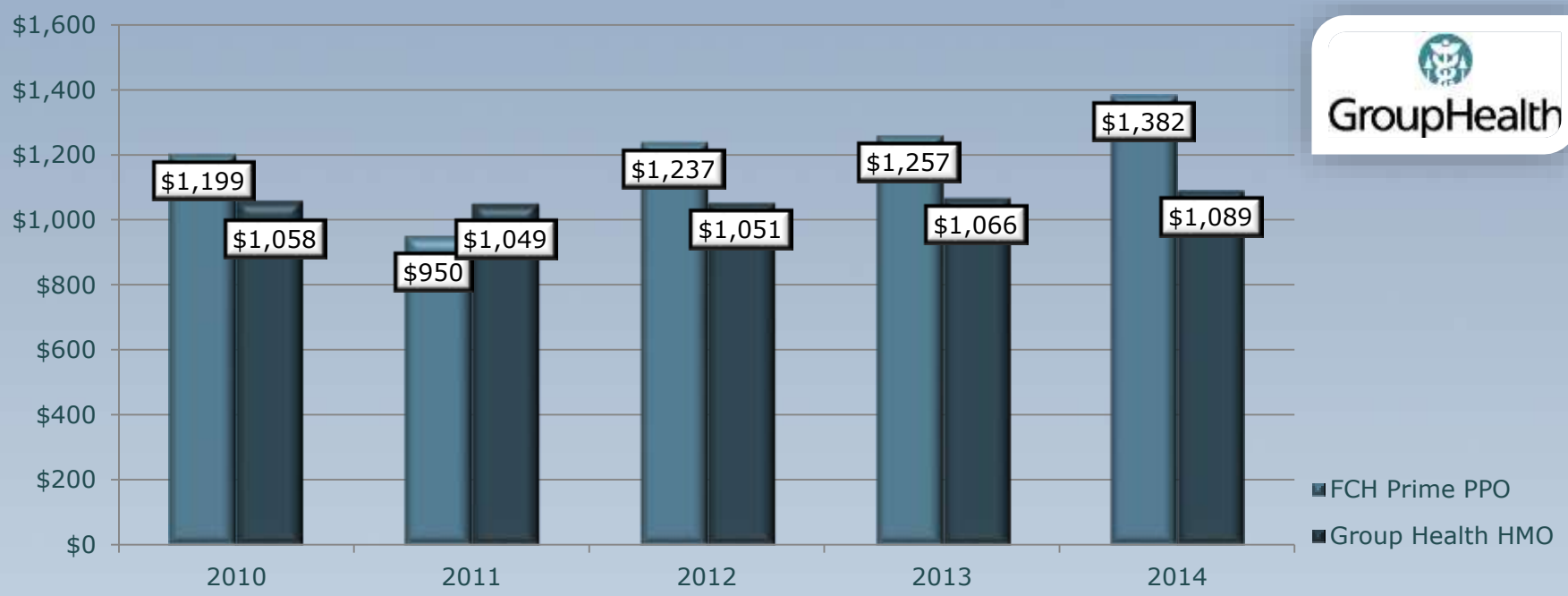
High Deductible Health Plans

- HRA/VEBA
- City Contribution

High Performance Networks

- Partnership with Local Providers
- Incentives

C. Framework for the Future – Individual Incentives



Average Cost PEPM
COK Prime PPO vs. Group Health HMO

C. Framework for the Future – Individual Incentives

Levers of Change

- Maximum Out Of Pocket
- Deductibles
- Co-pays
- Co-Insurance
- Defined Care

D. Framework for the Future – Market Transparency

Provider Pricing Transparency Tools

Health Care "Blue Book"

Service: Brain MRI- (with & without contrast)

Fair Price: $1,080

Facilities	Price
RAMIC-Federal Way, LLC (~ 10 miles)	
Everett MRI & Diagnostic Center (~ 10 miles)	
Diagnostic Imaging Northwest Puyallup (222 15th Ave) (~ 10 miles)	
Diagnostic Imaging Northwest Puyallup (11212 Sunrise Blvd) (~ 12 miles)	
Bonney Lake Imaging Center (~ 14 miles)	
TRA Tacoma (2202 South Cedar St) (~ 2 miles)	
TRA Tacoma (2502 South Union Ave) (~ 2 miles)	
TRA Lakewood (5919 100th Street SW) (~ 4 miles)	
TRA Gig Harbor (4700 Point Fosdick Drive NW) (~ 9 miles)	
Mercer Island Medical Imaging (~ 27 miles)	
Center for Diagnostic Imaging Lakewood (7308 Bridgeport Way) (~ 4 miles)	
Center for Diagnostic Imaging Federal Way (33801 First Way South) (~ 10 miles)	
Highline Medical Center (~ 17 miles)	
St. Joseph Medical Center (~ 2 miles)	
St. Clare Hospital (~ 4 miles)	
Auburn Regional Medical Center, Inc. (~ 12 miles)	
Allenmore Hospital (~ 2 miles)	

D. Framework for the Future – Market Transparency

Real time pricing information pushed out to members on their smart phones, with incentives, creates engagement, reduces costs, and ultimately accountability to regional and local providers

Search Prices

Results are customized to zip code 98409

change zip code here | submit

Brain MRI- (with & without contrast)

Physician Services

Physician Services

Service:	Brain MRI- (with & without contrast) - Physician interpretation and technical imaging combined fee.
Fee Details:	Price includes the total amount for both physician (interpretation) and technical (imaging) fees. Sometimes the test will be billed in two parts but they should add up to the listed price.
Fee:	$530 – $1,080 – $3,700
Total Fair Price:	**$1,080**

In-network Benefits Summary

Annual Deductible	Individual $2,000 Family $4,000
Co-Insurance	20% (after deductible)
Out-of-Pocket (OOP) Maximum	Individual $4,000 Family $8,000
Preventive adult exams, immunizations, well child exams	$25 co-pay (deductible waived)
Mammograms	Covered 100% (deductible waived)
Specialist Visit	$50 co-pay

D. Framework for the Future – Market Transparency

D. Framework for the Future – Market Transparency

Onsite Clinic

Care that can be provided outside "The System" is very cost effective.

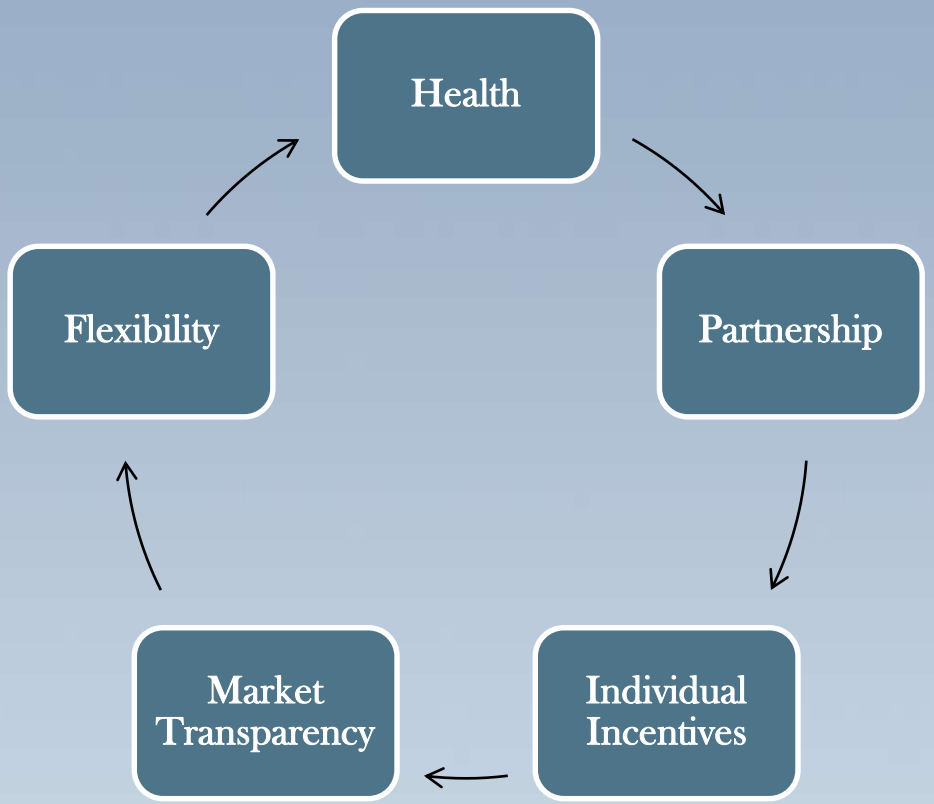
- Intake exam
- Wellness program
- Family care
- Chronic condition education and management coaching
- Basic Rx
- Basic Lab functions

E. Framework for the Future – Flexibility

"The measure of intelligence is the ability to change."

-Albert Einstein

Moving Forward – Systems Thinking



"An important aspect of a part's performance is how it interacts with other parts to affect the performance of the whole."

-Russell Ackoff

Questions?

ATTACHMENT C

Council Retreat

Health Care Update

May 2014

Purpose

To update the City Council on the development of the City's long term efforts to improve employee health while mitigating the rising cost of health care, and update the Council on the City's progress towards compliance with the Affordable Care Act and its possible financial impacts

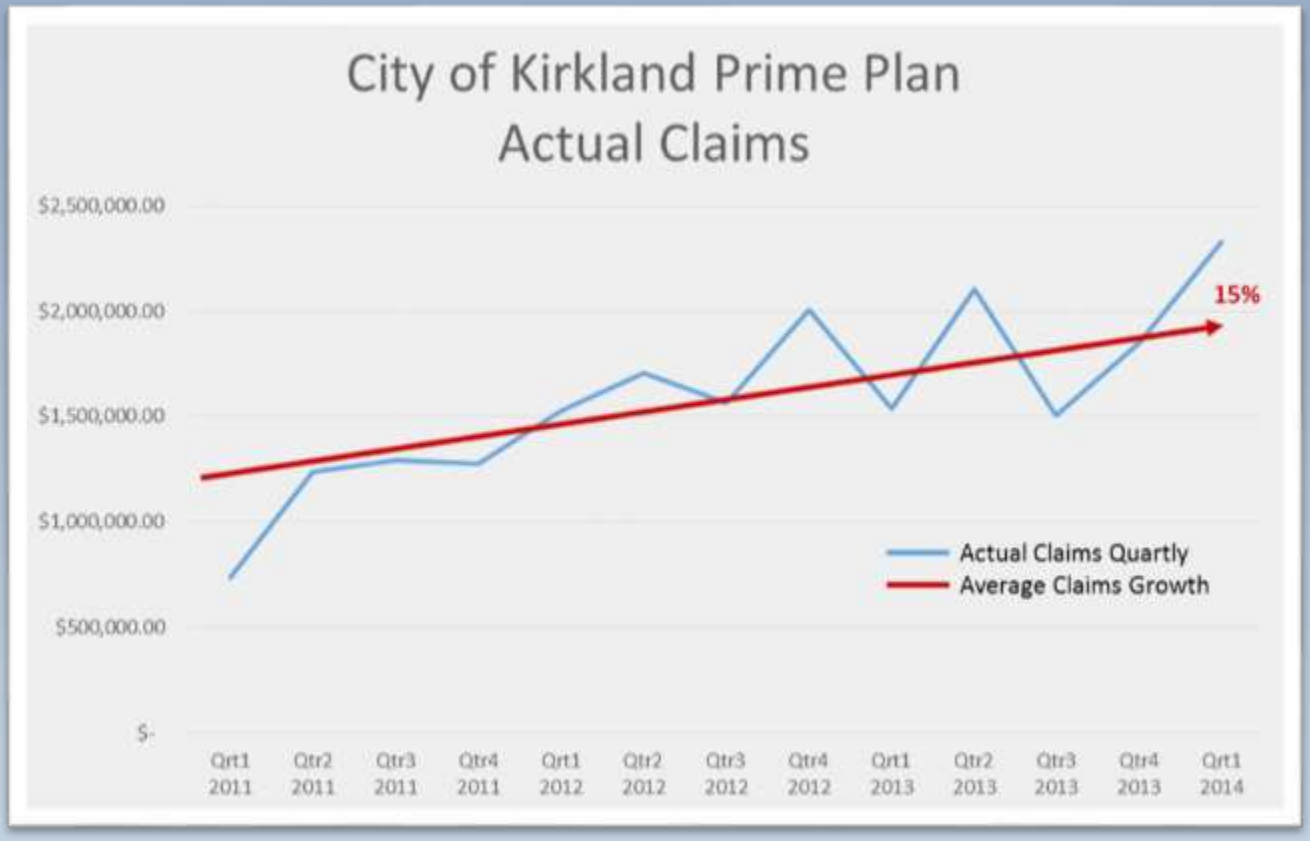
Council Retreat

Health Care Update

- The City of Kirkland as a Self-Insured Organization
- Employee Health
- Utilization and Trends
- Affordable Care Act
- Framework for the Future

Council Retreat

Health Care Update



Council Retreat

Health Care Update

Affordable Care Act

- Plans must provide minimum essential coverage
- Plans must provide minimum value
- Coverage must be affordable to employees
- All full-time employees (30 hours/week) must be offered benefits
  - Measurement Period
  - Stability Period
    - Implication to Seasonal Labor
    - Part-time Employees

Council Retreat

Health Care Update

2018 "Cadillac" Tax

Prime Plan

	Current Cost	Projected Annual Cost 2018		
Annual Increase	N/A	2.49%	8%	12%
Employee	$7,720	$8,731	$11,344	$13,606
Employee + Spouse/DP	$16,212	$18,334	$23,821	$28,571
Employee + Child	$11,967	$13,533	$17,583	$21,089
Employee + Children	$16,213	$18,335	$23,822	$28,573
Employee, Spouse/DP + Child	$19,687	$22,263	$28,927	$34,695
Employee + Family	$24,319	$27,502	$35,733	$42,859
Projected Tax		$120	$648,016	$1,447,015

Individual Threshold • $10,200

Family Threshold • $27,500

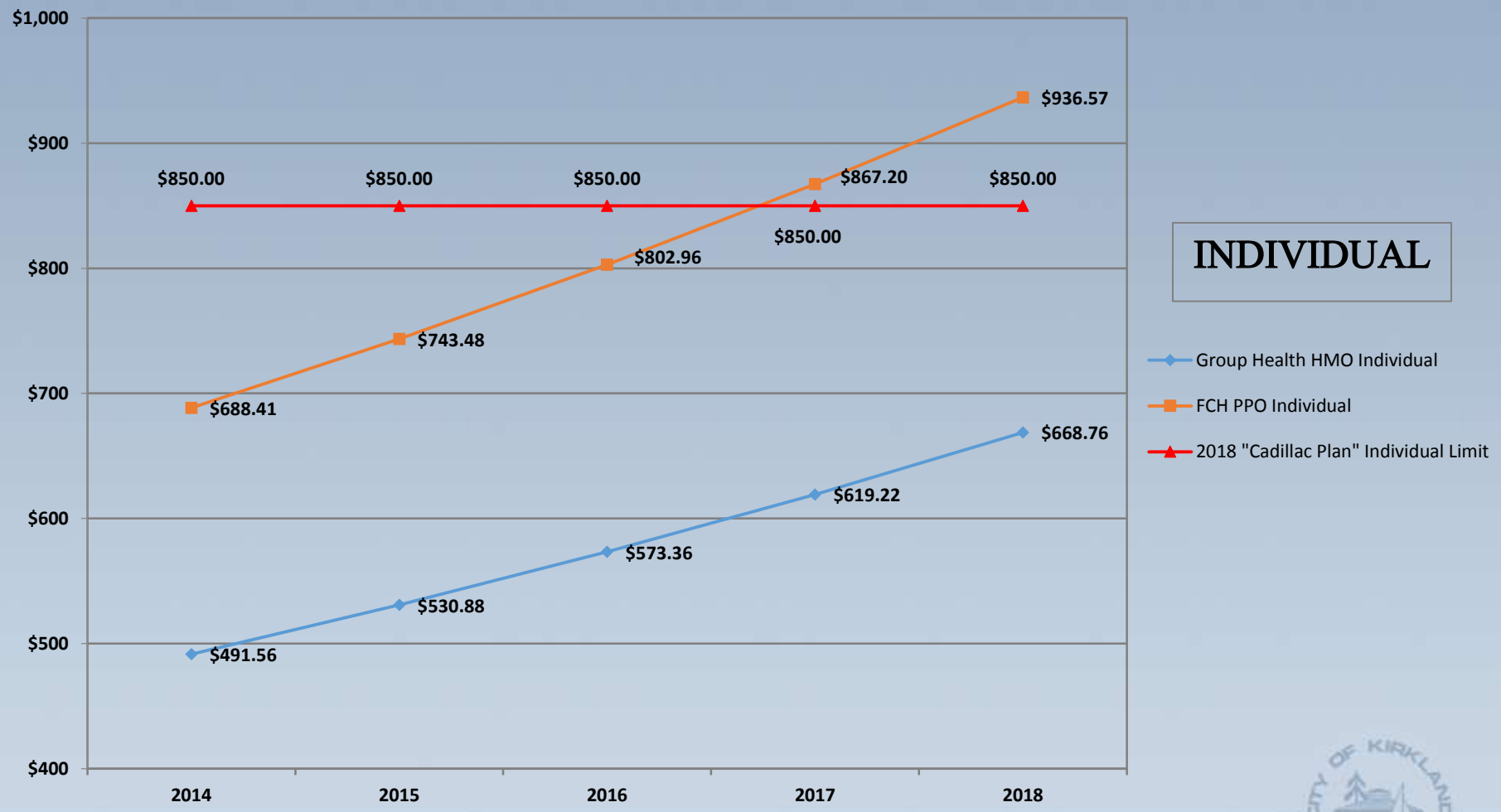
A cost trajectory of 2.49% will just reach the "Cadillac" tax threshold in 2018. If current cost trajectory (7%-12%) continues, our tax bill in 2018 will be between $500k and $1.5 Million.

** High risk employees may be subject to a higher threshold

***Premium cost sharing does not reduce exposure to the Cadillac tax.

Council Retreat

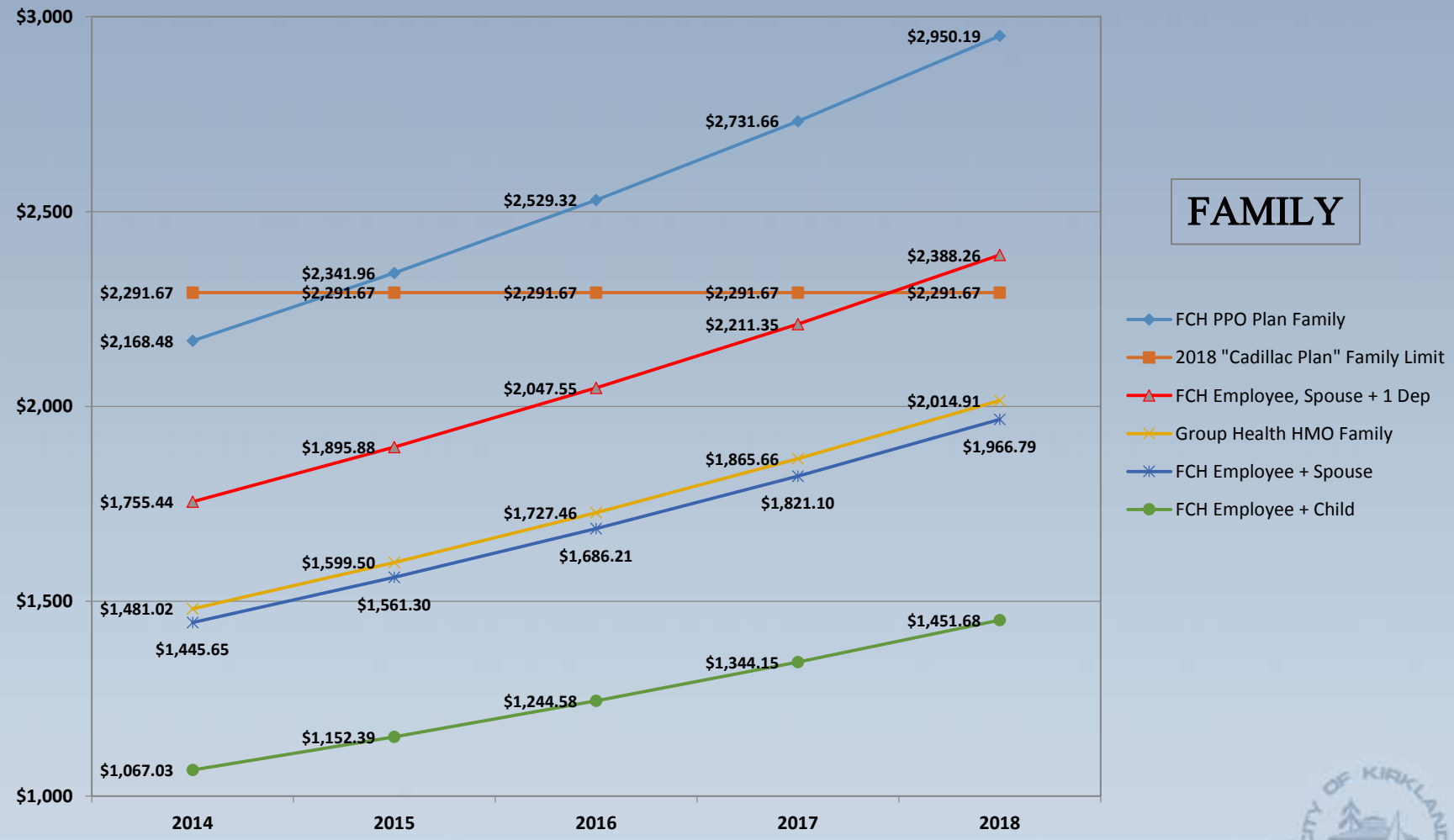
Health Care Update



- Projections shown are 8% annual premium growth
- Prime Plan actual premium growth is 8.8% over 3 years
- Group Health actual premium growth is 4.4% over 3 years

Council Retreat

Health Care Update



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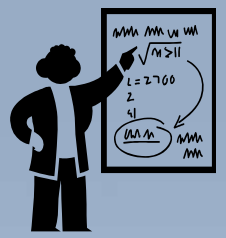
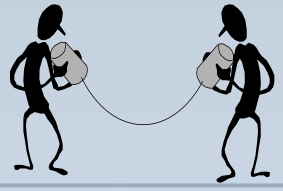
Council Retreat

Health Care Update



Communication & Training

- Market Reform & Plan Design
- Benefits Core Skills Training Modules
- Health Care Corner



Council Retreat

Health Care Update

Market Reform & Plan Design

- Employee Benefits Advisory Committee
- Roundtable Discussions

Council Retreat

Health Care Update

Benefits Core Skills Training Modules

- Benefits 101
- Plan Savings
- Preventive Care 101
- Informed decisions

Council Retreat

Health Care Update

Health Care Corner

- Education
- Outreach
- Updates

Council Retreat

Health Care Update

Possible Long-Term Strategies

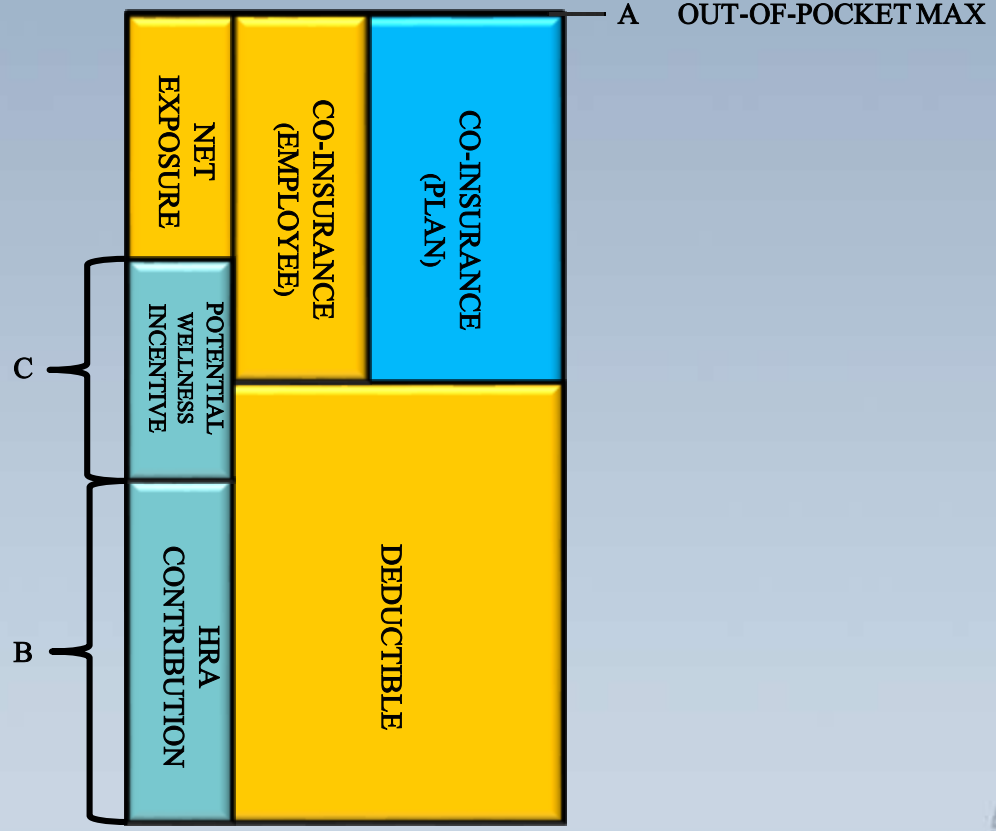
- High Deductible Plan
- On-site/Near-site Clinic
- Health Concierge Service

Council Retreat

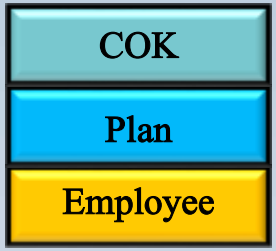
Health Care Update

High Deductible Plan

*Medical only



Net exposure after incentive: A- (B+C)



Council Retreat

Health Care Update

On-site/Near-site Clinic

It is estimated that in 2009 there were 2,200 clinics operating and they anticipated that could grow to 7,000 by 2015.

The main reason employers are operating these clinics is to take costs that are growing at a national average of 8% and turn a large portion of those into fixed costs; the per-employee-per-month fee you pay for the vendor to provide the services for you.

Council Retreat

Health Care Update

Health Concierge Service

The idea behind these services is to help with market transparency and cost containment.

- Most of the savings from this service comes from their referral help.
- An employee calls the vendor and receives a list of providers that offer the service(s) they need.
- The information the employee receives would include cost as well as location, hours of operation, links to the provider's website, and links to reviews about the physician.

Council Retreat

Health Care Update

Conclusion

- Strengthen our training and education efforts over the next year.
- Collaborate with our labor groups on proposed plan design changes.
- Monitor our progress while maintaining the flexibility to evaluate and implement changes if necessary.

CITY OF KIRKLAND
Human Resources Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3210
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: James Lopez, Director of Human Resources & Performance Management
Nicole Bruce, Senior HR Analyst; Christine Wilkinson, HR Analyst;
Cary Webb, HR Analyst

CC: Tracey Dunlap, Director of Finance & Administration

Date: December 2, 2014

Subject: Vera Whole Health as Employee Clinic provider

As you are aware, a major focus of the City's *Healthy Kirkland* Initiative is reducing our current medical trend while still providing employees with high quality health care options. As part of a comprehensive strategy designed to achieve that goal, the City is introducing a near-site employee health center operated by Vera Whole Health. The new health center, together with the implementation of a high deductible health plan, will provide our employees with the knowledge and tools to make informed health care decisions with the promise of ultimately improving health outcomes. The contract with Vera is one of a series of benefits-related contracts that are signed by the City Manager rather than approved by the Council, but given the innovative nature of an employee-based clinic, staff wanted to provide background information to all the Councilmembers. A copy of the contract is included as an attachment to this memo.

Vera is a Seattle based, sister company of Activate Health, which is based in Indianapolis, Indiana. Between the two companies, they operate twenty one clinics, including the City of Anderson, Indiana. Locally, Vera operates four clinics, including a clinic for Children's Hospital, and a clinic for The Bill and Melinda Gates Foundation.

Vera began as a wellness company and its commitment toward providing clients with a proactive, preventative approach to the delivery of health care services is embedded in everything they do. In 2011 Vera modified its mission to further affect population health management, through onsite clinics. All Vera clinics have shown a positive ROI in their first year. www.verawholehealth.com

The City selected Vera through an RFP process issued on February 25, 2014, and although there are several reasons why the City chose Vera at the conclusion of this very competitive process, three key observations stand out. First, as noted above, Vera is a medical provider built around the idea of proactive, preventative care. As part of their business model, Vera organizes and facilitates an *Employee Health Council* to help ensure that employees and family members take an active role in the management of their health care. Vera employs a full time

health coach as part of their standard package of services, and leans heavily on its proprietary "empathetic listening" method of delivering care to build successful relationships with its patients. In short, the company has developed the cultural expertise around wellness that fits directly with the City's desire to significantly increase employee participation in wellness activities. This, coupled with a state of the art electronic medical records system that seamlessly integrates all medical, health and wellness data and provides that information directly to each employee and family member, completes the picture of a powerful "turn-key" health and wellness operation.

Second, Vera offers the opportunity for our members to attend, at no additional cost, several other Vera facilities. The idea of providing more clinic location availability was a very important factor to several of our employees, and Vera's reciprocity model holds the promise of significant growth and opportunity for additional care.

Finally, Vera being a local company, has made significant strides developing their business model in our community. Specifically, as noted above, Vera has developed a successful relationship with Children's Hospital and has recently been selected by the Bill and Melinda Gates Foundation to operate an onsite clinic there. Vera also brings important relationships with key local provider institutions such as Evergreen Hospital, Virginia Mason and Group Health. Vera's knowledge of our local health care market offers an important advantage as they integrate with our established health care system.

The Vera contract is renewable after three years, with an opt-out provision available during the term of the contract. The contract outlines the City's costs on a "pass through" basis providing critical transparency to each element of the relationship and the opportunity to carefully monitor expenses, trends and utilization patterns.

The health center will be located in the Totem Lake area, just a short drive from the Evergreen Hospital Emergency Room. Parking at the facility is free, and it will be open to employees and their family members who are enrolled in the City's health plan. The health center will provide preventative and same day acute care (immunizations, check-ups, limited prescriptions, etc.) along with behavioral and lifestyle health coaching, all at no cost to the employee. The health professionals at our clinic will provide top notch care that includes both coaching and education, so employees will be able to schedule appointments for a variety of preventative and acute services, as well as wellness and nutritional consultations.

By providing acute health and wellness care at cost, and the potential to help bend the City's medical trend through improved employee health, the clinic is a key piece of the City's health care strategy.

The benefits team is working on implementing the employee health clinic operated by Vera Whole Health effective in March of 2015.

Attachment

Near-site Clinic Agreement

December 3, 2014

Confidential

vera
WHOLE HEALTH

TERMS SUMMARY

Key Terms:

a.	**Initial Number of Lives Served:**	**875**
b.	**Minimum Number of Lives during term:** *(Until union negotiations allow for over 1,000 at which point minimum will be increased to 1,000)*	**875**
c.	**Effective Date:**	**December 3, 2014**
d.	**Anticipated Partial Services Commencement Date:**	**January 1, 2015**
e.	**Anticipated Kirkland Clinic Operational Date and Commencement of full services**	**March 1, 2015**
f.	**Administrative Fee Per Participant Per Month (PPPM):** *(approximately. $178,500/yr at 875 lives)*	**$17.00**
g.	**Initial Term:**	**to December 31, 2017**
h.	**Estimated Start-Up Expenses:**	**$330,800**
i.	**Initial staffing model and hours:** *(approximately $430,688/yr)*	**¾ staff & 30 hrs/wk**
k.	**Initial "other" expenses (Rx, lab, technology, facilities, etc):**	**Approx: $142,000/yr**

Terms above are subject to the more detailed provisions contained in the Clinic Agreement.

CLINIC AGREEMENT

This Clinic Agreement (the "Agreement") is entered into this 1st day of December, 2014 ("Effective Date") by and between The City of Kirkland ("Employer"), Vera Whole Health, Inc. ("Vera"), and Vera Whole Health WA, P.C. ("Vera P.C."). Employer, Vera, and Vera P.C. may each individually be referred to as a "party," and collectively as the "parties."

A. Vera provides management and administrative services to local companies in support of certain health and wellness programs that are offered to employees of such companies at healthcare clinics physically located on or near such company's business premises.

B. Vera P.C. is a Professional Services Corporation that is associated with Vera and consists of physicians and other healthcare professionals who provide the clinical medical and wellness services to the Employer's employees at the Clinic (as defined below).

C. Employer desires to engage Vera and Vera P.C., and Vera and Vera P.C. desire to provide to Employer, the management and administrative services and the clinical health care and related wellness services and programs at the Clinic, under the terms and conditions as further described herein.

The parties agree:

1. Definitions.

1.1 "**Clinic(s)**" means the physical location of the healthcare clinic(s) where the Participants receive the Clinical Services.

1.2 "**Clinical Services**" means the professional medical and healthcare services and related wellness programs provided by Vera P.C. to the Participants as stated in Schedule 1.

1.3 "**Fees**" means all fees payable by Employer in connection with the Services provided to Participants as stated in Schedule 2 of this Agreement.

1.4 "**Participant(s)**" are the employees and related family members and dependents of the Employer who Employer has designated as qualified to obtain the Services.

1.5 "**Provider(s)**" means each individual healthcare professional licensed by the state of Washington and employed or engaged by Vera P.C. to provide healthcare services to the Participants as further described herein.

1.6 **"Personal Information"** means information for each eligible participant that allows them to be uniquely identified in Vera's Electronic Medical records. This information may include

but is not limited to full legal name, gender, social security number, identification of employer relationship (ie employee, spouse, etc), and name of primary subscriber.

1.7 "**Service(s)**" as used herein is a term that refers collectively to the combined suite of Clinical Services and Support Services (as described in Schedule 1) each of which are provided separately by Vera and Vera P.C. pursuant to this Agreement, but in practice are utilized in a combined manner by the Participants as part of the overall employee health benefits provided by their Employer. Consequently, further subsequent use of the term Services in this Agreement is solely for convenience and nothing by way of use of the collective term Services shall in any manner expressly or impliedly be interpreted to mean that the Clinical Services and Support Services provided by each respective corporation are merged or combined in any functional, legal, financial or operational manner.

1.8 "**Support Service(s)**" means the management and administrative services, including those stated in Schedule 1 that are provided by Vera in connection with the Services offered to Participants pursuant to the terms of this Agreement.

2. Engagement And Responsibilities Of The Parties.

2.1 Engagement For Services. Employer hereby retains Vera, and Vera P.C., to provide the Services.

2.2 Clinical Control and Authority. Vera P.C. shall retain the control and authority to direct the medical, professional and ethical aspects of the Clinic. Nothing in this Agreement shall be construed to alter or in any way affect the legal, ethical and professional relationship between the Providers and the Participants. Neither Employer nor Vera shall have any right to, responsibility for or participation in any decisions relating to the performance of or supervision or control over any physician or provider or the provision of Clinical Services or any professional or medical services provided or to be provided by Vera P.C., specifically including but not limited to, no participation in any decisions relating to patient evaluation, diagnosis, care, treatment options, appropriate procedures or tests, or referrals.

2.3 Administrative Control And Authority. Vera shall retain the control and authority to manage all operational aspects of the Clinic that do not involve professional medical services, including without limitation the following:

(a) Personnel. Vera shall have exclusive authority for selection of all personnel working in or for the Clinic, subject to the following:

(i) with regard to selection of primary care physicians only, prior to employment of any physician, Vera shall provide the Employer with the identity and work history of such prospective physician. Employer shall promptly review all materials supplied by Vera, and

if Employer requests an in person meeting, the parties shall cooperate to schedule such meeting as soon as reasonably possible.

(ii) Employer shall have five (5) business days from either: (a) the date of receipt of the physician information (if no meeting is requested), or (b) the date of the meeting to reject the selection of such physician, or the physician shall be deemed accepted by Employer.

(iii) In the event that Employer rejects Vera's selection, the parties shall work diligently to identify alterative physicians and the above selection process shall be repeated; provided that, Employer may only reject a maximum of three (3) prospective physician choices made by Vera. After rejection of the third selection, Employer shall accept Vera's subsequent selection of a physician.

(b) Removal of Providers. If Employer provides Vera with a written request to remove a Provider, specifying a reasonable basis for removal, Vera and Employer shall cooperate regarding the removal within a time frame mutually agreed upon by the Parties ("Removal By Employer"); provided however, except in the case of Provider misconduct in which case such Provider shall be removed immediately, all other removals shall proceed in a manner that does not adversely affect patient care or Service at the Clinic. In the event of a Removal By Employer, the Employer shall reimburse Vera for all costs of hiring and training a replacement, as well as any increased costs of engaging an interim Provider. **Prior to the removal of the Provider, VERA shall provide a written estimate of these costs to the Employer and shall not proceed without written consent of the Employer.** In the event a Provider leaves voluntarily, or is removed for misconduct, then Vera shall pay all costs of hiring and training a replacement, as well as any increased costs of engaging an interim Provider. In the event a Provider is removed by Vera and Employer jointly (without misconduct), then Vera and Employer shall each pay one-half of all costs of hiring and training a replacement, as well as any increased costs of engaging an interim Provider.

(c) Other Vera Responsibilities: In addition to the above, Vera shall be responsible for all operational aspects of the Clinic including without limitation: (i) accounting and financial; (ii) inventory and supplies; (iii) collections and payments (including allocation and distribution of Per Participant Per Month ("PPPM") fee income between Vera and Vera P.C. and other matters involving the internal agreements and finances of Vera and Vera P.C.); (iv) maintenance of all Participant files and records; (v) information technology and computer hardware, software, network support at the Clinic, and (vi) clerical and administrative office services at the Clinic.

(d) Employer Responsibilities. Employer shall be responsible for the following:

(i) integrate the provisions of this Agreement and the Clinic arrangement into the Employer's health plan and associated documents provided to Participants;

(ii) make all amendments, disclosures and reports required by state or federal law in connection with Employer's health plan and associated documents.

(iii) prior to the opening of the Clinic, and subsequently no later than the tenth (10th) day of each calendar month during the Term, provide Vera an accurate list of the identities and associated Personal Information of all Participants. Such information will be transferred to Vera using the secure file transfer procedures provided by Vera to Employer.

(iv) prior to the opening of the Clinic, provide Vera with a current, updated summary of the Employer health plan and benefits it provides to Participants, and during Term, provide Vera with any amendments to such plan information at least thirty (30) days prior to the effective date of any such amendments.

(v) As soon as reasonably practicable, but in no event later than thirty (30) days prior to the Clinic opening date, and to the extent permitted by applicable laws, Employer shall provide Vera with at least two (2) years of claims history for such Participant in a format that can be readily uploaded to Vera's electronic medical records system. If Employer does not possess this information at the outset of Participant's eligibility, then Employer shall make diligent effort to obtain such information as soon as reasonably possible and shall cooperate with Vera to obtain the information from any party that retains such information.

(vi) cooperate with Vera to inform Participants of the value of Vera's Services and any incentive plan established by Employer to encourage Participants' use of the Services, and directly participate in and support the implementation, marketing, and education of Participants with respect to the Services offered by Vera. Printing, production and distribution of the promotions will be the sole responsibility of Employer. In addition, Employer shall create a "Whole Health Council" to assist in the efforts described in this section, the composition of which shall be at the sole discretion of the Employer.

3. General Representations And Warranties.

The parties represent and warrant as follows:

3.1 Each party has the right to enter into and perform this Agreement and nothing by way of entering into this Agreement, or performing any of the obligations stated herein, will constitute a default or breach (or an event which, with the passage of time or giving of notice, would constitute a default or breach) of any law or any agreement entered into by such party with any third party.

3.2 Each of the parties shall be responsible for complying with all applicable federal, state and local laws, regulations and restrictions and payment of applicable taxes in the conduct of their obligations under this Agreement. Vera and Vera P.C. must obtain a City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02.

3.3 The person signing this Agreement or any document referenced herein, has full power and authority to enter into this Agreement on behalf of each respective party.

3.4 Each party shall use its reasonable best efforts to fulfill all of its obligations so that the Clinic can be opened for business no later than March 1, 2015**,** (the "Anticipated Services Commencement Date").

4. Financial Arrangements.

Employer shall pay Vera the Fees as provided herein. As referenced in the schedules to this agreement.

5. Clinics.

The terms and conditions of Participants' use of the Clinic's facilities shall be as stated in Schedule 3.

6. Records.

6.1 Delivery and Retention of Records After Termination; Access.

(a) Vera. Upon expiration or termination of this Agreement, Vera shall return to Employer all copies of records which do not include PHI (as defined below) that Vera has obtained or maintained on behalf of Employer for purposes of carrying out Vera's obligations under this Agreement. Vera may retain copies of all such documents. Additionally, Vera may retain Participants' Treatment Records for its own use and business purposes, without restriction, so long as such records are in a de-identified and aggregated form.

(b) Vera PC. Upon expiration or termination of this Agreement, Vera PC shall return or transfer Participant's treatment records which contain PHI ("Treatment Records") as directed by the Participant. Vera P.C. shall have the right to retain copies of all Participant Treatment Records for archival and regulatory compliance purposes.

(c) Access. Vera shall be entitled to have timely access from Employer to any archival records necessary or required by an audit or investigation or review of Vera or Vera P.C. by a government agency, but only for the limited purpose of complying with such an audit or investigation and at all times consistent with Section 6.3.

6.2 Records Owned by Vera. Vera shall be entitled to retain for its own business purposes all internal records relating to its provision of Services under this Agreement.

6.3 HIPAA Compliance. Notwithstanding any of the foregoing, all parties to this Agreement agree to comply with the provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended, and all applicable regulations promulgated thereunder, as well as applicable state laws and regulations, and have entered into a Business Associate Agreement in the form attached hereto as Schedule 4, for the protection of protected health information as that term is defined therein and in the HIPAA Privacy Rules ("PHI").

6.4 Access to Books and Records. For a period of four (4) years after services are provided under this Agreement, the parties shall make available upon request of the Secretary of Health and Human Services, the Comptroller General, the State Auditor's Office or any duly authorized representative thereof, this Agreement and the books, documents and records of the parties that may be necessary to certify the nature and extent of the costs and services related to this Agreement. This Section 6.4 is null and void if it is determined that Section 1861(v)(1)(I) of the Social Security Act, as amended, is not applicable to this Agreement.

7. Insurance.

7.1 Insurance Maintained By Vera. Throughout the term of this Agreement, Vera shall ensure that professional liability insurance is maintained for all licensed healthcare Providers with minimum coverage of at least $1 million per claim and $5 million in the aggregate, or $5 million per claim and $9 million in the aggregate, the determination of which will be at the sole discretion of Employer provided a minimum of 30 days advance notice is given to Vera of such determination. Vera shall maintain commercial general liability insurance in the amount of $1 million per claim, and $2 million in the aggregate. The Employer shall be named as an additional insured under Vera's commercial general liability insurance policies. Vera shall also maintain appropriate worker's compensation and employer's liability insurance coverage in accordance with at least the minimum amounts required by any applicable federal and state laws and regulations. Vera shall notify Employer immediately of any change in Vera's insurance status or coverage including, but not limited to, any insurance policy required hereunder being impaired, cancelled, or reduced by the insurance carrier or Vera for any reason.

Vera's maintenance of insurance as required by this agreement shall not be construed to limit the liability of Vera to the coverage provided by such insurance or otherwise limit the Employer's recourse to any remedy available at law or in equity. Vera's insurance coverage shall be primary insurance as respects the Employer. Any insurance, self-insurance, or insurance pool coverage maintained by the Employer shall be excess of Vera's insurance and shall not contribute with it. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII. Vera shall furnish the Employer with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of Vera have been met before commencement of the Services. Any policy of required insurance shall be written on an occurrence basis if available.

7.2 Insurance Maintained By Employer. Throughout the term of this Agreement, Employer will maintain coverage with minimum coverage of at least $1 million per claim, and $2 million in the aggregate. Employer shall also maintain appropriate worker's compensation and employer's liability insurance coverage in accordance with at least the minimum amounts required by any applicable federal and state laws and regulations. Employer shall provide to Vera proof of such coverage upon request. Employer shall notify Vera immediately of any change in Employer's insurance status or coverage including, but not limited to, any insurance policy required hereunder being impaired, cancelled, or reduced by the insurance carrier or Employer for any reason.

8. Indemnification.

8.1 To the fullest extent allowed by law and without limiting or compromising any available insurance coverage of either party, Vera and Employer each agree to indemnify, hold harmless and defend the other against any and all loss, injury, liability, claim, damage, cause of action or expense suffered by the other party resulting directly or indirectly, from: (a) any breach or failure to perform any of its responsibilities or obligations under this Agreement; or (b) any liability, damages, or injuries to other persons or the other party or to the property of other persons or to the other party caused by acts, omissions, negligence, or intentional acts of the indemnifying party, its employees, agents, Participants or representatives; or (c) any inaccuracy in, or breach of, any of the representations, warranties, covenants or agreements made by it in this Agreement, or (d) any claim that the Services or any portion or use thereof constitutes an infringement, violation, trespass, contravention or breach of any patent, copyright, trademark, license or other property or proprietary right of any third party, or constitutes the unauthorized use or misappropriation of any trade secret of any third party and/or is not in compliance with any applicable law, rule, regulation, contract, order of any governmental agency. The indemnification protection provided by this paragraph shall extend not only to the parties themselves but also to their officers, directors, shareholders and employees. Further, the indemnification protection provided by this paragraph shall include, without limitation, reasonable attorneys' fees, interest, court costs and other reasonable costs and expenses incident to proceedings, investigations or the defense of settlements paid arising from any such claims.

8.2 LIMITATION OF LIABILITY. IN NO EVENT WILL ANY OF THE PARTIES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NO LIMITATION OR EXCLUSION OF ANY PARTIES' LIABILITY WILL APPLY WITH RESPECT TO ANY CLAIMS ARISING OUT OF OR RELATING TO THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF A PARTY. FOR THE AVOIDANCE OF DOUBT, ANY FINES OR PENALTIES ASSESSED ON A PARTY UNDER APPLICABLE LAW ARISING OUT OF THE OTHER PARTY'S BREACH OF THIS AGREEMENT ARE DIRECT DAMAGES.

8.3 WARRANTY DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER WARRANTY, EXPRESS OR

IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. Term And Termination.

9.1 Term of Agreement. This Agreement shall commence on the Effective Date stated above, and the initial term of this Agreement shall expire on December 31. 2017, unless earlier terminated as provided herein ("Initial Term").

9.2 Termination by Employer. Employer may terminate this Agreement as follows:

(a) In the event Vera materially defaults in the performance of any duty or obligation imposed upon it by this Agreement and such default continues for a period of thirty (30) days after written notice thereof has been given by Employer to Vera, Employer may terminate this Agreement without further notice.

(b) In the event of the filing of a petition in voluntary bankruptcy or an assignment for the benefit of creditors by Vera, or upon other action taken or suffered, voluntarily or involuntarily, under any federal or state law for the benefit of debtors of Vera, except for the filing of a petition in involuntary bankruptcy against Vera which is dismissed within thirty (30) days thereafter, Employer may terminate this agreement without further notice.

(c) Notwithstanding any of the foregoing, at any time after the first twelve (12) months of the Initial Term, Employer may terminate this Agreement for any reason by providing Vera not less than one hundred eighty (180) days advance written notice of its intention to terminate this Agreement. If Employer elects to terminate the Agreement under this Section 9.2(c) Vera agrees to reasonably cooperate with Employer and to assist in a smooth transition to an alternate service provider.

9.3 Termination by Vera. Vera may terminate this Agreement as follows:

(a) In the event Employer defaults in the performance of any payment obligation pursuant to this Agreement, and such default continues for a period of fifteen (15) days after Vera has provided written notice thereof to Employer, Vera may terminate this Agreement without further notice.

(b) In the event Employer materially defaults in the performance of any duty or obligation imposed upon it by this Agreement other than a payment default, and such default continues for a period of thirty (30) days after Vera has provided Employer with written notice thereof, Vera may terminate this Agreement without further notice.

(c) In the event of the filing of a petition in voluntary bankruptcy or an assignment for the benefit of creditors by Employer, or upon other action taken or suffered,

voluntarily or involuntarily, under any federal or state law for the benefit of debtors of Employer, except for the filing of a petition in involuntary bankruptcy against Employer which is dismissed within thirty (30) days thereafter.

(d) Notwithstanding any of the foregoing, at any time after the first twelve (12) months of the Initial Term, Vera may terminate this Agreement for any reason so long as it provides Employer with not less than one hundred eighty (180) days advance written notice of its intention to terminate this Agreement. If Vera elects to terminate the Agreement under this Section 9.3(d) Vera agrees to reasonably cooperate with Employer and to assist in a smooth transition to an alternate service provider.

9.4 Renewal. After the Initial Term, the Agreement shall be automatically extended for additional one (1) year terms (each a "Renewal Term") unless: (i) the Agreement is earlier terminated as a result of a breach as otherwise provided in section 9.2 or 9.3 herein; or (ii) the party seeking to terminate the Agreement provides written notice to the other party of its intention not to renew the Agreement at least 180 days prior the end of the Initial Term or the current Renewal Term.

10. General Provisions.

10.1 Assignment. Neither party shall assign its respective rights and obligations hereunder without the written consent of the other, and any such assignment in violation of this section shall be considered void.

10.2 Notices. All notices required or permitted by this Agreement shall be in writing and shall be deemed given if sent, postage prepaid, certified mail, return receipt requested, to the address set forth below:

To Vera and Vera P.C.:

Vera Whole Health, Inc.
605 5th Ave S, #150
Seattle, WA 98104
Attention: Chief Financial Officer

With a copy to:

Cairncross & Hempelmann, P.S.
524 Second Ave. Suite 500
Seattle, WA 98104
Attention: Robert C. Seidel

To Employer:

City of Kirkland
123 5th Ave
Kirkland, WA 98033

Attention: City Manager

With a copy to:

City of Kirkland
123 5th Ave
Kirkland, WA 98033

Attention: City Attorney's Office

or to such other address as either party shall indicate to the other in accordance with the provisions of this Section.

10.3 Binding on Successors. This Agreement shall be binding upon the parties hereto and their successors and assigns.

10.4 Waiver of Provisions. Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms and conditions hereof.

10.5 Governing Law. The validity, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Washington without regard for conflicts of law principles. Exclusive venue for any legal action in connection with this Agreement shall be in King County, Washington.

10.6 Severability. The provisions of this Agreement shall be deemed severable, and if any portion shall be held invalid, illegal or unenforceable for any reason, the parties will agree upon a substitute provision to achieve the intent of the invalidated, illegal or unenforceable term and the remainder of this Agreement shall be effective and binding upon the parties hereto.

10.7 Additional Documents. Each of the parties hereto agrees to execute any document or documents that may reasonably be requested from time to time by the other party to implement or complete such party's obligations under this Agreement.

10.8 Remedies Cumulative. No remedy set forth in this Agreement or otherwise conferred upon or reserved to any party shall be considered exclusive of any other remedy available to any party.

10.9 No Obligation to Third Parties. The terms of this Agreement are intended to be solely for the benefit of Vera and Employer and their successors and assigns, and none of the obligations and duties of Vera or Employer under this Agreement shall in any way or in any manner be deemed to create any obligation of Vera or Employer to, or any rights in, any person or entity not a party to this Agreement.

10.10 Entire Agreement; Incorporation by Reference. This Agreement sets forth the entire understanding between the parties and there are no other agreements or arrangements, either written or oral, between the parties and their Affiliates. The Agreement cannot be amended except by a writing signed by all parties. All Exhibits and Schedules attached to this Agreement shall be incorporated into and made part of this Agreement without specific identification or individual reference thereto.

10.11 Non-Solicitation. Employer shall not solicit, hire or otherwise engage any person employed by Vera, Vera P.C., or any entity owned by either entity, during the Term, or any Renewal Term, and within twelve (12) months after the termination of this Agreement, to perform services for Employer or any other person.

10.12 Confidentiality. Employer, Vera and Vera P.C. each acknowledge that as a result of their participation in this Agreement, Employer, Vera, Vera P.C., and their respective agents, shall have access to and may receive certain confidential and/or proprietary information of one of the other parties (and will thereby become a "Receiving Party"), which is not readily ascertainable from other sources including, but not limited to, pricing or business strategies, or any other type of proprietary data or trade secrets relating to Employer, Vera or Vera P.C. ("Confidential Information"). Employer, Vera and Vera P.C. agree that none of the parties shall, at any time, without such other parties' prior written consent, disclose, or authorize or permit anyone under such parties' direction to disclose, to anyone not properly entitled to such disclosure, any Confidential Information relating to Employer, Vera, and Vera P.C., and Vera, Vera P.C. and Employer further agree that upon termination or expiration of this Agreement, with or without cause, Employer, Vera and Vera P.C. will not, without the prior written consent of the party who provided such Confidential Information (a "Disclosing Party"), use or disclose the Confidential Information of any of the other parties for its own business purposes, or for the business purposes of any other individual or entity. A Receiving Party shall have no obligation to maintain the confidentiality of any Confidential Information which: (i) the Receiving Party can demonstrate that it was known by Receiving Party prior to the disclosure thereof by the Disclosing Party; (ii) properly came into the possession of the Receiving Party from a third party which is not under any obligation to maintain the confidentiality of such information; (iii) is or becomes become part of the public domain through no act or fault on the part of the Receiving Party, including disclosure required of the Employer under the Public Records Act; or (iv) the Receiving Party can demonstrate that it was independently developed by or for the Receiving Party without the use of Confidential Information.

10.13 Force Majeure. None of the parties shall be liable to any of the other parties, or any third party, for failure to perform their obligations and responsibilities required herein in the event of strikes, lock-outs, acts of God, unavailability of supplies, or other events over which a party has no control for so long as such events continue and for a reasonable period of time thereafter, nor shall they be liable to any of the other parties for failure to perform any such obligations and responsibilities required herein in the event of strikes, lock-outs, natural disasters or acts of God, unavailability of supplies or other events over which such party has no control for so long as such events continue and for a reasonable period of time thereafter.

10.14 Independent Contractors. The parties hereto acknowledge that Vera, Vera P.C. and Employer are "independent contractors" and nothing in this Agreement is intended nor shall be construed to create a partnership, joint venture relationship, or to allow Employer to exercise control or direction over delivery of the Services which are the subject matter of this Agreement. Employer shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance of unemployment compensation programs or otherwise assuming the duties of an employer with respect to Vera or Vera P.C. or any employee of either.

10.15 Equitable Remedies. Each party acknowledges that a breach of certain of its obligations under this Agreement other than any payment obligations hereunder, may result in irreparable and continuing damage to the other party for which monetary damages may not be sufficient, and agrees that the other party will be entitled to seek, in addition to its other rights and remedies hereunder or at law, injunctive or all other equitable relief, and such further relief as may be proper from a court of competent jurisdiction.

10.16 Intellectual Property Ownership. All right, title and interest in and to all intellectual property that is provided to Employer in connection with the Service, including without limitation any patents, copyrights, trademarks, trade secrets, or other similar intellectual property is owned exclusively by Vera. Except as otherwise expressly provided in this Agreement, Vera's delivery of the Service to Employer shall not convey any rights in the Service, express or implied, nor ownership in the Service nor any intellectual property rights thereto. Any rights not expressly granted herein are reserved by Vera. Vera service marks, logos and product and service names are marks of Vera (the "Vera Marks"). Employer agrees not to display or use the Vera Marks in any manner without Vera's prior written permission, which will not be unreasonably withheld.

10.17 Survival. Any provision of this Agreement or any Schedule which, by its nature, would survive termination or expiration of this Agreement, will survive any such termination or expiration, including without limitation Sections 3, 6, 7, 8 and 10.

11. Nondiscrimination.

Vera and Vera P.C. shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

DATED as of the date first mentioned above.

Vera Whole Health, Inc.:

By:_____
Its:_____

City of Kirkland:

By:_____
Its:_____

Vera Whole Health WA, P.C:

By: Vera Whole Health, Inc., its Agent

By:_____
Its:_____

SCHEDULE 1
SERVICES

A. Vera Support Services: Vera shall provide management services necessary and appropriate to operate the Clinic and to provide the non-medical Services, including without limitation:

(1) Establish, prepare, maintain and routinely review protocols in the areas of direct clinical responsibilities, in accordance with those standards of practice and guidelines published by national boards, the Accreditation Council for Graduate Medical Education (ACGME) and/or other relevant healthcare agencies, which are appropriate in Vera's sole discretion.

(2) Provide for staffing and scheduling for the Vera Clinic.

(3) Provide for all Participant appointment scheduling for the Vera Clinic.

(4) Promotion of cost containment and cost reductions in all areas of responsibility.

(5) Ensure compliance with Medicare, Medicaid, state, federal, and other appropriate and relevant rules and regulations.

(6) Administratively verify that all Vera P.C. Providers are properly licensed and credentialed.

(7) Obtain and maintain equipment necessary for the operation of the Vera Clinic and the provision of Services, which Vera may procure from time-to-time with Employer's approval. Vera shall own said assets and agrees that upon termination of this agreement if the assets are usable the City shall be reimbursed the depreciated value of those assets;

(8) Obtain and provide all supplies necessary for the operation of the Vera Clinic and the provision of Services, which Vera may procure from time-to-time with Employer's approval. Vera shall own said assets and agrees that upon termination of this agreement if the assets are usable the City shall be reimbursed the depreciated value of those assets;

(9) Provide a secure Participant online webpage to view Participants medical records;

(10) Verify that Vera P.C.'s maintenance of medical records is in accordance with Vera standards and applicable laws of Washington and the United States.

(11) Coordinate and pay for essential building services such as janitorial, laundry, refuse removal, hazardous medical waste removal and other support services as are reasonably necessary for the provision of the Services, and the functioning of the Vera Clinic, and Vera P.C.;

(12) Manage all administrative activities of Vera P.C. including human resources, billing, collections, payroll, and personnel management.

(13) Verify that all Vera P.C. Providers maintain medical licenses in good standing in the State of Washington.

(i) Clinic Utilization Reporting to Employer: Vera shall provide periodic utilization reporting to Employer. The reporting shall include: unique encounter and appointment type utilization reports weekly for the first month of the Clinic launch date and then monthly thereafter; quarterly analysis of utilization data to identify gaps in care, patterns of disease, and trends in Participant adherence to the plans of care; and an annual aggregate utilization report.

(ii) Services Implementation Assistance. Vera will provide marketing support to Employer to drive clinic participation. Marketing support will include:

(a) One incentive/benefit promotion to employees per quarter for a total of four promotions in the first twelve months.

(b) The promotions assume that Employer will incent their employees to use the Vera Whole Health clinic. The effectiveness of the promotions depends on the strength of the incentive. The Employer has the sole discretion to determine the incentive to be offered for each promotion.

(c) The first promotion of the year will be an employee "Passport" that will introduce/welcome the employee to the Vera Clinic, and encourage employees to use the Clinic in a defined way in order to receive their incentive/benefit.

(d) Employer will have up to 2 rounds to review and provide Vera with input on the Passport creative before the Passport creative is finalized.

(e) Vera will work in collaboration with Employer to determine the creative approach for the next three promotions. The main offer of each promotion will continue to be the incentive/benefit that the employee will receive if they use the clinic in a defined way.

- Upon agreeing to the creative approach for each of the next three promotions, Vera will write and design the promotions.

- Employer will have up to 2 rounds of review and/or approve each promotion before each promotion is finalized.

(f) Upon approval of the promotion creative, Vera will provide the design files for Employer's use.

(g) Vera will provide advice to Employer to determine the best means of promotion distribution.

(h) Vera will write, design, host and own a webpage. The webpage serves as a Vera Whole Health's "storefront," and is meant to provide clinic information to every employee who uses the clinic. Employer may provide feedback on the information presented on the webpage.

B. **Vera P.C. Clinical Services.** Vera P.C. shall provide certain Services at Clinic locations. These include without limitation:

(1) Primary care, preventive care, health risk assessments to adult Participants, and non-emergency convenient care to pediatric Participants, who are the dependents of Participants.

(2) Electronic medical records;

(3) Pharmaceutical assessment and management;

(4) Health coaching;

(5) Tailored health action plans;

(6) Participant education;

(7) Disease management and care coordination;

(8) Quarterly analysis of claims data to identify gaps in care, patterns of disease and trends in Participant adherence to plans of care.

(9) Ensure compliance with Medicare, Medicaid, state, federal, and other appropriate and relevant rules and regulations.

(10) On-Site Laboratory Tests.

C. Additional Services provided by Vera P.C. or Vera and covered by the Admin PPPM Fee or pass through paid by Employer:

Office Visits

Phone Appointments
Email Contact
Wellness Consultation with Doctor
Wellness Coaching from Certified Coach
Secure Goal Setting and Tracking Software Plus Individual Action Plans
Well child and vaccinations for Children ages 2 and up
Specialist Care Coordination • Coordinate referral • Correspond with specialist about treatment • Manage after-care
Lab: Included in Monthly Fee • Glucose • Lipids
Lab: Billed at Cost to Send Out (examples) • HIV Screening test • INR (blood coagulation measurement) • Mononucleosis Test • Pregnancy Test • Stool Blood Test (FOBT) • Strep Throat Test • Urinalysis
Office Procedures & Supplies (examples) • Blood draws • EKGs • Sutures • Spirometry • Skin biopsy (pathology billed at cost) • Wound care • IUD insertion (IUD billed at cost) • Joint injections • Ankle Brace (Air Cast) • Ankle Brace (lace up) • Forearm Splint • Crutches • Finger Splint • Thumb Spica Splint • Cast Boot/Surgical Shoe • Walker Boot (short and long) • Wrist Brace • Skin tag & wart removal • Peak Flow Meter • Knee Sleeve (elastic w/knee hole)

On-site dispensary (Avg. 50 Generic Drugs) (billed at cost)– Consists of the following : - Full one dose drugs (ie antibiotics, etc) - A limited list of the most common and not complex maintenance drugs (i.e. high blood pressure, diabetes, etc.). The full list will be created based on the list of actual drugs being used by the Participant population and mutually agreed to by the Parties. - Ave of 50 generic drug "starter packs", which are the first full dose of many typical maintenance drugs and is used to trial different medications for effectiveness and limited side-effects.
Vaccines (Billed at Cost)
Wellness Council to Address Culture of Wellness (included but not limited to educational brown bags and other forms of Participant engagement activities)

Note: Prenatal care is not offered and will be referred out.

SCHEDULE 2
FEES

1. Monthly Fees. Employer shall pay Vera as follows:

1.1 Fees for Services.

(a) Initial Fees / Minimums. In consideration of the Services provided as described in Schedule 1, Employer shall pay Vera a monthly administrative fee based on the actual number of Participants who are authorized by Employer to utilize the Services during the calendar month. The payment rate shall be **Seventeen dollars and zero cents ($17.00)** per Participant per month ("PPPM") (the "Admin PPPM Fee"); provided however, in no case shall the monthly amount of this Admin PPPM Fee due and payable to Vera for Services be less than Fourteen Thousand Eight Hundred Seventy Five dollars ($14,875), which shall be based on a minimum number of Participants of eight hundred and seventy-five (875), Employer expects this minimum to increase to one thousand participants pending union negotiations, at which time the monthly amount of this Admin PPPM Fee due and payable to Vera for Services will be no less than Seventeen Thousand dollars ($17,000).). Employer shall also make available to each enrolled employee/family, with the exclusion of interest arbitration eligible bargaining units, an annual incentive bonus in exchange for such Participant's engaging in 2 visits for annual health and wellness with Vera.

(b) Annual Cost Savings Share. Employer shall pay to Vera up to an additional One Hundred Thousand Dollars ($100,000.00) for each 12 month calendar period or prorated portion thereof ("Contract Year") after commencement of the Kirkland Clinic operations, and including the calendar year of commencement, calculated as follows:

(i) Employer's projected per employee per month (PEPM) claims costs for the Participants on the First Choice High Deductible Health Plan is set forth on Schedule A ("Projected Healthcare Costs").

(ii) If actual claims for the Participants on the First Choice High Deductible Health Plan for a Contract Year are less than the amount equal to the Projected Healthcare Costs multiplied by the average number of employee participants on the First Choice High Deductible Health Plan for the Contract Year, then Employer shall pay to Vera twenty-five percent (25%) of the amount below the projected claims for the Participants on the First Choice High Deductible Health Plan, up to a maximum payment each Contract Year of One Hundred Thousand Dollars ($100,000.00) ("Shared Savings Payment"). Employer shall pay the Shared Savings Payment to Vera on or before the date 60 days after the end of each calendar year. The Shared Savings Payment shall be delivered to Vera with a detailed spreadsheet showing the calculations on which the Shared Savings Payment has been calculated.

(iii) If actual claims for the Participants on the First Choice High Deductible Health Plan exceed the Projected Healthcare Costs multiplied by the average number of employee participants on the First Choice High Deductible Health Plan, no amounts shall be payable under this Section 1.1(c).

Schedule A

Plan Year	Projected PEPM
2015	$977.35
2016	$977.35
2017	$1006.67

1.2 Other Charges. In addition to the Admin PPPM Fee, Employer shall incur other charges as follows:

(a) Personnel, Supplies, Technology, Waste Disposal, Nurse Line, and Facilities Charges. Employer shall pay its "Pro Rata Share" of all costs to operate the Clinic, including without limitation (i) personnel salaries and taxes, benefits, malpractice insurance, training and development (ii) supplies; (iii) technology; (iv) waste disposal; (v) nurse line; and (ii) facilities rent, including common area maintenance, and taxes. In any case, the facilities rent shall be limited to a maximum pass through cost of up to 1,800 square feet. Rental costs for space above 1,800 square feet shall be the sole responsibility of Vera. For purposes of this Agreement, "Pro Rata Share" means the number of Participants divided by the number of Participants plus the number of participants from other employers who use the Kirkland Clinic as their primary clinic. Employer may elect to have limited staff and clinic available hours of as low as one half the standard(.5 FTE Doc, ARNP and Coach and 1 FTE Medical Assistant and 20 hours a week) up to the full standard (1 FTE Doc, ARNP and Coach and 2 FTE Medical Assistants and 40 hours a week) at Anticipated Services Commencement Date. Employer must notify Vera as to the level of Clinic staffing and availability desired at Anticipated Services Commencement Date at least ninety (90) days prior to such date. Vera may, in its sole discretion, adjust the Clinic staffing levels and availability to appropriately serve the Clinic capacity as additional participants, either pursuant to this Agreement or pursuant to Vera agreements with other companies not related to Employer, are added. Additionally, upon notice as described below, Employer shall, in its discretion, have the option of increasing Clinic staffing and available hours. Any such increase shall result in an increase in the amount of Employer's Pro Rata Share of personnel and facilities costs. Employer shall provide Vera with a minimum of ninety (90) days written notice should it decide to increase staffing and hours.

(b) Clinic Dispensed Pharmacy And Off-Site Laboratory Charges. Vera shall pay the clinic dispensed pharmacy and off-site laboratory charges on Employer's behalf and subsequently be reimbursed for the charges by Employer. If Vera makes the payment, Vera shall include an

itemized list of all such charges on the invoice for the month following the date that the pharmacy charge was incurred, and the charges shall be due and payable by Employer under the same terms as stated in Section 5 below.

(c) Services Billed To Participant's Insurance. Notwithstanding the foregoing, the parties acknowledges that state law requires that certain pathological interpretation services (such as pap smear and skin biopsy) must be billed to a Participant's insurance plan or paid directly by the Participant and cannot be directly paid by Vera.

(d) Charge for Partial Services Prior to Commencement of Kirkland Clinic Operations. At Employer's option, upon notice to Vera, Vera shall commence providing partial services for Participants at other Vera clinics prior to the commencement of Kirkland Clinic Operations. "Partial Services" is defined as conducting the biometric screen and providing opportunity, assistance, or encouragement for the completion of the annual health risk assessment. For each month after Employer exercises such option and until the commencement of Kirkland Clinic Operations, Employer shall pay to Vera (i) the Admin PPPM for each Participant; and (ii) an additional fee per Participant per visit fee of Twenty Dollars and Zero Cents ($20.00); for a total of Thirty Seven Dollars and Zero Cents ($37.00) per Participant per visit. The $20.00 monthly fee shall replace any charges to Employer for costs of operating the Clinic pursuant to Section 1.2(a) above. During such period, Vera shall provide Services to Participants at standard Vera levels of service and wait time expectations at our existing clinic locations as follows: Union Station at 605 5th Ave S, #150, Seattle, WA 98104, Springbrook at 4540 Sandpoint Way NE, #100, Seattle, Washington 98105, and Ballard at Tallman Medical Office Building, 5350 Tallman Ave NW, Fifth Floor, Seattle, WA 98107.

2. Start Up Expenses. Constructing, setting up and equipping a Clinic involves expenditures for, among other things, administration, equipment and supplies, each of which, shall be paid by Vera. One-Half (1/2) of such costs shall be reimbursed by Employer, however the space conversion costs will be limited to the cost of converting up to a maximum of usable and/or primarily patient facing space of 1,800 square feet. In addition, Employer shall pay the Vera Startup Fees outlined in Exhibit A. The reimbursable start-up costs, which will commence as of the date of this Agreement are estimated as stated in Exhibit A to this Schedule 2, which is attached and incorporated by reference herein, and include without limitation: recruitment of medical providers expenses; installation of an electronic medical record system; training of physicians and nurses; training of the health coaches; customization of the behavior change program; obtaining licenses and legal approvals; and development of legal documentation, Provider relocation costs if applicable, and other expenses reasonably necessary for the start-up and operation of the Clinic. Reimbursable Start-up costs paid directly by Vera will be invoiced by Vera during the month immediately following the month in which the costs or charges were incurred and shall include a five percent (5%) administrative fee to cover Vera's incremental administrative costs. Employer shall pay each invoice under the same terms as stated in Section 5 below. The Vera Startup Fees shall be paid 30% ($30,000) at contract signing or within 10 days thereafter. The remaining Vera Startup Fees will be billed monthly at $23,334 a month for the three months following contract

signing. The parties agree that, with the exception of the Vera Startup Fees, the costs stated in Exhibit A are estimates only. Employer's obligation to reimburse Vera shall be based on actual costs incurred. The foregoing notwithstanding, the parties expressly acknowledge and agree that if Vera reasonably concludes that the actual aggregate costs identified in the estimate will exceed the actual costs by ten percent (10%) or more, Vera shall notify Employer prior to making any further expenditures.

For the final two months prior to termination of this agreement or the initial term whichever occurs first the Vera Startup Fees will be credited against the monthly Admin Fee billings at $50,000 each.

3. Repair, Replacement And Maintenance. During the Term and any Renewal Term, Employer shall reimburse Vera for the reasonable cost of repair, replacement and maintenance of all equipment and devices used to provide the Services. The amount of the reimbursement will be calculated based on the Employer's Pro Rata Share on the date of the required repair, replacement and maintenance.

4. Payment Terms; Penalty. Payment terms for all amounts due herein shall be net 30 days from the date of the invoice. Any unpaid past due balance shall accrue interest at the rate of twelve (12%) per annum, but not to exceed the maximum amount permitted by law, and any late payments shall be subject to a penalty of five percent (5%) of the overdue amount, plus all reasonable costs incurred by Vera in the collection of any such amounts.

5. Billing.

Bills should be sent to the following address:

City of Kirkland
123 5th Ave
Kirkland, WA 98033

Attn: Department of Finance & Administration

EXHIBIT A TO SCHEDULE 2

ESTIMATED START UP EXPENSES

City of Kirkland START UP EXPENSES AND ASSETS		
	Full cost to Startup	**COK prorata share**
START-UP EXPENSES	**100%**	**50%**
Hiring of physician - search fees, marketing, moving expenses	40,600	20,300
Staff salary and training during training period	23,700	11,850
Project management costs	40,000	20,000
Build customized interfaces for Electronic Medical Record	6,000	3,000
Total start-up expenses	**$ 110,300**	**$ 55,150**
ASSETS	**100%**	**50%**
Pharmacy start up equipment and stocking cost	3,000	1,500
Medical equipment	17,000	8,500
Medical disposable supplies	4,000	2,000
Office supplies	3,000	1,500
Technology	4,000	2,000
Office furniture	27,000	13,500
Office space conversion estimate **	293,300	146,650
Total Assets	**$ 351,300**	**$ 175,650**
VERA START-UP FEES		
Whole health council facilitation		35,000
Cultural fit and recruiting efforts		40,000
Real estate search, design evaluation, and needs eval		20,000
Communication and PR support		5,000
Total Vera Startup Fees		**$ 100,000**
TOTAL START-UP INVESTMENT	**$461,600**	**$330,800**

** Employers share of space conversion costs will be limited to the cost to convert a maximum of 1,800 usable and/or primarily patient facing square feet. Any costs to convert space beyond 1,800 square feet will be the sole responsibility of Vera.

SCHEDULE 3
CLINIC TERMS AND CONDITION

Clinic Located Offsite Of Employer's Business Premises.

A. The entire Clinic and all related patient rooms, lavatory, on-site laboratory equipment and any related administrative offices and will be located at a site that is not located on Employer's business premises, however, the Clinic will still be designed and operated as a facility for the use of Employer's Participants. Except as provided in Schedule 2, leasing, tenant improvements, equipment, furniture, and all related leasing and operating costs associated with the Facility shall be the responsibility of Vera.

B. The initial Clinic will be located at a mutually agreeable location.

Anticipated Services Commencement Date: March 1, 2015

C. Vera and Employer acknowledge and agree that they shall cooperate in good faith to identify and promote the Clinic which will be designed and operated as a facility for the shared use of participants of multiple employer groups.

1. Only Participants and Employer's authorized employees, contractors, officers, guests, or agents (collectively "Invitees") will be authorized to enter the Clinic or any business premises in which the Clinic is located or from which it may be accessed. The Invitees may only be granted access when such Invitee is (a) involved in a legitimate business purpose associated with a Clinic, and (b) where applicable when in possession of such evidence of security clearance as Employer or Vera may require. Employer or Vera, may limit the number of approved Invitees who have access to the Clinic and may decline to provide security clearance to any such Participant or Invitee as deemed reasonably necessary by Employer or Vera.

2. Vera shall have the right to revoke, at any time, the access privileges of any Participant or Invitee if Vera reasonably suspects or determines that the individual's conduct or presence is improper, or unacceptable or may jeopardize the operation, safety, or security of the Clinic or the business premises, or any person present on the business premises.

3. Employer shall be responsible for any improper, threatening, or illegal actions of Participants or any of their Invitees while in the Clinic or business premises, and shall be fully liable to Vera or any impacted third party for any injury or damages to any property or individual caused by a Participant or Invitee while in the Clinic or business premises for any reason unless such actions were instigated by Vera, Vera P.C. or their employees.

4. In addition to the above location, Participants have the right to receive Services at other Vera Clinic locations as designated by Vera from time to time. Current Vera clinic locations

available to all Participants are Union Station at 605 5th Ave S, #150, Seattle, WA 98104, and Springbrook at 4540 Sandpoint Way NE, #100, Seattle, Washington 98105.

5. If during the Term of this Agreement, the Clinic, or the Building, are damaged or destroyed, in whole or in part, by fire, natural disaster, or any other means ("Occurrence") then Employer shall continue making payments to Vera as provided in the Clinic Agreement, and Vera shall provide the Services at any other Clinic location operated by Vera in the local metropolitan area, as determined by Vera in its reasonable discretion.

D. Vera's hours of operation during which the Clinic will be open to provide Services shall be determined by mutual agreement of Employer and Vera. The Clinic shall be closed for federal holidays; two (2) days per year for staff training; and, on four (4) occasions per year, one-half (½) day for clinical training. Subject to the terms and conditions in the Clinic Agreement, the parties shall cooperate so that Vera may schedule use of the Clinic to provide services to other patients either during or outside of the hours in which the Clinic is open to provide Services.

SCHEDULE 4
PRICING ESTIMATE SCHEDULE

Vera Whole Health
Pricing Model for the City of Kirkland
Assumed lives: 550 Employees or 1,529 Members

	Just COK members (1,529)	2,250 members	Full to capacity (3,000 members)
Admin fee	**$17.00**	**$17.00**	**$17.00**

Includes the following services/expenses:

Vera Health Gateway (Health Risk Assessment & Coaching and Wellness Tool)

Biometric screening

Outreach, & Education

Lunch & Learns, Health Fairs, "Meet the Doc" Info Meetings

Promotion:

Creative Direction, Design, and Execution of Pre-Launch, Launch, and quarterly engagement campaigns. Patient Website. Additional support on request to hit engagement targets.

Electronic Medical Record

Whole Health Council Facilitation

Data Analytics & Reporting

Telemedicine (messaging and video conferencing with Provider)

Workers Comp Treatment ($0.00 billing)

Occupational Health

Pre-employment physicals, DOT/CDL Testing, Vision, Spirometry, and Drug Testing, Immunizations, Additional Services on Request (ex. Fire Fighter and Police Physical Exams)

Other mutually agreed upon services

Contribution Margin and SG&A Contribution

ESTIMATED ANNUAL PASS THROUGH EXPENSES:

	COK Clinic Members to total Clinic Members		
Costs to be prorated based on % of clinic COK members to the clinic full member base:	**100%**	**68%**	**50%**
Facilities (Rent, NNN, Expenses)	$59,400	$40,366	$29,700
Full Staff model Salaries (fully loaded)	$574,250	$390,235	$287,125
Other costs (supplies, technology, etc.)	$70,640	$48,004	$35,320
Costs based on actual COK member usage:			
Lab (drawn onsite but sent out for diagnostics)	$25,000	$25,000	$25,000
Rx dispensed at the clinic / Immunizations	$25,000	$25,000	$25,000

SCHEDULE 4
PRICING ESTIMATE SCHEDULE CONT.

OPTION TO RAMP UP STAFFING SLOWLY: (note 4)
With initial 875 members

	(note 3)	*(note 2)*	*(note 1)*
	Half time staffing	**Three quarters staffing**	**Full staffing**
	20 hrs /wk	**30 hrs/wk**	**45 hrs/wk**
Salaries (fully loaded) - 100% of cost	$287,125	$430,688	$574,250
other costs (supplies, technology, etc.)	$53,489	$55,739	$70,640
Facilities (Rent, NNN, Expenses)	$59,400	$59,400	$59,400
Lab and Rx at 875 members	$29,166	$29,166	$29,166
Estimated Admin PPPM Fee at 875 members	$178,500	$178,500	$178,500
TOTAL ESTIMATED ANNUAL COST	**$607,680**	**$753,493**	**$911,956**

Note 1: Full Staff Model: 45 Clinic Hours a Week; 1 Doctor, 1 Advanced Registered Nurse Practitioner, 2 Medical Assistants, 1 Health Coach

Note 2: Three Quarter Time Model: 30 Clinic Hours a Week; .75 Doctor, .75 Advanced Registered Nurse Practitioner, 1.5 Medical Assistant, .75 Health Coach

Note 3: Half Time Model: 20 Clinic Hours a Week; .5 Doctor, .5 Advanced Registered Nurse Practitioner, 1 Medical Assistant, .5 Health Coach

Note 4: It is Vera's intention to work with the City of Kirkland to fill this clinic to 3,000 total lives with additional employers. If COK chooses to start at either the half or 3/4 time option this demonstrates the estimated expense at each level.

SCHEDULE 5
BUSINESS ASSOCIATE AGREEMENT

By agreement of the parties, City of Kirkland (the "Covered Entity") and Vera Whole Health, Inc. and Vera Whole Health WA, P.C. (collectively, "Business Associate"), whose signatures have been affixed below, agree to the terms and conditions contained in this Business Associate Agreement ("Agreement"). This Agreement is effective as of the 1st day of December, 2014.

RECITALS

WHEREAS, the Business Associate has agreed to provide Covered Entity certain services which require Business Associate and Covered Entity to have access to, create, maintain, or transmit Protected Health Information between each other in order to provide the agreed upon services ("Agreement");

WHEREAS, Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy and for Security of Individually Identifiable Health Information codified at 45 Code of Federal Regulations Parts 160, 162 and 164 ("Privacy Regulations" and "Security Regulations");

WHEREAS, the Privacy Regulations and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Privacy Regulations and Security Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

I. DEFINITIONS

1.1 Terms used but not otherwise defined in this Agreement shall have the same meaning as set forth in 45 CFR Parts 160, 162 and 164.

II. OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of PHI. Business Associate may Use and Disclose protected health information ("PHI") to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Agreement provided that such Use or Disclosure would not violate the Privacy Regulations or Security Regulations if done by the Covered Entity.

Business Associate agrees not to Use or further Disclose PHI other than as permitted or required by this Agreement, or as required by law.

2.2 Adequate Safeguards for PHI. Business Associate warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of PHI in any manner other than as permitted by this Agreement.

2.3 Adequate Safeguards for EPHI. Business Associate warrants that it shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic protected health information ("EPHI") that it creates, receives, maintains, or transmits on behalf of the Covered Entity.

2.4 Reporting Non-Permitted Use or Disclosure. Business Associate shall within five business days in writing notify Covered Entity's Privacy Official of each Use or Disclosure of PHI, of which Business Associate becomes aware (other than Security Incidents, covered under the terms set forth below), that is made by Business Associate, its employees, representatives, agents or subcontractors that is not specifically permitted by this Agreement or by law. In addition, Business Associate shall report to the Covered Entity any Security Incident of which it becomes aware as follows: a) reports of successful unauthorized access shall be made within five business days; and b) reports of attempted unauthorized access shall be made in a reasonable time and manner considering the nature of the information to be reported and subject to mutual agreement of the parties.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of PHI available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy Regulations and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request, if allowed by law to do so.

2.6 Access to and Amendment of PHI and Accounting of Disclosures. Business Associate agrees to make available PHI (a) as required by 45 CFR Section 164.524; (b) for amendment and incorporate any amendments to PHI as required by 45 CFR Section 164.526; and (c) to provide an accounting of disclosures as required by 45 CFR Section 164.528, and to the extent applicable Section 13405(c) of Title XII, Subtitle D of the Health Information Technology for Economic and Clinical Health ("HITECH") Act, codified at 42 U.S.C. §17932.

2.7 Privacy-Related Services Regarding Requests by Individuals. Upon receipt, Covered Entity shall, no later than five (5) business days following receipt of a request, provide notice to and forward any and all individual requests received pursuant to 45 CFR Sections 164.522, 164.524, 164.526 or 164.528 (collectively referred to as the "Requests") to Business Associate at its last known address.

Upon Business Associate's receipt of the Requests, either from the Covered Entity or directly from the Individual, the Claims Administrator shall: (a) evaluate each Request consistent with the HIPAA Rules and the Business Associate's policies, procedures and practices; (b) for Requests that may affect the policies, procedures or practices of the Covered Entity, coordinate with the Covered Entity about evaluation of the Requests and mutually agree on the result; (c) for Requests that may involve the Covered Entity's other business associates, request information from the business associate identified by the Covered Entity necessary for fulfilling the Requests; (d) communicate the result of the evaluation directly to the Individual within the legal timeframes established for each type of Request; (e) notify the Covered Entity of the outcome of each Requested identified by the Covered Entity at the time of notice to the Claims Administrator; and (f) implement each Request that is granted.

2.8 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive PHI from Business Associate to execute a written agreement obligating the agent or subcontractor to comply with the same or substantially similar restrictions and conditions that apply to the Business Associate as set forth in HIPAA, the Privacy Regulations and Security Regulations, and this Agreement.

2.9 Agreement to Mitigate. Business Associate agrees to mitigate, to the extent practicable as determined by the Business Associate, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this Agreement, and to promptly communicate to Covered Entity any actions taken pursuant to this paragraph.

2.10 Business Associate Practices, Policies and Procedures. Business Associate's privacy and security policies and practices shall meet current standards set by RCW 70.02.050 and the HIPAA Privacy and Security Standards (as may be amended from time to time) governing the protection of PHI including, without limitation, user authentication, data encryption, monitoring and recording of access rights to system(s), and internal privacy standards, all designed to provide assurances that the requirements of this Agreement are met.

2.11 Reporting Breach of Unsecured PHI. Business Associate shall report promptly to Covered Entity a breach of Unsecured Protected Health Information without unreasonable delay, but not later than five (5) days, following Business Associate's discovery of such breach, where such report will include the identification of each individual whose Unsecured PHI has been or is reasonably believed to have been breached and other information as requested by Covered Entity. For purposes of the foregoing obligation, "breach" shall mean the acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Regulations which compromises the security or privacy of such information, i.e., poses a significant risk of financial, reputational, or other harm to the individual, and as further defined in 45 CFR Section 164.402.

III. OBLIGATIONS OF COVERED ENTITY

3.1 Covered Entity shall, upon request, provide Business Associate with its current notice of privacy practices ("Privacy Notice") adopted in accordance with the Privacy Regulations. Covered Entity shall be responsible for maintaining and disseminating its Privacy Notice as required by the 45 CFR 164.520. The Covered Entity shall be responsible for modifying the Privacy Notice in the event that the Covered Entity or the Business Associate materially changes its privacy policies, procedures or practices that affect the Privacy Notice. The party necessitating the change to the Privacy Notice shall bear any reasonable costs associated with revising and distributing the Privacy Notice. The Covered Entity and the Business Associate will not institute such material change before the effective date of the Covered Entity's revised Privacy Notice.

3.2 Covered Entity shall not agree to any Requests regarding revocations, amendments or restrictions in the use or disclosure of PHI if such changes affect Business Associate's permitted or required uses and disclosure of PHI hereunder until Covered Entity discusses the Request with Business Associate as outlined in Section 2.7.

3.3 Covered Entity and Business Associate will make reasonable efforts to request from Business Associate only the minimum amount of PHI necessary for its needed purpose. In addition, the Covered Entity and Business Associate will make reasonable efforts to only disclose to Business Associate the minimum amount of PHI necessary for Business Associate to perform the services agreed to between the parties and other functions and activities referenced in this Agreement. Finally, Business Associate will make reasonable efforts to use, disclose, or request only the minimum amount of PHI necessary from any third party to perform the services agreed upon between the parties and other functions and activities referenced in this Agreement.

IV. ADDITIONAL PERMITTED USES

4.1 Except as otherwise limited in this Agreement or the Services Agreement, Business Associate may use Protected Health Information for the following additional purposes:

(a) Use of Information for Management, Administration and Legal Responsibilities. Business Associate may Use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate as required by law.

(b) Disclosure of Information for Management, Administration and Legal Responsibilities. Business Associate may Disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, as required by law, provided that the disclosures are handled in accordance with Section 2.1 above.

V. TERM AND TERMINATION

5.1 Term and Termination. The term of this Agreement shall be perpetual unless terminated as a part of a termination of the services that necessitated this Agreement. Either party shall have the right to terminate this Agreement if the other party is in material breach or violation of its obligations regarding PHI under this Agreement or law. In the event that the breach cannot be cured and both parties determine that termination is not feasible, the non-breaching party may report such breach to the Secretary. Business Associate's obligations under Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 5.2, and 6.3 of this Agreement shall survive the termination or expiration of this Agreement.

5.2 Disposition of PHI Upon Termination or Expiration. Upon termination or expiration of this Agreement and/or the termination of services, Business Associate will, return or destroy, all PHI in the possession or control of Business Associate or its agents and subcontractors. However, if Business Associate and Covered Entity determine that neither return nor destruction of PHI is feasible, Business Associate may retain PHI provided that Business Associate (a) continues to comply with the provisions of this Agreement for as long as it retains PHI, and (b) limits further Uses and Disclosures of PHI to those purposes that make the return or destruction of PHI infeasible.

VI. GENERAL TERMS

6.1 No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.

6.2 Relationship to Agreement Provisions. In the event that a provision of this Agreement is contrary to any agreement the parties enter into regarding the services performed by Business Associate, the provisions of this Agreement shall control. Otherwise, this Agreement shall be construed under, and in accordance with, the terms of an agreement that may be entered into from time to time.

6.3 Indemnification. Business Associate will indemnify, hold harmless and defend Covered Entity from and against any and all claims, losses, liabilities, reasonable costs, and other expenses incurred as a result or arising directly or indirectly out of or in connection with (a) material breach or non-fulfillment of any undertaking on the part of Business Associate under this Agreement; (b) any claims, demands, awards, judgments, actions and proceedings made by any person or organization, arising out of Business Associate's obligations under this Agreement; and (c) an unauthorized disclosure of unsecured PHI caused by Business Associate or its subcontractors.

Covered Entity will indemnify, hold harmless and defend Business Associate from and against any and all claims, losses, liabilities, reasonable costs, and other expenses incurred as a result or arising directly or indirectly out of or in connection with (a) material breach on the part of Covered Entity under this Agreement; (b) any claims, demands, awards, judgments, actions and proceedings made by any person or organization, arising out of Covered Entity's obligations under

this Agreement; and (c) an unauthorized disclosure of unsecured PHI caused by Covered Entity or its subcontractors.

6.4 Insurance. Business Associate shall obtain and maintain during the term of this Agreement benefit plan administrator's errors and omissions or professional liability insurance applying to all professional activities performed under this Agreement which shall include network privacy liability coverage. Such insurance shall name the Covered Entity as an additional named insured. A copy of such policy or a certificate evidencing the policy shall be provided to the Covered Entity upon written request.

6.5 No Property Interest. Except as may be specifically provided in this Agreement, Business Associate agrees that it acquires no title or rights to the PHI, including any de-identified information, as a result of providing services to Covered Entity. All rights, interest, and title in and to Covered Entity's data, including all PHI, shall remain vested in Covered Entity at all times. Business Associate holds all rights, interest and title in and to provider pricing relating information, including billed amount, allowed amounts and other fee schedule-related information.

6.6 Legal Compliance. The parties hereto shall comply with applicable laws and regulations governing their relationship, including, without limitation, the Privacy Regulations, Security Regulations, and any other federal or state laws or regulations governing the privacy, confidentiality or security of personal health information applicable to health plans. If a provision of this Agreement is held invalid under any applicable law, such invalidity will not affect any other provision of this Agreement that can be given effect without the invalid provision. Further, all terms and conditions of this Agreement will be deemed enforceable to the fullest extent permissible under applicable law, and, when necessary, the court is requested to reform any and all terms or conditions to give them such effect. Business Associate shall comply with applicable state and federal statutes and regulations as of the date by which business associates are required to comply with applicable statutes and regulations. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Regulations, the Security Regulations , the HITECH Act, and other federal or state laws or regulations governing the privacy, confidentiality or security of patient health information applicable to health plans.

DATED as of the date first mentioned above.

Vera Whole Health, Inc.

By:_____
Its:_____

_____:

By:_____
Its:_____

Vera Whole Health WA, P.C.:

By: Vera Whole Health, Inc., its Agent

By:_____
Its:_____

2018 "Cadillac" Tax

	Prime Plan				HDHP+Clinic+HRA/VEBA			
	2013 Costs	Projected Annual Cost 2018			2016 Costs	Projected Annual Cost 2018		
Annual Increase		2.49%	8%	12%		2.49%	8%	12%
Employee	$ 7,720	$ 8,730	$ 11,343	$ 13,605	$ 9,319	$ 9,789	$ 10,870	$ 11,690
Employee + Spouse/DP	$ 16,212	$ 18,333	$ 23,821	$ 28,571	$ 16,489	$ 17,320	$ 19,232	$ 20,683
Employee + Child	$ 11,967	$ 13,533	$ 17,583	$ 21,090	$ 13,394	$ 14,069	$ 15,623	$ 16,801
Employee + Children	$ 16,213	$ 18,335	$ 23,822	$ 28,573	$ 16,269	$ 17,090	$ 18,976	$ 20,408
Employee, Spouse/DP +Child	$ 19,687	$ 22,263	$ 28,927	$ 34,695	$ 18,622	$ 19,561	$ 21,720	$ 23,359
Employee + Family	$ 24,319	$ 27,501	$ 35,733	$ 42,858	$ 21,758	$ 22,855	$ 25,379	$ 27,293
Projected Tax		$ 120	$ 648,016	$ 1,447,016		$ -	$ 23,571	$ 52,438

ACA Individual Threshold	$ 10,200
ACA Family Threshold	$ 27,500

In 2013 a cost trajectory of 2.49% would have reached the tax threshold in 2016. If the 2013/2104 cost trajectory (7%-12%) continued with no plan changes, the City's tax bill in 2018 would have been between $500k and $1.5 Million. With the changes that have been made with plan design and change in employee behavior, this tax liability is now projected to be between $20k and $50k with conservative projections.

EHC VEBA Trust – City of Kirkland

2015 – 3rd Quarter Report

July 1 – September 30, 2015

BPAS

Claim Stats

Breakdown by Source: 7/1/2015 – 9/30/2015

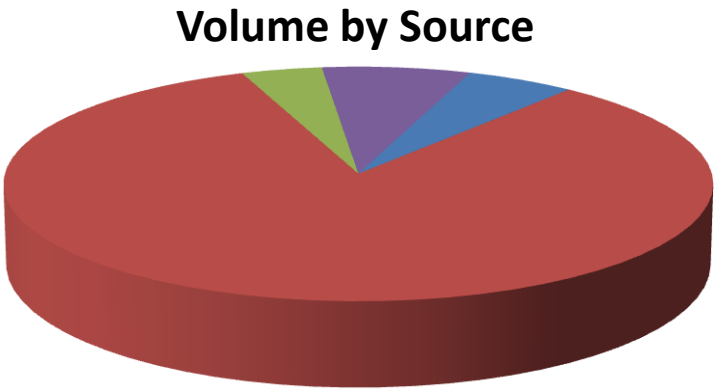
Breakdown by Source	Unique Participants	Claim Average	Claim Volume	Paid	Pending	Denied*
Claims Link	7	$50	42	$1,473	$10	$614
Debit Card*	171	$163	645	$104,770	$0	$591
Mobile App	6	$98	31	$2,827	$0	$213
Online Portal	22	$331	57	$18,516	$120	$206
Recurring	0	$0	0	$0	$0	$0
TOTALS	**184**	**$167**	**775**	**$127,586**	**$130**	**$1,624**

*Some Debit Card Claims will require documentation to be submitted for expense verification. Participants have 90 days from the card swipe to provide documentation if it has been requested. After 90 days, the system will auto-deny and request repayment from the participant.

BPAS

Claim Stats

Breakdown by Source: 7/1/2015 – 9/30/2015



Claim Source	Number of Claims	Percentage of Total (Volume)	Reimbursement Amounts*
Claims Link	42	6%	$1,473
Debit Card	645	83%	$104,770
Mobile App	31	4%	$2,827
Online Portal	57	7%	$18,516
Recurring	0	0%	$0
Total	**775**	**100%**	**$127,586**

*Reimbursement Amounts do not include pending or denied claim amounts

BPAS

Debit Card Substantiation Summary

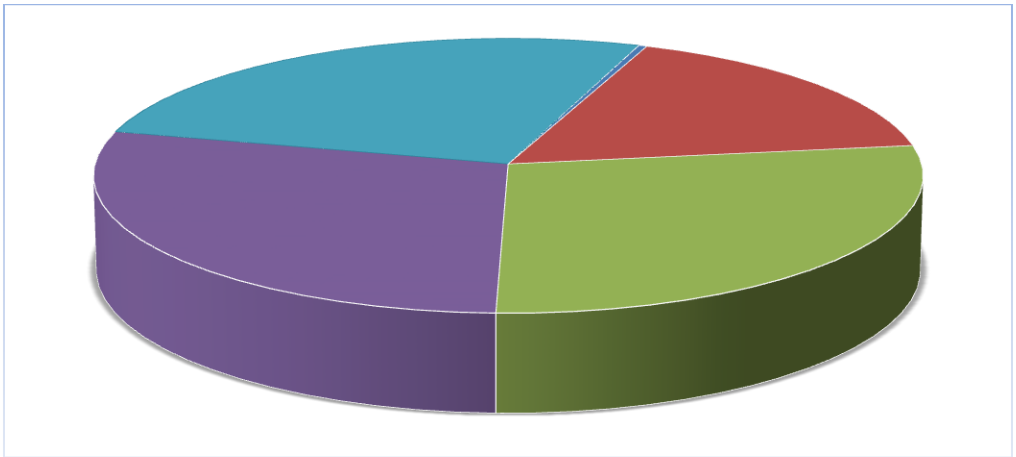
Auto Adjudication Rate: 7/1/2015 – 9/30/2015

Service Type	Total Transactions	Total Match	Auto Adjudication Rate
Pharmacy	152	152	100%
Medical	422	130	30.8%
Dental	52	3	5.8%
Vision	28	9	32.1%
Totals	**654**	**294**	**45%**

BPAS

Balances by Age Group

Average Balances Invested by Age Group on 10/03/15

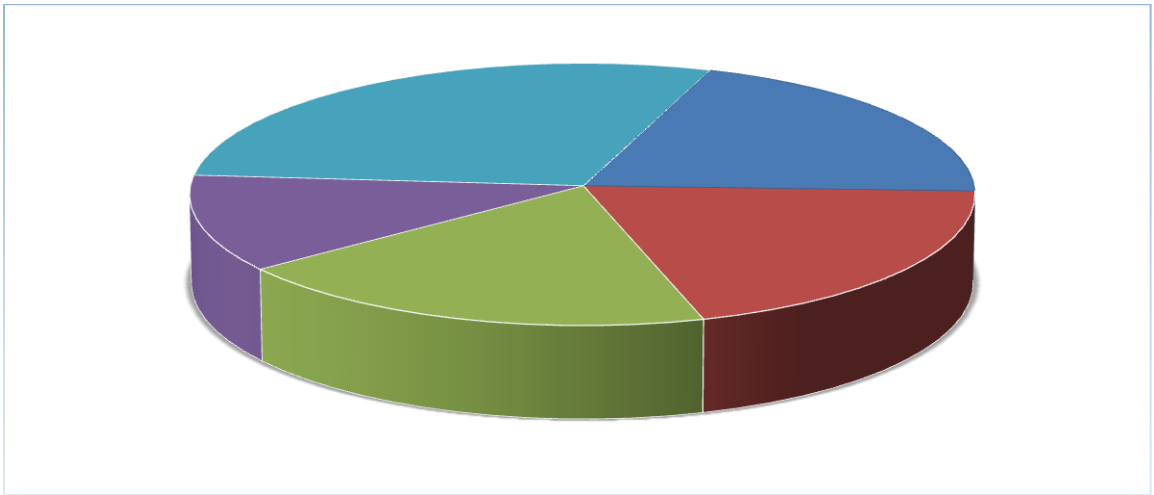


	Age Group	# of Participants	Total Balance	Average Balance	Percentage
	Less than Age 25	5	$5,301	$1,060	0%
	Age 25 – 34	129	$257,231	$1,994	17%
	Age 35 – 44	143	$420,000	$2,937	28%
	Age 45 – 54	153	$432,619	$2,828	28%
	Greater than Age 55	133	$405,735	$3,051	27%

BPAS

Balances by Length of Service

Average Balances Invested by Service Group on 10/03/15

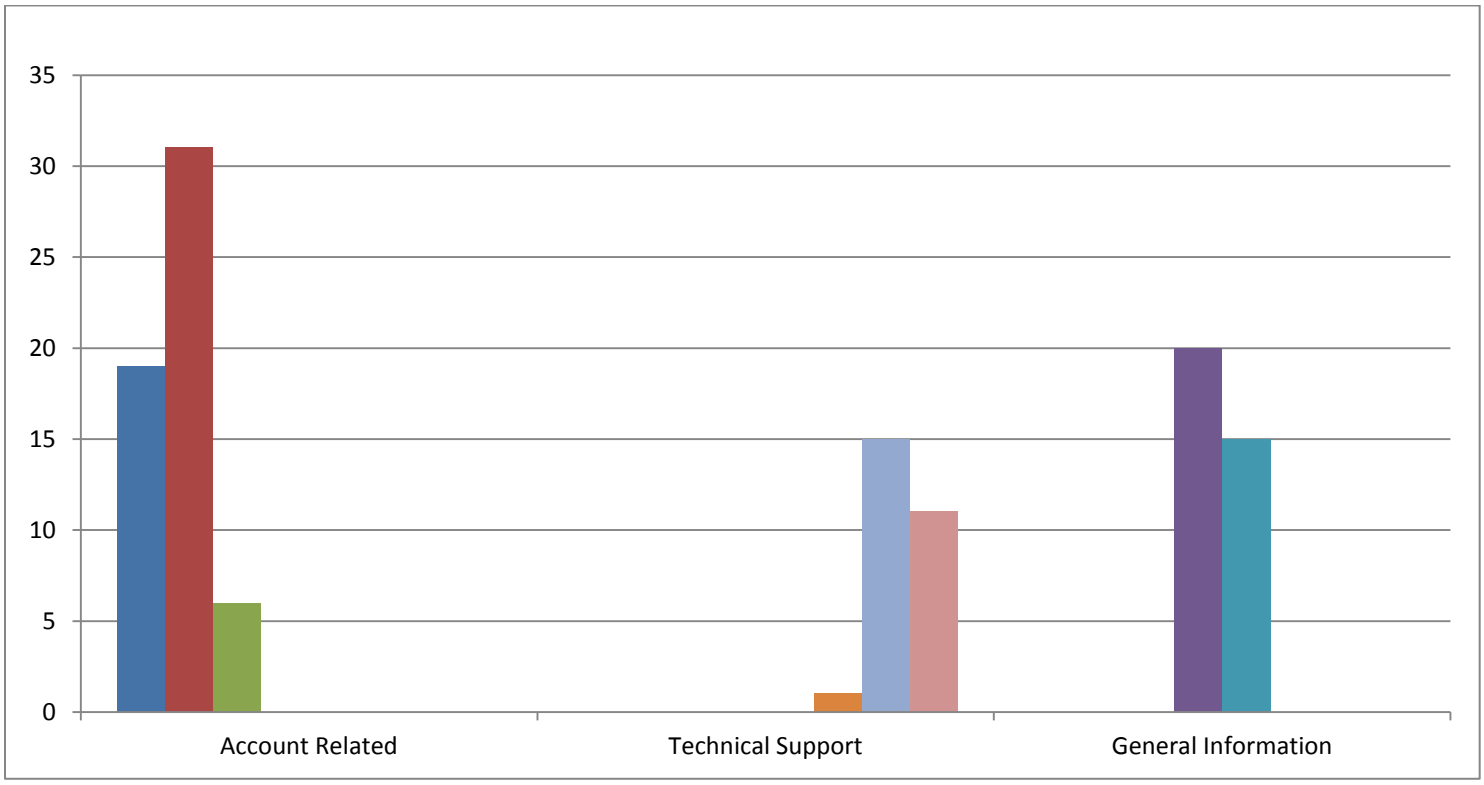


	Range of Service	# of Participants	Total Balance	Average Balance	Percentage
	Less than 5 Years	187	$305,338	$1,633	20%
	5+ Years	114	$300,397	$2,635	20%
	10+ Years	94	$290,252	$3,088	19%
	15+ Years	54	$179,888	$3,331	12%
	More than 20 Years	114	$445,012	$3,904	29%

BPAS

Call Stats by Category

July 1 – September 30, 2015



Call Type	# of Calls
Benny Card Questions	19
Claims Status Inquiry	31
Balance Inquiry	6
Plan Information	20
Other	15
Mobile App Info/Instructions	1
User ID / Password Reset	15
Website Login Questions	11
Total Calls	**118**

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BPAS Plan Contact Information

Trish Payne | Plan Consultant, VEBA/HRA Services
BPAS
p: 206-466-2932 | 866-401-5272, ext. 3807
c: 206-735-9034 | e: TPayne@bpas.com | w: bpas.com

Solving Tomorrow's Benefit Plan Challenges Today
Retirement Plan Administration | Actuarial and Benefit Consulting Services | Collective Fund Administration | VEBA/HRA Administration | Trust and Fiduciary Services | IRA Services

BPAS offices in Rochester, Syracuse, Utica & New York, NY | Philadelphia & Pittsburgh, PA | Houston, TX | E. Hanover, NJ | San Juan, PR

BPAS

EHC VEBA Trust – City of Kirkland

2015 – 2nd Quarter Report

April 1 – June 30, 2015

BPAS

Claim Stats

Breakdown by Source: 4/1/2015 – 6/30/2015

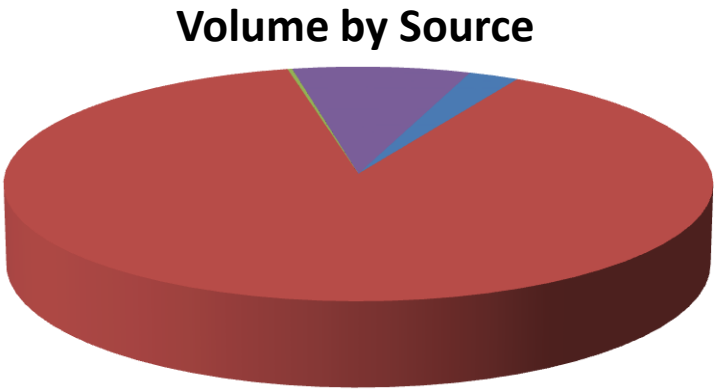
Breakdown by Source	Unique Participants	Claim Average	Claim Volume	Paid	Pending	Denied*
Claims Link	4	$302	11	$2,931	$390	$0
Debit Card*	115	$126	391	$48,541	$0	$537
Mobile App	1	$151	1	$0	$151	$0
Online Portal	10	$342	39	$6,006	$7,077	$269
Recurring	0	$0	0	$0	$0	$0
TOTALS	**121**	**$149**	**442**	**$57,478**	**$7,618**	**$805**

*Some Debit Card Claims will require documentation to be submitted for expense verification. Participants have 90 days from the card swipe to provide documentation if it has been requested. After 90 days, the system will auto-deny and request repayment from the participant.

BPAS

Claim Stats

Breakdown by Source: 4/1/2015 – 6/30/2015



Claim Source	Number of Claims	Percentage of Total (Volume)	Reimbursement Amounts*
Claims Link	11	2%	$2,931
Debit Card	391	88%	$48,451
Mobile App	1	0%	$0
Online Portal	39	9%	$6,006
Recurring	0	0%	$0
Total	**442**	**100%**	**$57,478**

*Reimbursement Amounts do not include pending or denied claim amounts

BPAS

Debit Card Substantiation Summary

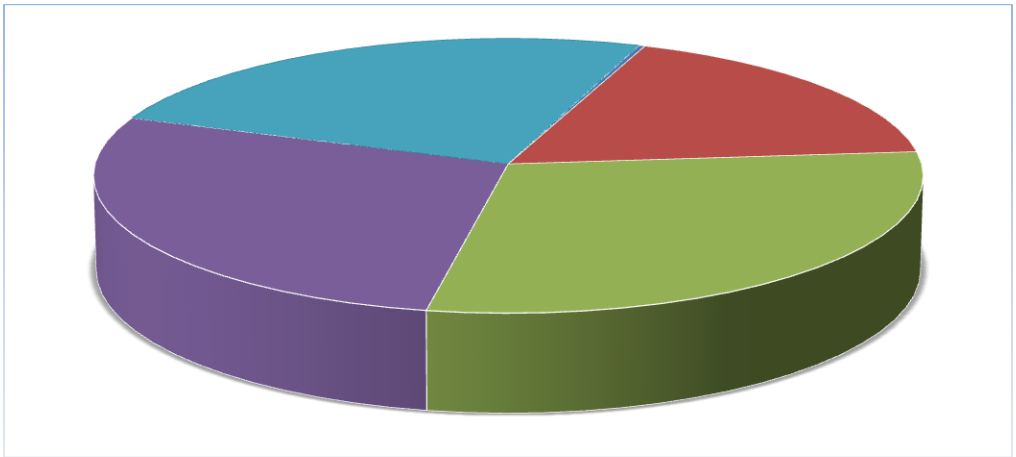
Auto Adjudication Rate: 4/1/2015 – 6/30/2015

Service Type	Total Transactions	Total Match	Auto Adjudication Rate
Pharmacy	73	72	98.6%
Medical	265	120	45.3%
Dental	27	0	0.0%
Vision	28	7	25.0%
Totals	**393**	**199**	**50.6%**

BPAS

Balances by Age Group

Average Balances Invested by Age Group on 07/01/15

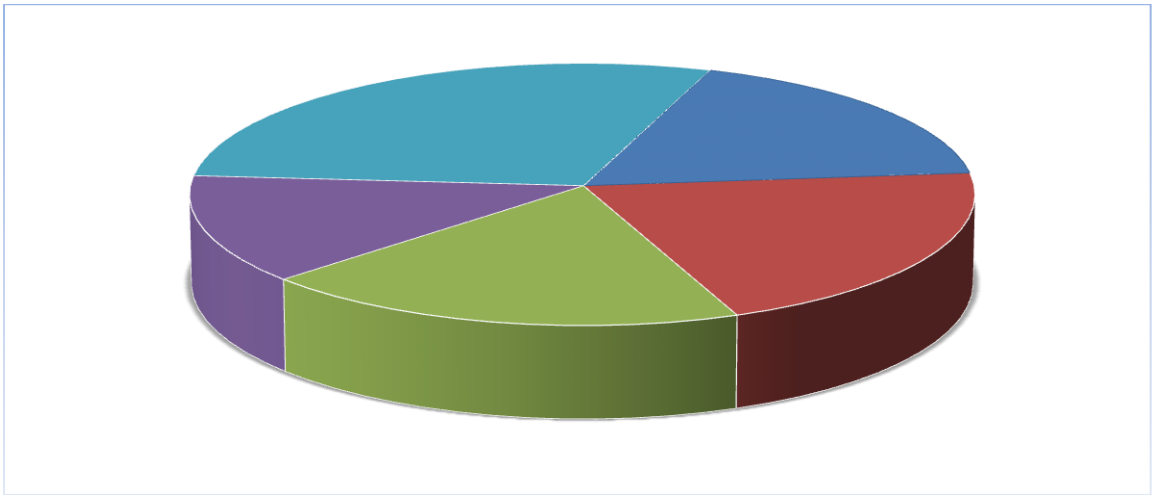


Age Group	# of Participants	Total Balance	Average Balance	Percentage
Less than Age 25	3	$3,485	$1,162	0%
Age 25 – 34	129	$236,322	$1,832	18%
Age 35 – 44	144	$390,932	$2,715	29%
Age 45 – 54	140	$369,296	$2,638	28%
Greater than Age 55	124	$332,051	$2,678	25%

BPAS

Balances by Length of Service

Average Balances Invested by Service Group on 07/01/15

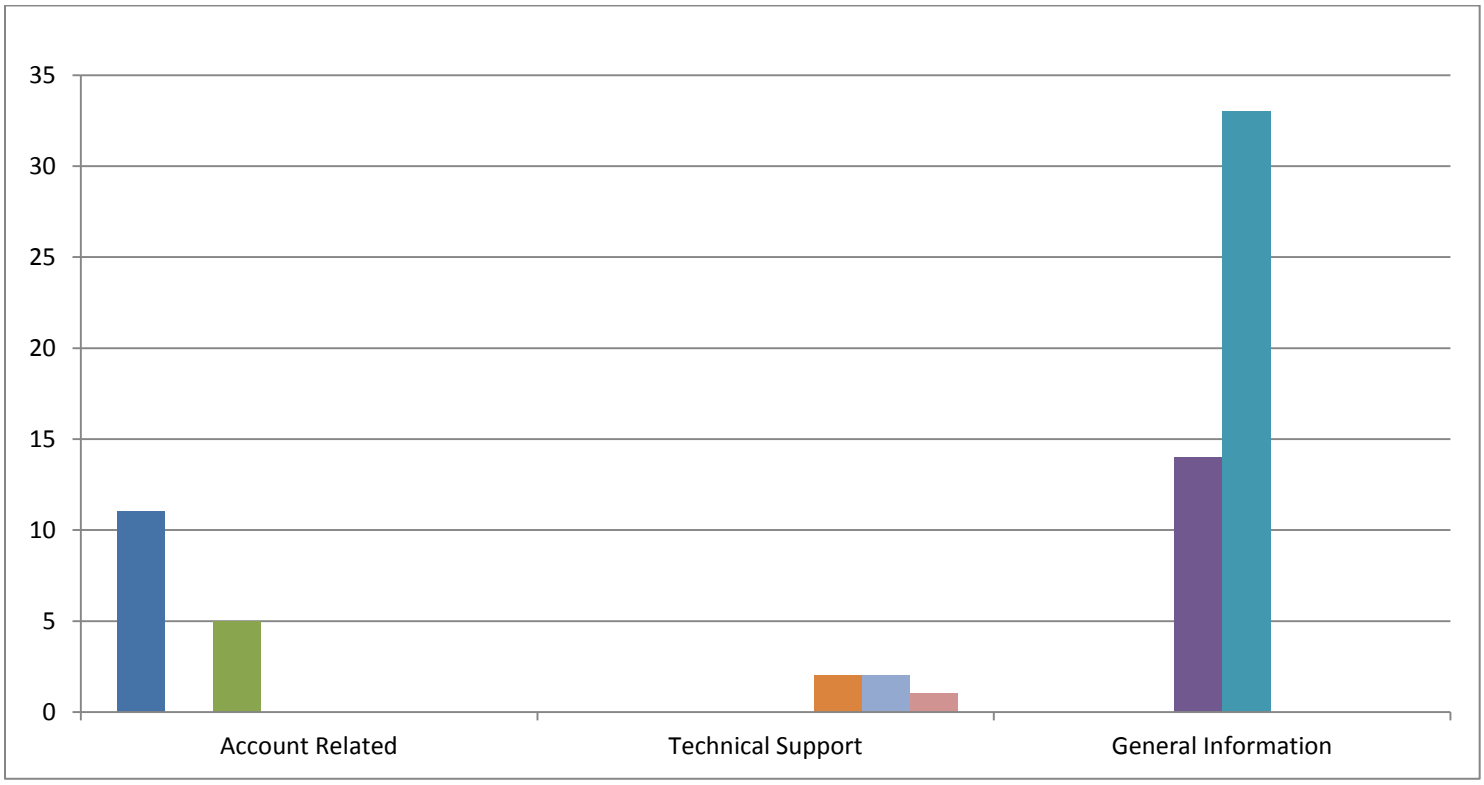


	Range of Service	# of Participants	Total Balance	Average Balance	Percentage
	Less than 5 Years	144	$232,371	$1,614	18%
	5+ Years	109	$267,938	$2,458	21%
	10+ Years	86	$246,648	$2,868	19%
	15+ Years	51	$172,162	$3,376	13%
	More than 20 Years	107	$381,406	$3,565	29%

BPAS

Call Stats by Category

January 1 – March 31, 2015



Call Type		# of Calls
	Benny Card Questions	11
	Claims Status Inquiry	0
	Balance Inquiry	5
	Plan Information	14
	Other	33
	Mobile App Info/Instructions	2
	User ID / Password Reset	2
	Website Login Questions	1
	Total Calls	**68**

BPAS

BPAS Plan Contact Information

Trish Payne | Plan Consultant, VEBA/HRA Services
BPAS
p: 206-466-2932 | 866-401-5272, ext. 3807
c: 206-735-9034 | e: TPayne@bpas.com | w: bpas.com

Solving Tomorrow's Benefit Plan Challenges Today
Retirement Plan Administration | Actuarial and Benefit Consulting Services | Collective Fund Administration | VEBA/HRA Administration | Trust and Fiduciary Services | IRA Services

BPAS offices in Rochester, Syracuse, Utica & New York, NY | Philadelphia & Pittsburgh, PA | Houston, TX | E. Hanover, NJ | San Juan, PR

BPAS

City of Kirkland

Compass Performance Report

Report From: 4/1/2015 to 12/1/2015

HOW TO READ YOUR REPORT

Your Compass Performance Report provides detailed employee engagement data by solution type and by month to illustrate the overall value of the Compass program.

UNDERSTANDING PERFORMANCE REPORT CATEGORY DEFINITIONS

Cost Savings

This number reflects the expected savings for both the plan and the patient. For example, if an employee requests a cost estimate for an MRI and they are planning to go to Hospital A, we will provide the claim and patient savings based on the difference between Hospital A vs. the lowest costing option that we recommend. If the employee requests an MRI, but does not have a specific provider that they would like for us to cost out, then we would provide savings based on the difference between the market normal vs. the lowest costing option recommended by Compass. If the employee is already planning to go to the lowest costing option, no savings is captured. Plan and patient savings are calculated according to the plan benefits. If the plan pays 80% and the patient pays 20%, then 80% of the overall savings is categorized as plan savings and 20% of the overall savings is categorized as patient savings.

Activation Rate

The percentage of unique utilizers compared to your total eligible population. Unique utilizers are defined as employees who contact Compass during a given time period. This number only counts each employee once, regardless of the number of solutions completed for each household. The All Time category calculates the engagement rate for all unique individuals since the inception of the program.

Productivity Savings

This number represents the financial value of the time saved when an employee utilizes Compass to complete their healthcare related research during working hours. Compass takes an estimate of this time saved and multiples it by $35.00/hr wage rate to calculate productivity savings.

Solutions

The total number of services that Compass has delivered to members. Please note that one member may request multiple services. For example, a single member may request a prescription review, a cost estimate and a doctor recommendation – this would be counted as three services (solutions).

SOLUTION CATEGORY DEFINITIONS

Benefit Questions	Explanation of plan benefits and coverage information.
Bill Reviews	Review and audit of health provider bills to ensure accurate charging and protection against overpayment.
Cost Estimates	Provide cost analysis comparing providers for medical, dental, or vision procedures.
Concierge Support Services	Assistance with the coordination of medical care, which includes the transferring of medical records and scheduling of appointments.
Doctor Recommendations	Identify high-quality, cost effective physicians, hospitals, and other service providers that meet each member's unique, personal preferences.
Prescription Reviews	Identify lower-costing alternative medications and prescription savings options.

Confidential and Proprietary Information - 2015 Compass Professional Health Services

City of Kirkland

Compass Performance Report

Report From: 4/1/2015 to 12/1/2015

YOUR KEY COMPASS INDICATORS:

	Total Savings	Savings per Utilizer	Employee Hours Saved	Activation Rate	Solutions per Utilizer
4/1/2015 – 12/1/2015	$142,815	$667	984 hrs	75%	2.23
All-Time	$142,815	$667	984 hrs	75%	2.23

MORE DETAILED SAVINGS BREAKDOWN:

	Plan Savings	+	Patient Savings	=	Total Cost Savings	+	Productivity Savings	=	Total Savings
4/1/2015 – 12/1/2015	$80,680		$27,704		$108,384		$34,431		$142,815
All-Time	$80,680		$27,704		$108,384		$34,431		$142,815

Confidential and Proprietary Information - 2015 Compass Professional Health Services

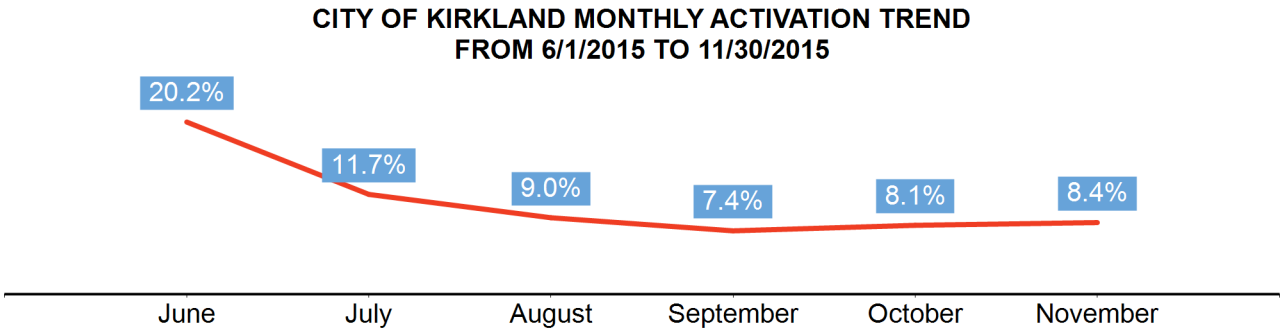
City of Kirkland

Compass Performance Report

Report From: 4/1/2015 to 12/1/2015

SAVINGS START BY CREATING ENGAGEMENT.

	Solution Count	Unique Utilizers	Activation Rate
4/1/2015 – 12/1/2015	478	214	75%
All-Time	478	214	75%



YOUR SOLUTION MIX:

	4/1/2015 – 12/1/2015		All-Time		Book of Business Solution Mix
	Count	%	Count	%	%
Doctor Recommendations	244	51%	244	51%	35%
Insurance Benefits Questions	112	23%	112	23%	25%
Cost Estimates	62	13%	62	13%	15%
Concierge Support Services	24	5%	24	5%	8%
Bill Reviews	19	4%	19	4%	13%
Prescription Reviews	16	3%	16	3%	4%
Plan Selections	1	0%	1	0%	1%

DRIVE EMPLOYEES TO COST IMPACTING SOLUTIONS.

DID YOU KNOW?

Across its Book of Business, Compass has saved $512 on every Cost Estimate and $1,201 on each Prescription Review.

Make sure your company is getting the most out of the Compass program. Contact your Compass Client Success account manager to discuss the tools and strategies that are available to you.

Confidential and Proprietary Information - 2015 Compass Professional Health Services

ATTACHMENT I

Vera Clinic Engagement
City of Kirkland
September 2015

Vera Engagement	
With Biometric Screening	
Cumulative Unique Encounters	479
Enrollment Rolling Average	929
Cumulative Member Engagement	52%

New Unique Encounters (YTD 2015)	**Mar-15**	**Apr-15**	**May-15**	**Jun-15**	**Jul-15**	**Aug-15**	**Sep-15**	**Grand Total**
International District		1		1			1	3
Sandpoint			3		1			4
Totem Lake	232	62	53	55	19	24	27	472
Grand Total	232	63	56	56	20	24	28	479

Total Appointments (YTD 2015)	**Mar-15**	**Apr-15**	**May-15**	**Jun-15**	**Jul-15**	**Aug-15**	**Sep-15**	**Grand Total**
Acute Care		34	39	48	41	40	29	231
Biometric Screening	225	16	20	17	19	8	9	314
Coaching		136	143	121	64	35	34	533
Follow – Up		5	22	25	21	29	157	259
Pediatrics				3		4	2	9
Physical		127	121	82	31	8	13	382
Workers Comp				1	1	4	1	7
Grand Total	225	318	345	297	177	128	245	1735

ATTACHMENT J

City of Kirkland
90 (120) Day Review

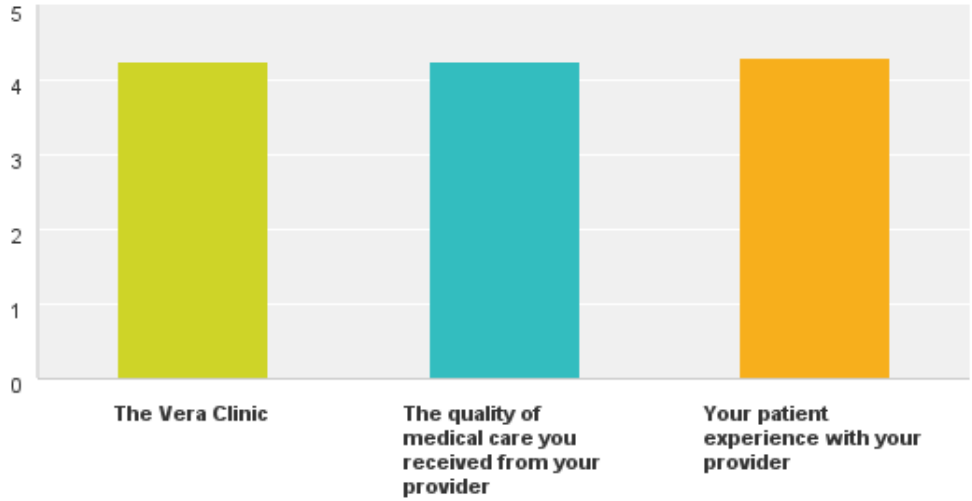
April – June 2015

vera
WHOLE HEALTH

Patient Satisfaction

Patient Satisfaction

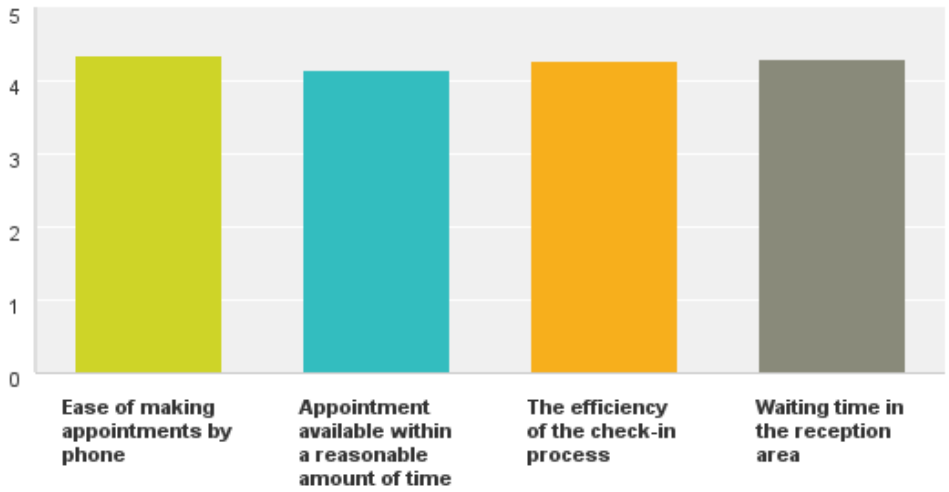
Average score = 4.3



	Rating
The Vera Clinic	4.3
The quality of medical care you received from your provider	4.3
Your patient experience with your provider	4.3

Appointment

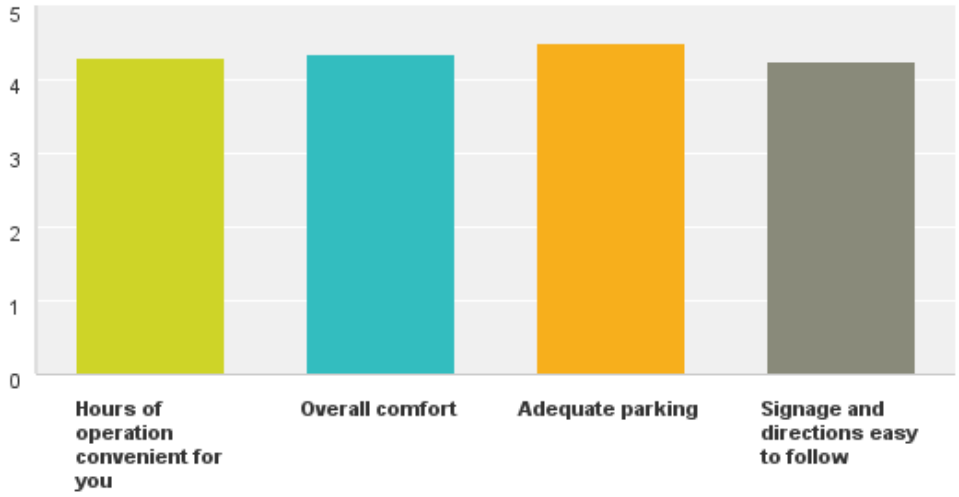
Average score = 4.3



	Rating
Ease of making appointments by phone	4.4
Appointment available within a reasonable amount of time	4.2
The efficiency of the check-in process	4.3
Waiting time in the reception area	4.3

Facility

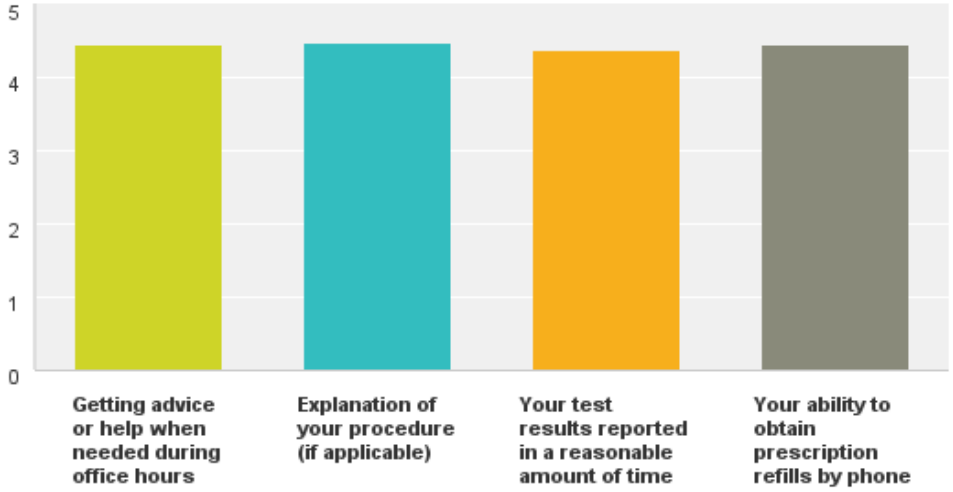
Average Score = 4.4



	Rating
Hours of operation convenient for you	4.3
Overall comfort	4.4
Adequate parking	4.5
Signage and directions easy to follow	4.3

Communication

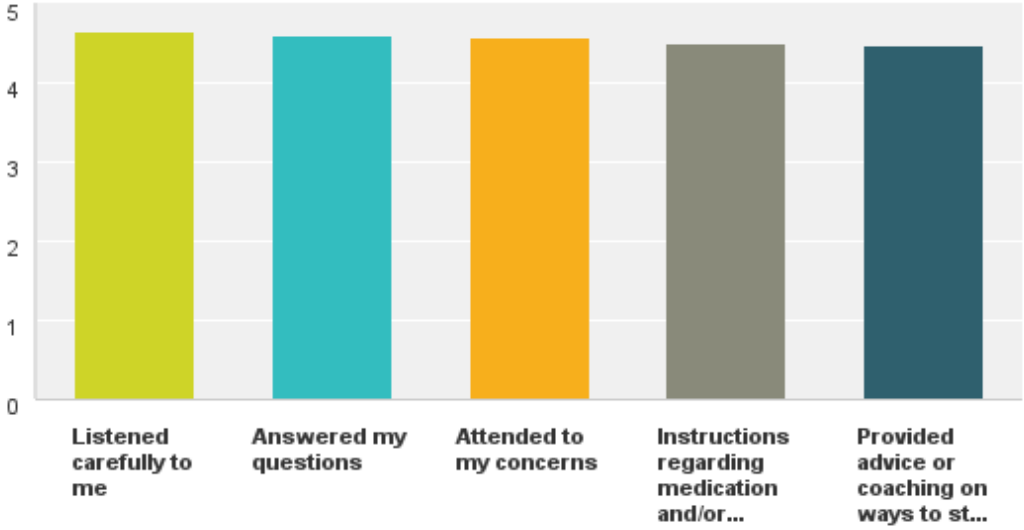
Average Score = 4.5



	Rating
Getting advice or help when needed during office hours	4.5
Explanation of your procedure (if applicable)	4.5
Your test results reported in a reasonable amount of time	4.4
Your ability to obtain prescription refills by phone	4.4

Provider

Average Score = 4.6



	Rating
Listened carefully to me	4.7
Answered my questions	4.6
Attended to my concerns	4.6
Instructions regarding medication and/or follow-up	4.5
Provided advice or coaching on ways to stay healthy	4.5

Provider written responses

Staff are personable and are energetic to help achieve your personal health goals.

Every person I have met through three appointments I have had to date has provided the best service and care I have ever received from one clinic and equal or better than any I have ever received anywhere.

He did an excellent job. So did his medical assistant.

Think I may change to Vera for my primary doc.

This was my second visit for the same illness. I had not felt any better and Dr. Karl gave me two medicines that allowed me to get the first real sleep I have had in a week and I appreciate his attention to my symptoms and his care.

Was treated respectful, and was given plenty of time to talk about different health issues. No pressure to hurry me through.

How can we improve our services?

Everything was great.

It would help me if there was bicycle parking at the clinic.

More hours of operation would be nice.

Perhaps better understanding of Cities mail order prescription service by Vera.

Add hours Sat morning since clinic closes early on Fri. 2 and 1/2 day closure is too long.

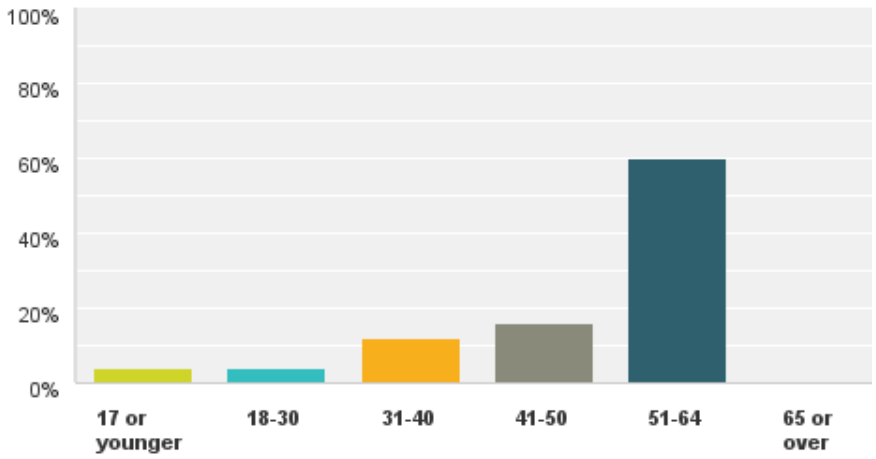
ATTACHMENT K

City of Kirkland
Q2 Patient Satisfaction

July – Sept 2015

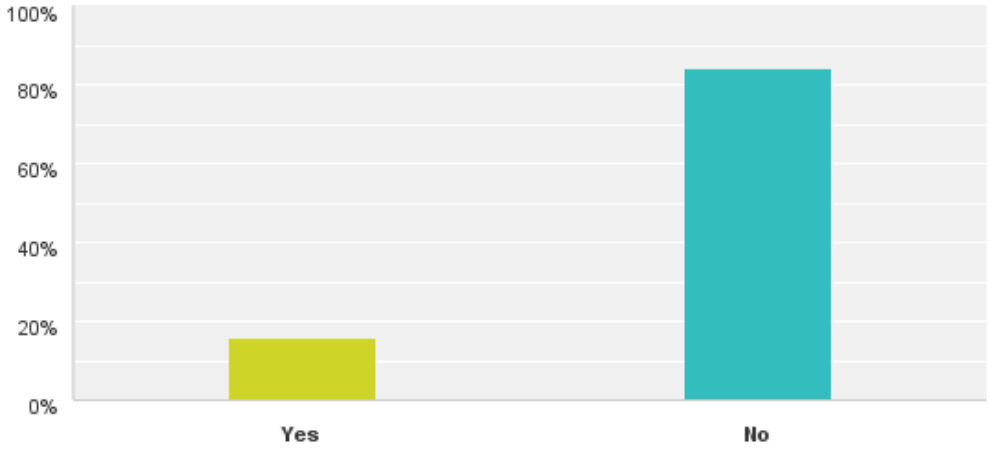
vera
WHOLE HEALTH

Age



	Rating
17 or younger	4%
18-30	4%
31-40	12%
41-50	16%
51-64	60%
65+	4%

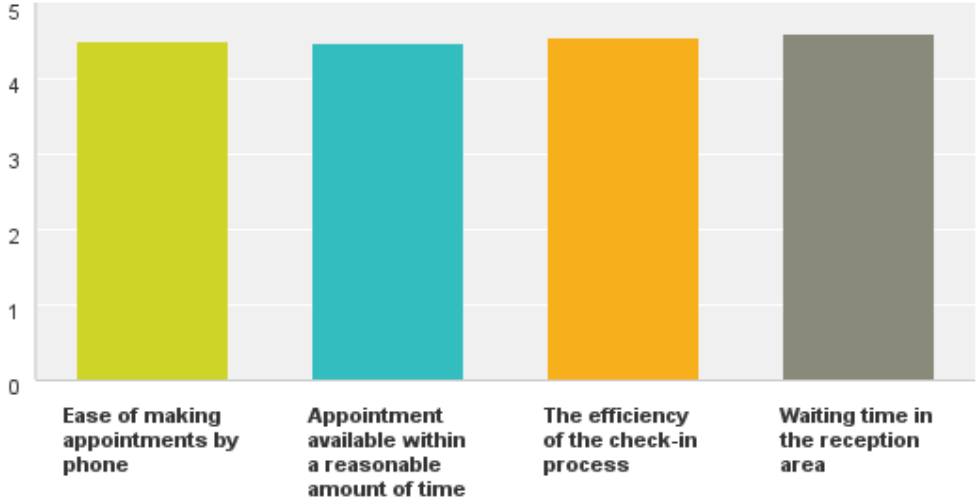
First visit to the clinic?



	Rating
Yes	16%
No	84%

Appointment

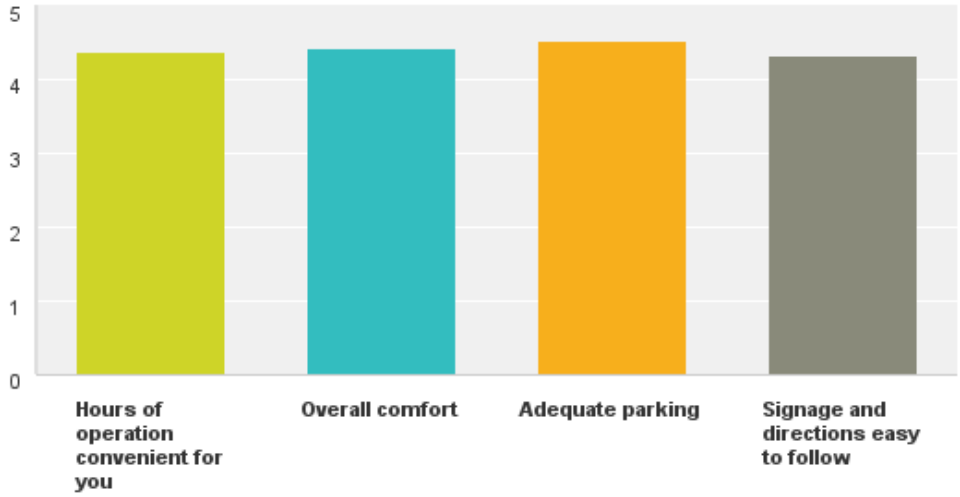
Average score = 4.53



	Rating
Ease of making appointments by phone	4.5
Appointment available within a reasonable amount of time	4.48
The efficiency of the check-in process	4.55
Waiting time in the reception area	4.59

Facility

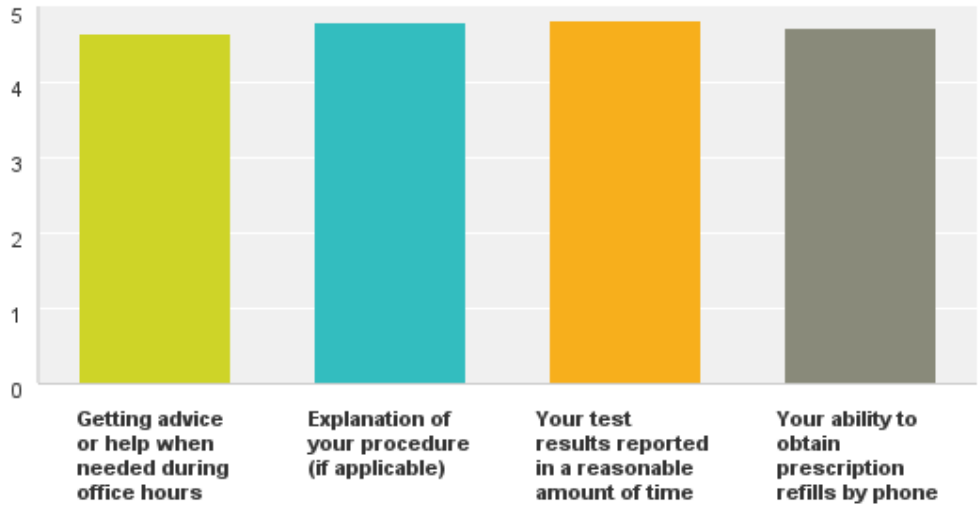
Average Score = 4.8



	Rating
Hours of operation convenient for you	4.38
Overall comfort	4.43
Adequate parking	4.52
Signage and directions easy to follow	4.33

Communication

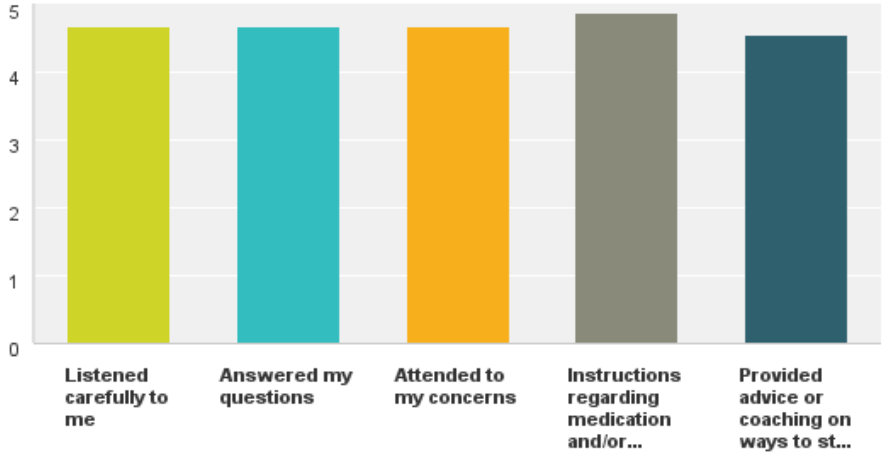
Average Score = 4.8



	Rating
Getting advice or help when needed during office hours	4.65
Explanation of your procedure (if applicable)	4.8
Your test results reported in a reasonable amount of time	4.83
Your ability to obtain prescription refills by phone	4.73

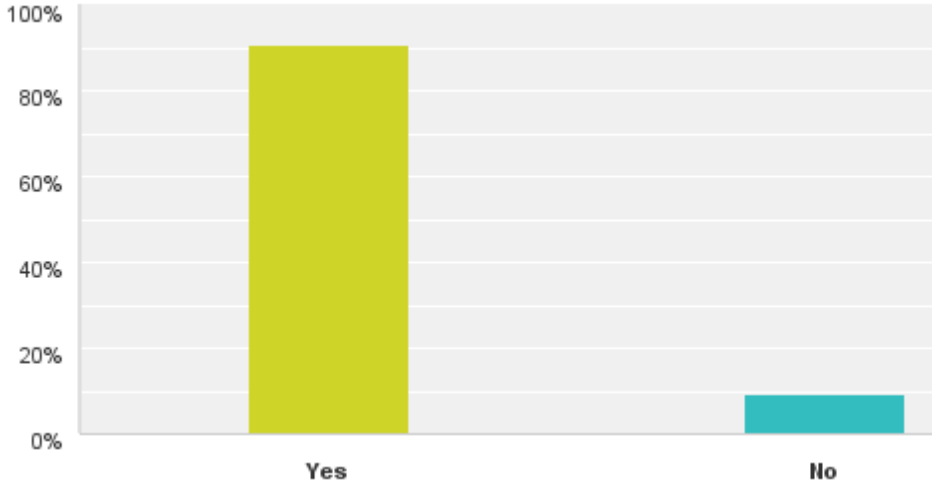
Provider

Average Score = 4.7



	Rating
Listened carefully to me	4.67
Answered my questions	4.67
Attended to my concerns	4.67
Instructions regarding medication and/or follow-up	4.88
Provided advice or coaching on ways to stay healthy	4.56

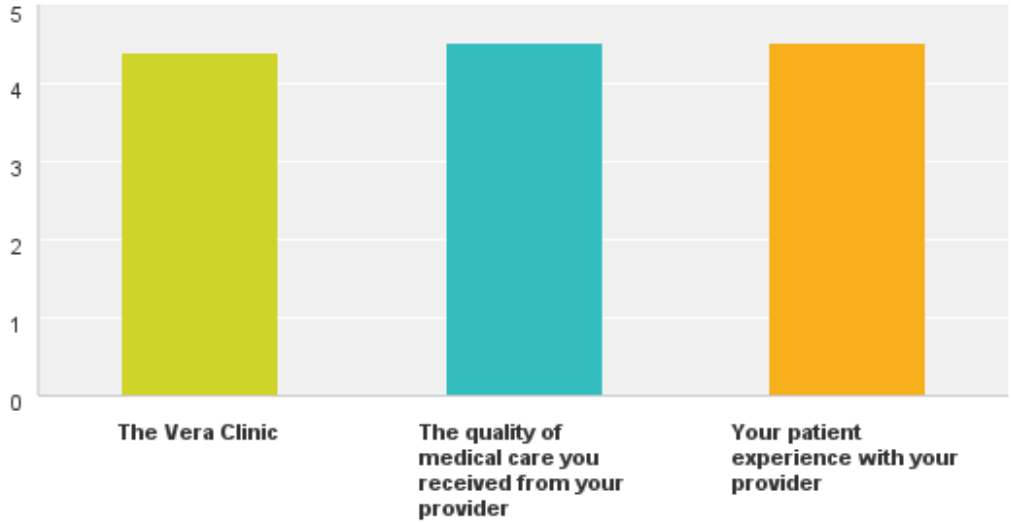
I would recommend Vera to a co-worker



	Rating
Yes	19
No	2

Satisfaction

Average Score = 4.48



	Rating
The Vera Clinic	4.4
The quality of medical care you received from your provider	4.52
Your patient experience with your provider	4.52

Additional comments about your provider?

Very good experience. Both providers were excellent listeners I felt very supported and comfortable. Excellent.

Outstanding! The first service provider in 61 years that felt like a was talking to a partner in my health.

Great listener. He explained things in very easy to understand terms.

Make me feel comfortable in a new office, with new doctor and new staff. I've had the same primary care for over 20yrs.

Dr. Karl was very knowledgeable and helpful.

Very good coach...love working with her

How can we improve?

A bit more airflow in the office suites would be really nice. It's very stuffy there. Also, I'll be happier when you are able to have appointments on Saturday and Sunday's; even if just from 10am to maybe 3pm.

Weekend hours

Sat or Sun hours

Computers are always down. Same day appointments are never avaliable. Front staff seems less than knowlegable about scheduling.

Thank you

vera
WHOLE HEALTH

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Lorrie McKay, Intergovernmental Relations Manager
Marie Jensen, Communications Program Manager

Date: November 19, 2015

Subject: Proclamation Recognizing King County Councilmember Jane Hague

RECOMMENDATION:

The Mayor recognize King County Councilmember Jane Hague for her leadership, effectiveness, and support for the City of Kirkland with a proclamation.

BACKGROUND DISCUSSION:

The City Council would like to recognize King County Councilmember Jane Hague for her leadership, effectiveness, and support for the City of Kirkland. As District 6 representative, Councilmember Hague represents the greater eastside cities, including Kirkland. Her service on the County Council began in 1994 and spans over two decades and she has collaborated over these years with Kirkland officials and staff to improve Kirkland's quality of life.

This proclamation seeks to officially recognize and thank Councilmember Hague for her dedication and commitment to public service.

A PROCLAMATION OF THE CITY OF KIRKLAND

Recognizing King County Council Member Jane Hague for her leadership, effectiveness, and support for the City of Kirkland

WHEREAS, King County Councilmember Jane Hague has served residents of the City of Kirkland since 1994, the first year of the County's merger with King County Metro as representative first of District 11 and later, after a subsequent re-districting effort, as our representative of District 6 of the Metropolitan King County Council; and

WHEREAS, Councilmember Hague has been in leadership positions at the King County Council since assuming office in January of 1994, including Council Chair, Transportation Committee Chair, Budget Committee Chair and Vice Chair, Law Justice and Human Services Committee Chair and, most recently, Chair of the Committee of the Whole; and

WHEREAS, Councilmember Hague's leadership has extended to her role with the National Association of Counties as a member of its Board of Directors since 1994 and its President in 2000-2001 where she represented all of the nation's counties before Congress and the White House; and

WHEREAS, Councilmember Hague has, over the years, worked on behalf of the goals of the Kirkland City Council and residents, providing critical support to the development of the Kirkland Performance Center, acquisition of the Juanita Woodlands as a valuable public resource, development of the South Kirkland Park & Ride Transit Oriented Development, the successful annexation of the Juanita, Finn Hill and Kingsgate neighborhoods adding 30,000 new residents to the City of Kirkland; and

WHEREAS, Councilmember Hague has been a visionary voice in the future of the Eastside Rail Corridor, serving as Chair of the ERC Regional Advisory Council where she has been a champion for Kirkland's vision for the Cross Kirkland Corridor; and

WHEREAS, she has been a vocal and active advocate for affordable housing, human and youth services, cultural access, and environmental and climate change issues, lending her name and providing resources to the organizations that are making a difference to our quality of life,

NOW, THEREFORE, I, Amy Walen, Mayor of Kirkland, thank King County Councilmember Hague for all that she has done in support of our City, and wish her well in her future endeavors.

Signed this 8th day of December 2015

_____

Amy Walen, Mayor

CITY OF KIRKLAND
Human Resources Department
123 5th Avenue, Kirkland, WA 98033 425.587-3210
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Human Resources

Date: November 17, 2015

Subject: **Semi Annual 2015 Service Award Recognition July 1 – December 31, 2015 – Special Presentations**

Recommendation:
On a semi-annual basis include a role call list of employees reaching benchmark service years of twenty and above on the Council Agenda under Special Presentations.

Employees reaching benchmarks of 20, 25, 30, 35 or more years of service receive an Acrylic Plaque etched with the employee(s) name, department and service years and an award certificate.

From the podium the Mayor will read each employee's name, years of service, department and position title accompanied by a handshake and photograph when presenting the award. Each recognized employee will walk around the podium and shake the hand of all the seated councilmembers before returning to their seat. The names listed below are confirmed, any changes to the employee list below will be communicated prior to the ceremony.

Twenty years of Service

Employee Name	Department	Position
Leta B. Santangelo	City Attorney	Legal Assistant
James R. Hughes	Fire	Fire Lieutenant
Michael C. DeAguiar	Police	Patrol Officer
William J. Reed	Public Works	Senior Development Plans Examiner
Susan M. Bohl	Police	Police Support Associate Supervisor
Tim J. Gunter	Public Works	Construction Inspector

Twenty-five years of Service

Employee Name	Department	Position
Jeremy McMahan	Planning	Planning Manager- Development Services

Thirty-five years of Service

Employee Name	Department	Position
Lori L. Bennett	Finance	Accounting Support Associate IV

The next award ceremony recognizing employees who reach these yearly benchmarks between January 1st and June 30, 2016 will be scheduled for an upcoming spring 2016 Council meeting.

The City of Kirkland Proudly recognizes and Honors the following employees for their contributions over the last …			
Service Awards	**20 years of service**		
Employee Name	**Anniversary Date**	**Department**	**Position**
Leta B. Santangelo	July 1, 2015	City Attorney	Legal Assistant
James R. Hughes	July 3, 2015	Fire	Lieutenant
Michael C. DeAguiar	September 18, 2015	Police	Patrol Officer
William J. Reed	October 30, 2015	Public Works	Senior Development Plans Examiner
Susan M. Bohl	November 27, 2015	Police	Police Support Associate Supervisor
Tim J. Gunter	November 27, 2015	Public Works	Construction Inspector
Service Awards	**25 years of service**		
Employee Name	**Anniversary Date**	**Department**	**Position**
Jeremy McMahan	September 17, 2015	Planning	Planning Manager Development Services
Service Awards	**35 years of service**		
Employee Name	**Anniversary Date**	**Department**	**Position**
Lori L. Bennett	December 1, 2015	Finance	Accounting Support Associate IV

KIRKLAND CITY COUNCIL RETREAT/SPECIAL MEETING MINUTES
May 29, 2015

1. Call to Order

2. Roll Call

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

3. Agenda Overview

City Manager Kurt Triplett provided the Council with an overview of the retreat agenda and tentative schedule.

4. Financial Update

Finance and Administration Director Michael Olson, Deputy City Manager Tracey Dunlap and Financial Planning Manager Tom Mikesell provided the update.

5. Capital Improvement Program Introduction and Funding

Deputy City Manager Tracey Dunlap and Financial Planning Manager Tom Mikesell provided an overview of the CIP descriptions, restrictions and current budgeting practices and the 2015-2020 CIP process.

6. Executive Session to Discuss Property Acquisition

Mayor Walen announced that Council would recess to Executive Session to discuss Property Acquisition and would return to special meeting at 1:00 p.m., following a lunch break, which they did. City Attorney Robin Jenkinson and other staff were also in attendance.

7. Police Strategic Plan Scope

Deputy City Manager Marilynne Beard reviewed the proposed process and received Council feedback.

8. Council Policies and Procedures

Deputy City Manager Marilynne Beard facilitated Council discussion.

a. Council Committee Meetings

b. Review of Public Safety Committee Agenda Items

c. Petitions and Initiative/Referendum

9. Council Brainstorming Session

a. Sustainability Commission

b. Human Services Advisory Committee Enhanced Role

c. Other Items as Identified at the Retreat

10. Adjournment

The Kirkland City Council Retreat/Special Meeting was adjourned at 4:30 p.m.

City Clerk

Mayor

KIRKLAND CITY COUNCIL SPECIAL MEETING

Minutes

November 17, 2015

1. CALL TO ORDER

Mayor Walen called the Special Meeting of the Kirkland City Council to order at 5:00 p.m.

2. ROLL CALL

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

3. TOURISM DEVELOPMENT COMMITTEE INTERVIEWS

a. Troy Longwith
b. Ardene Skraban

Due to weather, neither candidate was able to attend the interviews, which will be rescheduled.

4. EXECUTIVE SESSION

a. To Discuss the Acquisition of Real Property

Mayor Walen announced that Council would enter into executive session and would return to regular meeting at 5:40 p.m., which they did. Also in attendance were City Attorney Robin Jenkinson, City Manager Kurt Triplett, Deputy City Managers Marilynne Beard and Tracey Dunlap, Interim Fire Chief Joe Sanford and Facilities Services Manager Chris Dodd.

5. ADJOURNMENT

The November 17, 2015 Special Meeting of the Kirkland City Council was adjourned at 5:40 p.m.

City Clerk

Mayor

KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
November 17, 2015

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:
Members Present: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.
Members Absent: None.

3. STUDY SESSION

a. 2015-2020 Capital Improvement Program

Joining Councilmembers for this discussion were City Manager Kurt Triplett, Deputy City Manager Tracey Dunlap and Financial Planning Manager Tom Mikesell.

4. EXECUTIVE SESSION

a. To Review the Performance of a Public Employee

Mayor Walen announced that Council would enter into executive session to discuss the performance of a public employee, and would return to their special meeting at 7:30 p.m., which they did. City Attorney Robin Jenkinson was also in attendance.

5. HONORS AND PROCLAMATIONS

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Doug Rough
Margaret Carnegie
Tiffany Martin
Karen Story
Lisa McConnell
John Chadwick
Jay Schlau
Shawn Etchevers

Mark Plesko
Sanjana Sridhar

c. Petitions

7. SPECIAL PRESENTATIONS

a. Rotary Club of Kirkland and Kirkland Parks Foundation Donations: Waverly Beach Park Community Picnic Shelter

Parks and Community Services Deputy Director Michael Cogle introduced Rotary Club of Kirkland President Rich Bergdahl and Kirkland Parks Foundation board member Dana Nunnelly and Tom Neir who presented the City with donations of $50,000 and $25,040 to support construction of the Waverly Beach Park community picnic shelter in 2016.

b. Community Emergency Response Team (CERT) Winter 2015 Graduation #20

Emergency Manager Pattijean Hooper reviewed the Community Emergency Response Team (CERT) training and introduced the class participants, who were thanked and congratulated by the City Council.

8. CONSENT CALENDAR

a. Approval of Minutes

(1) November 4, 2015

(2) November 4, 2015

b. Audit of Accounts:
Payroll $3,122,578.39
Bills $3,095,321.81
run #1466 checks #566168 - 566320
run #1467 checks #566346 - 566392
run #1468 checks #566393 - 566529
run #1469 checks #

c. General Correspondence

d. Claims

e. Award of Bids

(1) Waverly Beach Park Renovation Phase 1 Project, Nordland Construction NW, Nordland, WA

The construction contract for the Waverly Beach Park Renovation Phase I Project was awarded to Nordland Construction NW, of Nordland, WA, in the amount of $916,515 via approval of the Consent Calendar.

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

h. Other Items of Business

(1) Resolution R-5168, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE 20-YEAR FOREST AND NATURAL AREAS RESTORATION PLAN."

(2) Report on Procurement Activities

Motion to Approve the Consent Calendar.
Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

9. PUBLIC HEARINGS

a. Preliminary Property Tax Levies:

Mayor Walen opened the public hearing. Finance and Administration Director Michael Olson reviewed the proposed levies, ordinances and resolution, and responded to Council questions and comment. No further testimony was offered and the Mayor closed the hearing.

(1) Resolution R-5167, Making a Declaration of Substantial Need for Purposes of Setting the Limit Factor for the Property Tax Levy for 2016

Motion to Approve Resolution R-5167, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND MAKING A FINDING OF SUBSTANTIAL NEED FOR PURPOSES OF SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY FOR 2016."
Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

(2) Ordinance O-4500, Establishing the Amount of Property Taxes to be Levied for the Year 2016, the Second Year of the City of Kirkland's 2015-2016 Fiscal Biennium.

Motion to Approve Ordinance O-4500, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2016, THE SECOND YEAR OF THE CITY OF KIRKLAND'S 2015-2016 FISCAL BIENNIUM."
Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

(3) Ordinance O-4501, Establishing the Amount of Property Taxes to be Levied for the Year 2016, to Pay the Fire District 41 Debt Service Assumed as a Result of Annexation of the North Juanita, Finn Hill, and Kingsgate Neighborhoods on June 1, 2011.

Motion to Approve Ordinance O-4501, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2016, TO PAY THE FIRE DISTRICT 41 DEBT SERVICE ASSUMED AS A RESULT OF ANNEXATION OF THE NORTH JUANITA, FINN HILL, AND KINGSGATE NEIGHBORHOODS ON JUNE 1, 2011."
Moved by Councilmember Toby Nixon, seconded by Councilmember Dave Asher
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

b. 2015-2016 Mid-Biennial Budget

Mayor Walen opened the public hearing. Finance and Administration Director Michael Olson reviewed the proposed Mid-Biennial Budget. No testimony was offered and the Mayor closed the hearing.

9. UNFINISHED BUSINESS

a. Resolution R-5169, Approving a City of Kirkland Legislative Agenda to be Addressed to the 2016 Session of the State Legislature.

Intergovernmental Relations Manager Lorrie McKay reviewed the proposed legislative agenda, responded to questions and received Council direction.

Motion to Approve Resolution R-5169, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A CITY OF KIRKLAND LEGISLATIVE AGENDA TO BE ADDRESSED TO THE 2016 SESSION OF THE STATE LEGISLATURE." as amended.

Moved by Councilmember Toby Nixon, seconded by Councilmember Dave Asher
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

Motion to Amend Exhibit A of Resolution R-5169 to delete the final general principle that refers to supporting vested rights legislation.
Moved by Councilmember Toby Nixon, seconded by Councilmember Dave Asher
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

Motion to Amend Exhibit A of Resolution R-5169 to update the fourth legislative priority to, "Kirkland supports facilitating greater access to rooftop residential and community solar installations by extending the timeframe for state solar incentives in the Renewable Energy System Cost Recovery program."
Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

Motion to Amend Resolution R-5169 to remove lines 23-27 to remove the language that refers to supporting vested rights legislation.
Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

Council recessed for a short break.

b. Impact Fee Update Adoption:

Deputy City Manager Tracey Dunlap provided background on the Impact Fee process, reviewed the three proposed ordinances and responded to Council questions.

(1) Ordinance O-4502 and its Summary, Relating to Transportation Impact Fees and Amending Chapter 27.04 of the Kirkland Municipal Code.

Motion to Approve Ordinance O-4502 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO TRANSPORTATION IMPACT FEES AND AMENDING CHAPTER 27.04 OF THE KIRKLAND MUNICIPAL CODE."

Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

(2) Ordinance O-4503 and its Summary, Relating to Park Impact Fees and Amending Chapter 27.06 of the Kirkland Municipal Code.

Motion to Approve Ordinance O-4503 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PARK IMPACT FEES AND AMENDING CHAPTER 27.06 OF THE KIRKLAND MUNICIPAL CODE."
Moved by Councilmember Dave Asher, seconded by Councilmember Jay Arnold
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

(3) Ordinance O-4504, Relating to School Impact Fees and Amending Sections 27.08.030 and 27.08.150 of the Kirkland Municipal Code.

Motion to Approve Ordinance O-4504, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO SCHOOL IMPACT FEES AND AMENDING SECTIONS 27.08.030 AND 27.08.150 OF THE KIRKLAND MUNICIPAL CODE."
Moved by Councilmember Dave Asher, seconded by Councilmember Shelley Kloba
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

c. Resolution R-5170, Adopting an Updated Comprehensive Parks, Recreation, and Open Space Plan for the City of Kirkland.

Parks and Community Services Deputy Director Michael Cogle provided a brief presentation on the proposed resolution.

Motion to Approve Resolution R-5170, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING AN UPDATED COMPREHENSIVE PARKS, RECREATION, AND OPEN SPACE PLAN FOR THE CITY OF KIRKLAND."
Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet
Vote: Motion carried 7-0
Yes: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, Councilmember Dave Asher, and Councilmember Shelley Kloba.

d. Resolution R-5171, Adopting the Transportation Master Plan.

Transportation Engineering Manager David Godfrey provided a presentation on the proposed resolution and responded to Council questions and comment.

Motion to Approve Resolution R-5171, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE TRANSPORTATION MASTER PLAN."
Moved by Councilmember Jay Arnold, seconded by Councilmember Doreen Marchione
Vote: Motion carried 5-2
Yes: Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Mayor Amy Walen, Councilmember Jay Arnold, and Councilmember Shelley Kloba.
No: Councilmember Toby Nixon, and Councilmember Dave Asher.

10. NEW BUSINESS

None.

11. REPORTS

a. City Council Reports

(1) Finance and Administration Committee

Did not meet.

(2) Legislative Committee

Chair Asher reported on a meeting with Representative Springer.

(3) Planning, and Economic Development Committee

Chair Arnold reported on a briefing on the sign code; an update on the Parkplace project; an update on the Totem Lake Development project; and an upcoming Public Sector Economic Development Summit at Microsoft.

(4) Public Safety Committee

Did not meet.

(5) Public Works, Parks and Human Services Committee

Did not meet.

(6) Tourism Development Committee

Chair Nixon reported that the interviews of applicants to the Tourism Development Committee would need to be rescheduled due to that evening's storm.

(7) Regional Issues

Councilmembers shared information regarding a recent 10th Anniversary luncheon for Leadership Eastside; a "Police and Community Relations" luncheon featuring the Bellevue Police Chief Steve Mylett at the Pacifica Institute; the Sound Cities Association Public Issues Committee meeting; a meeting with Lake Washington School Board Director Jackie Pendergrass and Juanita Elementary Principal Dana Stairs about the fire station siting; a tour of the Juanita Goodwill facility; a meeting of the Disability Board; an upcoming Eastside Human Services Forum meeting; a King County Domestic Violence Initiative meeting; a Juanita Neighborhood meeting; a Kirkland Police Department Citizens Academy presentation; the Green Kirkland Day event; an Eastside Transportation Partnership meeting; a Metropolitan Solid Waste Management Advisory Committee meeting; a Kirkland Winterfest planning meeting and decorating event; an upcoming Economic Development Council of Seattle & King County meeting; a Lake Washington School District Coordination Committee meeting; a visit to the new Northwest University business incubator space; a Puget Sound Regional Council Transportation Policy Board meeting; and the upcoming Sound Cities Association board meeting.

b. City Manager Reports

(1) Calendar Update

City Manager Kurt Triplett reported on several pending broad public records requests. Deputy City Manager Tracey Dunlap reported on an issue at the cemetery. City Manager Kurt Triplett also mentioned a proclamation honoring King County Councilwoman Jane Hague is scheduled for the meeting on December 8.

Planning and Building Director Eric Shields requested additional direction from Council on elements of the Comprehensive Plan. The City Council agreed to proposed language revisions to the Neighborhood Plan policies and provided direction that those changes be incorporated into the draft of the Comprehensive Plan being brought back for their approval at a future meeting. The City Council rejected proposed language revisions to the Nelson/Cruikshank Private Amendment Request (PAR) and directed staff to return with alternate options. The City Council decided to not act on the alternative height proposal on the Basra Citizen Amendment Request, choosing to instead consider amending the Comprehensive Plan at the December 8 meeting.

Motion to Convene a public hearing on December 8, 2015 to consider the height restriction in the adjacent zone in connection with the Nelson/Cruikshank Private Amendment Request (PAR).

Moved by Councilmember Dave Asher, seconded by Mayor Amy Walen
Vote: Motion failed 3 - 4
Yes: Mayor Amy Walen, Councilmember Dave Asher, and Councilmember Shelley Kloba.
No: Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Councilmember Jay Arnold.

12. ITEMS FROM THE AUDIENCE

13. ADJOURNMENT

The Kirkland City Council regular meeting of November 17, 2015 was adjourned at 10:43 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: November 19, 2015

Subject: CLAIM(S) FOR DAMAGES

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

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

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

(1) Great Northern Ins. Co./Chubb Insurance Co. for Jordan and Dawne Weisman
600 Independent Pkwy
Chesapeake, VA 23320

Amount: $6852.44

Nature of Claim: Claimant states damage to vehicle resulted while driving through road construction zone on NE 85th St under freeway overpass.

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

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Lane Kawaoka, Project Engineer
Kari Page, Neighborhood Outreach Coordinator
Rod Steitzer, P.E., Capital Projects Supervisor
David Snider, P.E., Capital Projects Manager
Kathy Brown, Public Works Director

Date: December 8, 2015

Subject: NEIGHBORHOOD SAFETY PROGRAM - 2015 PEDESTRIAN SAFETY IMPROVEMENTS PROJECT - AWARD CONTRACT

RECOMMENDATION:

Staff recommends that City Council take the following actions to move forward with 2014 and 2015 Neighborhood Safety Program (NSP) Projects:

- Award the construction contract for the 2015 Pedestrian Safety Improvements Project to Sierra Pacific Construction, of Maple Valley, Wash., in the amount of $181,418.65; and,
- Receive a NSP Update via Funding Matrix (Table 3); and,
- Approve an overall budget reallocation to fund NSP projects using available funds from the following sources:
    - 2015 Street Levy School Walk Route
    - 2015 (biennial) Crosswalk Upgrade Program
    - Surface Water funding (SD 0075)
    - Cross Kirkland Corridor Interim Trail Project

By taking action on this memo during approval of the consent calendar, City Council is authorizing the award of a construction contract for the subject Project and approving a budget reallocation for both the 2014 and 2015 NSP. Note that the base NSP funding includes an additional $200,000 per year (for six years) as part of the Capital Improvement Program adoption by Council under a separate item on this same December 8, 2015 City Council agenda.

BACKGROUND DISCUSSION:

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

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

The 2015 Neighborhood Safety Program began in the fall of 2014 with all Kirkland neighborhoods identifying prospective projects. By April 2015, City Council approved 14 projects prioritized by NSP Panel Representatives and City Public Works staff (Attachment A) with preliminary budget estimates. Unfortunately costs for most of the projects exceeded the initial budget estimates, primarily due to economy-related construction inflation. This created a shortfall of over $68,000 to accomplish the NSP priority projects. Out of these 14 projects, six are being completed through alternative methods such as Job Order Contracting, city crews, and the Juanita Drive Quick Wins Project. Five are the subject of the contract award element of this memo. The remaining three lowest-priority NSP projects (15NSP12, 15NSP13, and 15NSP14) were held back until after the bid-opening to determine funding availability.

The five higher-priority 2015 NSP projects (Table 1) are combined with one non-NSP project with a separate funding source. The Totem Lake Boulevard Pedestrian Improvements (No. 6 below), is included in the staff contract award recommendation as it is a pedestrian improvement that is required as part of a permit issued by the Washington State Department of Transportation for a Kirkland surface water improvement within the WSDOT right-of-way. As the nature of the work is similar to the NSP projects, staff added these pedestrian improvements as a means to achieve an economy-of-scale for their construction.

Table 1: Contract Schedule

No.	Bid Schedule	NSP ID	Project
1	C	15NSP01	Stairs between the south side of NE 68th Street and the CKC
2	E	15NSP02	Sidewalk on north side of Kirkland Avenue and NE 6th Street
3	D	15NSP03	Rapid Flashing Beacon on NE 84th Avenue and NE 138th Street crosswalk
4	B	15NSP09	Rapid Flashing Beacon on NE 70th Place and NE 130th Avenue
5	Alt. 1	15NSP10	Radar speed sign on Juanita Drive (in the vicinity of Woodlands Park)
6	A	N/A	Totem Lake Boulevard Curb and Pedestrian Push Button Improvements

Table 2 below compares the bids received on November 20th with the engineer's estimate:

Table 2: Bidder List

Contractor	Total Base Bid	Additive Alternate 1	Total
Sierra Pacific Construction	**$156,618.65**	**$24,800.00**	**$181,418.65**
Agostino Construction	$162,464.49	$21,300.00	$183,764.49
Trinity Contractors	$162,716.36	$29,100.00	$191,816.36
Engineer's Estimate	*$160,638.00*	*$37,890.00*	*$198,528.00*
Pellco Construction	$194,720.49	$21,850.00	$216,570.49
Welwest Construction	$209,341.57	$34,450.00	$243,761.57
Proexc, LLC.	$244,002.43	$26,000.00	$270,002.43

Table 3 below depicts the requested funding reallocation for the various projects.

Table 3: NSP Project Funding by Source

2014 Neighborhood Safety Program Projects			Estimated or Actual Cost by Funding Source (including soft costs)						
PJT #	**Description**	**Original Budget**	**JFK** [NM 0073]	**CKC** [NM 24-4]	**NSP** [NM 6 201]	**Levy – Ped.** [NM 6 200]	**Private Dev.**	**Crosswalk** [NM 0012]	**Levy - School Routes** [NM 6 100]
14NSP01	RFB on school route	103,209					112,997		
14NSP02	RFB at Big Finn Hill Park (1)	50,000							
14NSP03	Crosswalk on school route	14,000	3,947						
14NSP04	RFB on school route	43,800	65,177						
14NSP05	CKC trail connection	12,800	12,800						
14NSP06	Crosswalk on school route	40,200	32,338						
14NSP07	Crosswalks on NE 145th St	39,200	35,738						
	2014 totals	303,209	150,000	-	-	-	112,997	-	-

2015 Neighborhood Safety Program Projects			Estimated or Actual Cost by Funding Source (including soft costs)						
PJT #	**Description**	**Original Budget**	**JFK** [NM 0073]	**CKC** [NM 24-4]	**NSP** [NM 06 201]	**Levy – Ped.** [NM 6 200]	**Private Dev.**	**Crosswalk** [NM 0012]	**Levy - School Routes** [NM 6 100]
15NSP01	CKC connection stairs	67,500		17,500	66,971				
15NSP02	Sidewalk on Kirkland Ave	40,000			59,567				
15NSP03	RFB on school route	30,000			37,273				
15NSP04	CKC stairs & bridge	12,000			19,923				
15NSP05	CKC/NE 60th St connection	12,000			14,300				
15NSP06	RFB on school route	43,000				8,000		62,000	
15NSP07	Crosswalk on school route	7,000				9,016			
15NSP08	RFB on school route	44,500				9,500		8,000	63,351
15NSP09	RFB on NE 70th Pl	50,000				52,365			
15NSP10	Speed sign on Juanita Dr	20,000			1,967	41,228			
15NSP11	Crosswalk on school route	40,000				29,892			5,231
15NSP12	Gravel walk on 100th Ave(2)	20,000							
15NSP13	Traffic Control School route(2)	12,000							
15NSP14	Gravel walk on 98th Ave(2)	30,000							
	2015 totals	428,000	-	17,500	200,000	150,000	-	70,000	68,582
	2014 + 2015 totals	**731,209**	**150,000**	**17,500**	**200,000**	**150,000**	**112,997**	**70,000**	**68,582**
	Funding		**150,000**	**17,500**	**200,000**	**150,000**	**112,997**	**70,000**	**150,000**
	Funding Minus Expense		-	-	-	-	-	-	**81,420**

Notes: (1) 14NSP02, RFB at Big Finn Hill Park to be completed with Juanita Drive Quick Wins Project [NM 0090]
(2) Staff recommends retaining projects 15NSP12, 15NSP13, and 15NSP14 on unfunded Suggest-a-Project List for 2016 or future NSP processes

Legend:
- Dark Green – completed projects
- Light Green – in progress
- Yellow – projects for this award
- Pink – pending easement

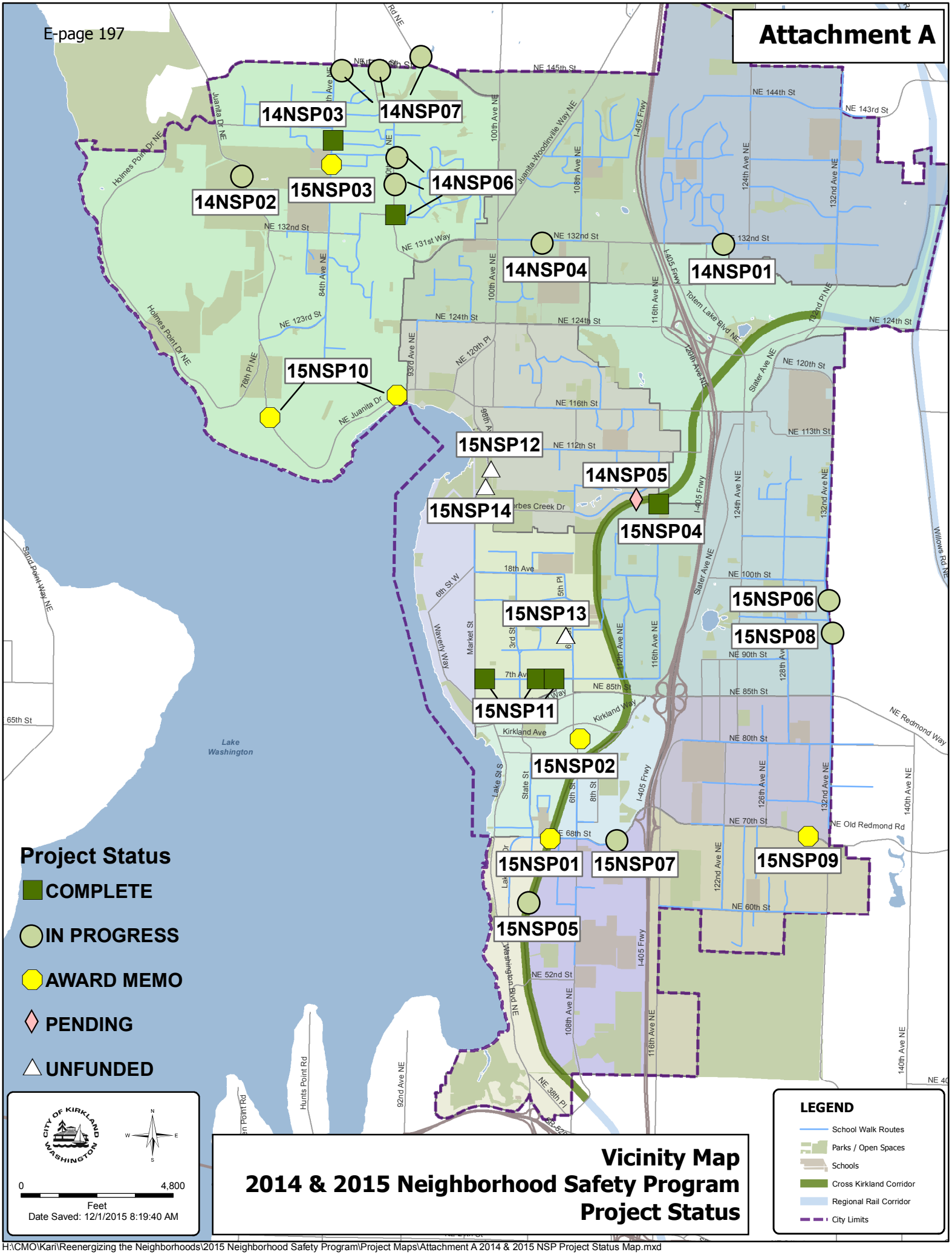
Staff recommends a contract award to Sierra Pacific Construction for the Base Bid of ($156,618.65) plus the Additive Alternative ($24,800.00) for a grand total of $181,418.65. In addition, staff is recommending the use of a portion of the 2015 Levy – School Walk Routes (NM 6 100) and the 2015 biennial Crosswalk Upgrade Program (NM 0012) for the individual projects shown in Table 3 above that improve pedestrian safety on or near identified school walk routes. This leaves approximately $80,000 in the Levy – School Walk Routes fund for future City match for school walk route grants. Staff also recommends using $30,000 in available surface water funding (SD 0075) for the Totem Lake Boulevard Curb and Pedestrian Push Button Improvements Project (No. 6 on Table 1).

Staff is recommending the last three projects in Table 3 remain unfunded at this time, but that they be retained on the Suggest-a-Project database for consideration in the 2016 or future NSP processes.

With an award of the contract by City Council, construction would start as soon as January 2016 with an anticipated completion by summer 2016. In advance of the work, staff will update all Project information on the City's website, including a regularly updated construction timeline.

Attachment A – Vicinity Map

Attachment A



Vicinity Map
2014 & 2015 Neighborhood Safety Program
Project Status

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Eric Shields, AICP, Planning Director
Tony Leavitt, Project Planner

Date: November 17, 2015

Subject: Meritage Ridge Final Subdivision, File No. SUB13-02088

RECOMMENDATION

City Council approves the Final Subdivision application for the Meritage Ridge Plat. The City Council may do so by adopting the enclosed resolution through approval of the consent calendar.

BACKGROUND DISCUSSION

The Preliminary Subdivision was heard by City's Hearing Examiner on June 18, 2014. The Hearing Examiner approved the project with conditions on June 25, 2014.

The proposal includes the following elements:

- Subdivide five existing parcels (totaling 5.98 acres) into 36 separate lots in a RSA 8 Zone;
- Access to the lots will be provided via a new access road off of 136th Avenue NE. The new access road will also connect to the existing NE 129th Street right-of-way to the west of the site, to create a new through road.
- A SEPA Determination of non-significance was issued on May 13, 2014.

An appeal of the Hearing Examiner's decision was filed by a party of record and heard by the City Council on September 16, 2014. After testimony and deliberation, the City Council upheld the Hearing Examiner's Decision.

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

ENCLOSURES

1. Planning Director Findings, Conclusion and Recommendation with Attachments

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

MEMORANDUMADVISORY REPORT
FINDINGS, CONCLUSION, AND RECOMMENDATIONS

To: Eric R. Shields, AICP, Planning Director

From: Tony Leavitt, Senior Planner

Date: November 17, 2015

File: MERITAGE RIDGE FINAL SUBDIVISION, FILE NO. SUB13-02088

I. RECOMMENDATION

Approve the Final Subdivision application for the Meritage Ridge Plat.

II. BACKGROUND

A. The applicant is Harbor Homes LLC

B. The site is located at 12817 136th Avenue NE; 13407, 13419, & 13505 NE 129th Street and 13511 NE 129th Place (See Attachment 1)

C. This is a final subdivision application to approve a 36-lot subdivision on a 5.98-acre site in a RSA 8 zone (see Attachment 2).

III. HISTORY

A. On June 25, 2014, the Kirkland Hearing Examiner approved, with conditions, the preliminary plat of Meritage Ridge (see Attachment 3).

B. An appeal of the decision was filed by a party of record and heard by the City Council on September 16, 2014. After testimony and deliberation, the City Council upheld the Hearing Examiner's Decision (see Attachment 4).

C. A SEPA Determination of non-significance was issued on May 13, 2014.

IV. ANALYSIS

A. Approval Criteria

1. Facts: Section 22.16.080 of the Kirkland Municipal Code 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 (SUB13-02088) by the Hearing Examiner and with all provisions of the subdivision ordinance and RCW 58.17. The applicant has completed all public improvements and utilities as required by the approval.

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 4 are attached.

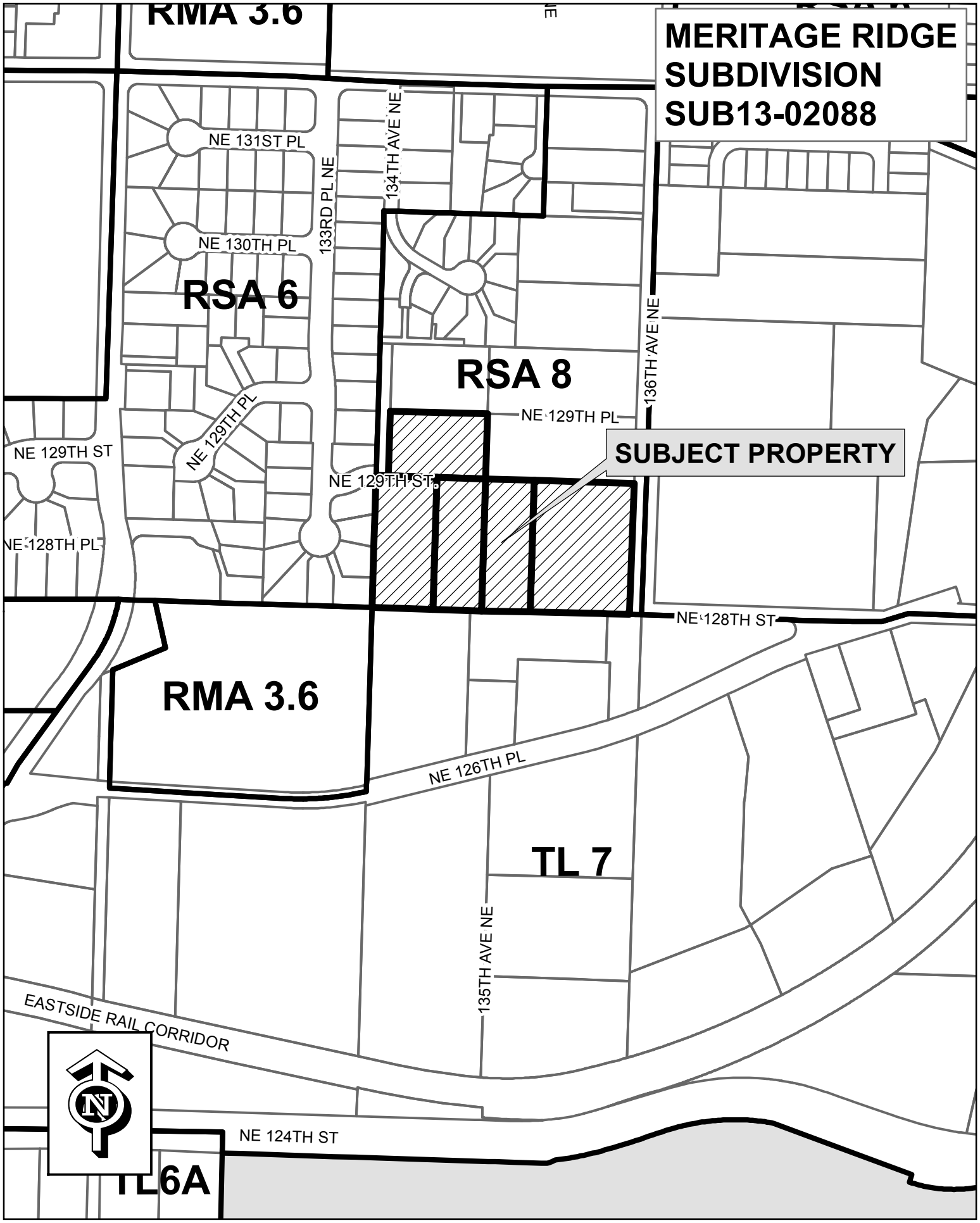
1. Vicinity Map
2. Final Plat
3. Hearing Examiner Decision
4. City Council Resolution 5068

Review by Planning Director:

I concur ☒ I do not concur ☐

November 16, 2015

Eric R. Shields, AICP Date


MERITAGE RIDGE
SUBDIVISION
SUB13-02088
RMA 3.6
NE 131ST PL
133RD PL NE
134TH AVE NE
NE 130TH PL
RSA 6
RSA 8
136TH AVE NE
NE 129TH PL
NE 129TH PL
NE 129TH ST
SUBJECT PROPERTY
NE 129TH ST
NE 128TH PL
NE 128TH ST
RMA 3.6
NE 126TH PL
TL 7
135TH AVE NE
EASTSIDE RAIL CORRIDOR
N
NE 124TH ST
TL6A

RECORDING NO.	VOL./PAGE

MERITAGE RIDGE

A PORTION OF NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 26 N., RANGE 5 E., W.M., CITY OF KIRKLAND, KING COUNTY, WASHINGTON
FILE NO. SUB13-02088

DEDICATION

KNOW ALL PEOPLE BY THESE PRESENTS THAT WE, THE UNDERSIGNED BEING ALL OF THE OWNERS OF OF THE LAND HEREBY SUBDIVIDED, HEREBY DECLARE THIS PLAT TO BE THE GRAPHIC REPRESENTATION OF THE SUBDIVISION MADE HEREBY, AND DO HEREBY DEDICATE TO THE USE OF THE PUBLIC FOREVER, ALL STREETS AND AVENUES NOT SHOWN AS PRIVATE HEREON AND DEDICATE THE USE THEREOF FOR ALL PUBLIC PURPOSES NOT INCONSISTENT WITH THE USE THEREOF FOR PUBLIC HIGHWAY PURPOSES, AND ALSO THE RIGHT TO MAKE ALL NECESSARY SLOPES FOR CUTS AND FILLS UPON THE LOTS SHOWN HEREON IN THE ORIGINAL REASONABLE GRADING OF SAID STREETS AND AVENUES, AND FURTHER DEDICATE TO THE USE OF THE PUBLIC ALL EASEMENTS AND TRACTS SHOWN ON THIS PLAT FOR ALL PUBLIC PURPOSES AS INDICATED HEREON, INCLUDING BUT NOT LIMITED TO PARKS, OPEN SPACES, UTILITIES AND DRAINAGE UNLESS SUCH EASEMENTS OR TRACTS ARE SPECIFICALLY IDENTIFIED ON THIS PLAT AS BEING DEDICATED OR CONVEYED TO A PERSON OR ENTITY OTHER THAN THE PUBLIC, IN WHICH CASE WE DO HEREBY DEDICATE SUCH STREETS, EASEMENTS, OR TRACTS TO THE PERSON OR ENTITY IDENTIFIED AND FOR THE PURPOSE STATED.

FURTHER, THE UNDERSIGNED OWNERS OF THE LAND HEREBY SUBDIVIDED WAIVE FOR THEMSELVES, THEIR HEIRS AND ASSIGNS AND ANY PERSON OR ENTITY DERIVING TITLE FROM THE UNDERSIGNED, ANY AND ALL CLAIMS FOR DAMAGES AGAINST THE CITY OF KIRKLAND, ITS SUCCESSORS AND ASSIGNS WHICH MAY BE OCCASIONED BY THE ESTABLISHMENT, CONSTRUCTION, OR MAINTENANCE OF ROADS AND/OR DRAINAGE SYSTEMS WITHIN THIS SUBDIVISION OTHER THAN CLAIMS RESULTING FROM INADEQUATE MAINTENANCE BY THE CITY OF KIRKLAND.

FURTHER, THE UNDERSIGNED OWNERS OF THE LAND HEREBY SUBDIVIDED AGREE FOR THEMSELVES, THEIR HEIRS AND ASSIGNS TO INDEMNIFY AND HOLD THE CITY OF KIRKLAND, ITS SUCCESSORS AND ASSIGNS, HARMLESS FROM ANY DAMAGE, INCLUDING ANY COSTS OF DEFENSE, CLAIMED BY PERSONS WITHIN OR WITHOUT THIS SUBDIVISION TO HAVE BEEN CAUSED BY ALTERATIONS OF THE GROUND SURFACE, VEGETATION, DRAINAGE OR SURFACE OR SUB-SURFACE WATER FLOWS WITHIN THIS SUBDIVISION OR BY ESTABLISHMENT, CONSTRUCTION OR MAINTENANCE OF THE ROADS WITHIN THIS SUBDIVISION. PROVIDED THIS WAIVER AND INDEMNIFICATION SHALL NOT BE CONSTRUED AS RELEASING THE CITY OF KIRKLAND, ITS SUCCESSORS OR ASSIGNS, FROM LIABILITY FOR DAMAGES, INCLUDING THE COST OF DEFENSE, RESULTING IN WHOLE OR IN PART FROM THE NEGLIGENCE OF THE CITY OF KIRKLAND, ITS SUCCESSORS OR ASSIGNS.

THIS SUBDIVISION, DEDICATION, WAIVER OF CLAIMS AND AGREEMENT TO HOLD HARMLESS IS MADE WITH THE FREE CONSENT AND IN ACCORDANCE WITH THE DESIRES OF SAID OWNERS.

IN WITNESS WHEREOF WE SET OUR HANDS AND SEALS.

GEONERCO PROPERTIES WA, LLC,
A WASHINGTON LIMITED LIABILITY COMPANY

_____

BY:
ITS:

U.S. BANK NATIONAL ASSOCIATION,
D/B/A HOUSING CAPITAL COMPANY

_____

BY:
ITS:

LEGAL DESCRIPTION

PARCEL A:
LOTS 1 THROUGH 4, INCLUSIVE, KING COUNTY SHORT PLAT NO. 678109, RECORDED UNDER RECORDING NO. 7904241065, BEING A PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 26 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON.

PARCEL B:
PARCEL A CITY OF KIRKLAND ALTERATION OF LOT LINE NO. LLA14-00720, RECORDED UNDER RECORDING NUMBER 20150112900007, IN KING COUNTY, WASHINGTON.

APPROVALS

CITY OF KIRKLAND

DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

EXAMINED, REVIEWED AND APPROVED BY THE CITY OF KIRKLAND PURSUANT TO THE SUBDIVISION PROVISIONS OF TITLE 22 (LAND SUBDIVISION), KIRKLAND MUNICIPAL CODE, THIS _____ DAY OF _____, 2015.

_____
DIRECTOR DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

DEPARTMENT OF PUBLIC WORKS

EXAMINED AND APPROVED THIS _____ DAY OF _____, 2015.

_____
DIRECTOR

CITY TREASURER CERTIFICATE

I HEREBY CERTIFY THAT THERE ARE NO DELINQUENT LOCAL IMPROVEMENT ASSESSMENTS AND THAT ALL SPECIAL ASSESSMENTS ON ANY OF THE PROPERTY HEREIN CONTAINED, DEDICATED AS STREETS OR FOR OTHER PUBLIC USE ARE PAID IN FULL THIS _____ DAY OF _____, 2015.

_____
TREASURER, CITY OF KIRKLAND

KING COUNTY DEPARTMENT OF ASSESSMENT

EXAMINED, AND APPROVED THIS _____ DAY OF _____, 2015.
KING COUNTY DEPARTMENT OF ASSESSMENTS

_____ _____
KING COUNTY ASSESSOR DEPUTY KING COUNTY ASSESSOR

PARCEL NO. 2726059095, 2726059035, 2726059098, 2726059099 AND 2726059100

FINANCE DIVISION CERTIFICATE

I HEREBY CERTIFY THAT ALL PROPERTY TAXES ARE PAID, THAT THERE ARE NO DELINQUENT SPECIAL ASSESSMENTS CERTIFIED TO THIS OFFICE FOR COLLECTION AND THAT ALL SPECIAL ASSESSMENTS CERTIFIED TO THIS OFFICE FOR COLLECTION ON ANY OF THE PROPERTY HEREIN CONTAINED DEDICATED AS STREETS, ALLEYS, OR FOR ANY OTHER PUBLIC USE, ARE PAID IN FULL.

THIS ____ DAY OF_____, 20___.

_____ _____
MANAGER, KING COUNTY OFFICE OF FINANCE DEPUTY

ACKNOWLEDGMENTS

STATE OF WASHINGTON)
) SS
COUNTY OF _____)

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT _____ SIGNED THIS INSTRUMENT ON OATH STATED HE WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE _____ OF GEONERCO PROPERTIES WA, LLC, A WASHINGTON LIMITED LIABILITY COMPANY TO BE THE FREE AND VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN THIS INSTRUMENT.

DATED _____

SIGNATURE OF
NOTARY PUBLIC _____

TITLE _____

MY APPOINTMENT EXPIRES _____

STATE OF WASHINGTON)
) SS
COUNTY OF _____)

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT _____ SIGNED THIS INSTRUMENT ON OATH STATED HE WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE _____ OF U.S. BANK NATIONAL ASSOCIATION, D/B/A HOUSING CAPITAL COMPANY TO BE THE FREE AND VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN THIS INSTRUMENT.

DATED _____

SIGNATURE OF
NOTARY PUBLIC _____

TITLE _____

MY APPOINTMENT EXPIRES _____

CITY OF KIRKLAND WASHINGTON

RECORDER'S CERTIFICATE .....

FILED FOR RECORD THIS ..... DAY OF ....., 20.....

AT ..... M IN BOOK ..... OF .....AT PAGE.....AT

THE REQUEST OF GEONERCO PROPERTIES WA, LLC,

....
MANAGER SUPT. OF RECORDS

SURVEYOR'S CERTIFICATE:

I HEREBY CERTIFY THAT THIS PLAT OF MERITAGE RIDGE IS BASED UPON AN ACTUAL SURVEY AND SUBDIVISION OF SECTION 27, TOWNSHIP 26 NORTH, RANGE 5 EAST, W.M., THAT THE COURSES AND DISTANCES ARE SHOWN CORRECTLY, THAT THE MONUMENTS WILL BE SET AND THE LOT CORNERS STAKED CORRECTLY ON THE GROUND FOLLOWING THE COMPLETION OF CONSTRUCTION OF THE SITE IMPROVEMENTS AND THAT I HAVE FULLY COMPLIED WITH THE PROVISIONS OF THE PLATTING REGULATIONS.

_____ 37555
STEPHEN J. SCHREI, P.L.S. CERTIFICATE NO.

DRS D.R. STRONG
CONSULTING ENGINEERS
ENGINEERS PLANNERS SURVEYORS
620 7TH AVENUE
KIRKLAND, WA 98033

425.827.3063 OFFICE
800.962.1402 TOLL FREE
425.827.2423 FAX
www.drstrong.com

STEPHEN J. SCHREI STATE OF WASHINGTON 37555 REGISTERED PROFESSIONAL LAND SURVEYOR

A PORTION OF
THE NW. 1/4 OF THE NW. 1/4,
SEC. 27, TWP. 26N. RGE. 5E., W.M.

DWN. BY	DATE	PROJECT NO.
SJS	8/11/15	13029
CHKD. BY	SCALE	SHEET
SJS		1 OF 5

RECORDING NO.	VOL./PAGE

MERITAGE RIDGE

A PORTION OF NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 26 N., RANGE 5 E., W.M., CITY OF KIRKLAND, KING COUNTY, WASHINGTON
FILE NO. SUB13-02088

EASEMENT PROVISIONS

THE EASEMENTS DEPICTED ON THE MAP SHEET OF THIS FINAL PLAT ARE FOR THE LIMITED PURPOSES LISTED BELOW AND ARE HEREBY CONVEYED FOLLOWING THE RECORDING OF THIS FINAL PLAT AS SPECIFIED ACCORDING TO THE RESERVATIONS LISTED BELOW.

1. AN EASEMENT IS HEREBY RESERVED, GRANTED AND CONVEYED TO THE CITY OF KIRKLAND, PUGET SOUND ENERGY COMPANY, QWEST, COMCAST, NORTHSHORE UTILITY DISTRICT, WOODINVILLE WATER DISTRICT AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, UNDER AND UPON THE EXTERIOR 10 FEET OF ALL LOTS AND TRACTS, PARALLEL WITH AND ADJOINING THE EXISTING OR PROPOSED PUBLIC RIGHT-OF-WAY, AS SHOWN HEREON, IN WHICH TO INSTALL, LAY, CONSTRUCT, RENEW, OPERATE AND MAINTAIN UNDERGROUND DISTRIBUTION SYSTEMS WITH NECESSARY FACILITIES, SIDEWALKS AND OTHER EQUIPMENT FOR THE PURPOSE OF SERVING THIS SUBDIVISION AND OTHER PROPERTY WITH UTILITY SERVICES AND SIDEWALKS, TOGETHER WITH THE RIGHT TO ENTER UPON THE LOTS AT ALL TIMES FOR THE PURPOSE HEREIN STATED. NO LINES OR WIRES FOR THE TRANSMISSION OF ELECTRIC CURRENT, OR FOR TELEPHONE USE, CABLE TELEVISION, FIRE OR POLICE SIGNAL OR FOR OTHER PURPOSES, SHALL BE PLACED OR BE PERMITTED TO BE PLACED UPON ANY LOT UNLESS THE SAME SHALL BE UNDERGROUND OR IN CONDUIT ATTACHED TO A BUILDING.

2. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOT 1 IS FOR THE BENEFIT OF LOT 2 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 1 AND 2, ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

3. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOTS 4, 5 AND 6 IS FOR THE BENEFIT OF LOTS 3, 5, 6 AND 7 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 3, 4, 5, 6 AND 7 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

4. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOTS 1 THROUGH 7 IS FOR THE BENEFIT OF LOTS 2 THROUGH 8 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 1 THROUGH 8 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

5. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOTS 11, 12, 13 AND 14 IS FOR THE BENEFIT OF LOTS 10, 11, 12 AND 13 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 10, 11, 12 13 AND 14 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

6. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOT 15 IS FOR THE BENEFIT OF LOT 16 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 15 AND 16 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

7. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOTS 17, 18, 19 AND 20 IS FOR THE BENEFIT OF LOTS 18, 19, 20 AND 21 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 17, 18, 19, 20 AND 21 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

8. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOTS 22, 23 AND 24 IS FOR THE BENEFIT OF LOTS 23, 24 AND 25 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 22, 23, 24 AND 25 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

9. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOTS 26 AND 27 IS FOR THE BENEFIT OF LOTS 27 AND 28 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 26, 27 AND 28 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

10. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOTS 30 AND 31 IS FOR THE BENEFIT OF LOTS 29 AND 30 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 29, 30 AND 31 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

11. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOTS 33, 34 AND 35 IS FOR THE BENEFIT OF LOTS 32, 33, 34 AND 36 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 32, 33, 34, 35 AND 36 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

12. THE 10.00 FOOT PRIVATE STORM DRAINAGE EASEMENT SHOWN ON LOTS 17 THROUGH 23 IS FOR THE BENEFIT OF LOTS 18 THROUGH 24 FOR PRIVATE STORM DRAINAGE FACILITIES. THE OWNERS OF SAID LOTS 17 THROUGH 24 ARE HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THEIR RESPECTIVE PRIVATE DRAINAGE FACILITIES AND SHALL SHARE EQUALLY IN THE MAINTENANCE RESPONSIBILITIES OF THE PRIVATE DRAINAGE FACILITIES USED IN COMMON WITHIN SAID EASEMENT.

13. THE 20.00 FOOT PUBLIC STORM DRAINAGE EASEMENT SHOWN ON LOTS 1 AND 16 IS HEREBY RESERVED, GRANTED AND CONVEYED TO THE CITY OF KIRKLAND FOR PUBLIC STORM DRAINAGE FACILITIES. THE CITY OF KIRKLAND IS HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THE PUBLIC STORM DRAINAGE FACILITIES WITHIN SAID EASEMENT.

14. THE 15.00 FOOT PUBLIC STORM DRAINAGE EASEMENT SHOWN ON TRACT B IS HEREBY RESERVED, GRANTED AND CONVEYED TO THE CITY OF KIRKLAND FOR PUBLIC STORM DRAINAGE FACILITIES. THE CITY OF KIRKLAND IS HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THE PUBLIC STORM DRAINAGE FACILITIES WITHIN SAID EASEMENT.

CONTINUED UPPER RIGHT

EASEMENT PROVISIONS CONTINUED FROM LOWER LEFT

15. THE 10.00 FOOT PUBLIC PEDESTRIAN ACCESS EASEMENT SHOWN ON TRACT B IS HEREBY RESERVED, GRANTED AND CONVEYED TO THE GENERAL PUBLIC FOR PUBLIC PEDESTRIAN ACCESS PURPOSES. THE MERITAGE RIDGE HOMEOWNERS ASSOCIATION IS HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THE PUBLIC PEDESTRIAN ACCESS FACILITIES WITHIN SAID EASEMENT.

16. THE 10.00 FOOT PUBLIC PEDESTRIAN ACCESS EASEMENT SHOWN ON TRACT A AND LOT 16 IS HEREBY RESERVED, GRANTED AND CONVEYED TO THE GENERAL PUBLIC FOR PUBLIC PEDESTRIAN ACCESS PURPOSES. THE MERITAGE RIDGE HOMEOWNERS ASSOCIATION IS HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THE PUBLIC PEDESTRIAN ACCESS FACILITIES WITHIN SAID EASEMENT.

17. THE 10.00 FOOT PUBLIC PEDESTRIAN ACCESS EASEMENT SHOWN ON LOT 30 IS HEREBY RESERVED, GRANTED AND CONVEYED TO THE GENERAL PUBLIC FOR PUBLIC PEDESTRIAN ACCESS PURPOSES. THE MERITAGE RIDGE HOMEOWNERS ASSOCIATION IS HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THE PUBLIC PEDESTRIAN ACCESS FACILITIES WITHIN SAID EASEMENT.

18. THE 2.50 FOOT PUBLIC SIDEWALK EASEMENT SHOWN ON TRACT B IS HEREBY RESERVED, GRANTED AND CONVEYED TO THE CITY OF KIRKLAND FOR PUBLIC SIDEWALK FACILITIES. THE CITY OF KIRKLAND IS HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THE PUBLIC SIDEWALK FACILITIES WITHIN SAID EASEMENT.

19. THE 15.00 FOOT WATER EASEMENT SHOWN ON LOT 1, 16 AND TRACT A IS HEREBY RESERVED, GRANTED AND CONVEYED TO WOODINVILLE WATER DISTRICT FOR WATER FACILITIES. WOODINVILLE WATER DISTRICT IS HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THE WATER FACILITIES WITHIN SAID EASEMENT.

20. THE 15.00 FOOT WATER EASEMENT SHOWN ON LOT 30 IS HEREBY RESERVED, GRANTED AND CONVEYED TO WOODINVILLE WATER DISTRICT FOR WATER FACILITIES. WOODINVILLE WATER DISTRICT IS HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THE WATER FACILITIES WITHIN SAID EASEMENT.

21. THE 15.00 FOOT PUBLIC STORM DRAINAGE EASEMENT SHOWN ON LOT 29 IS HEREBY RESERVED, GRANTED AND CONVEYED TO THE CITY OF KIRKLAND FOR PUBLIC STORM DRAINAGE FACILITIES. THE CITY OF KIRKLAND IS HEREBY RESPONSIBLE FOR THE MAINTENANCE OF THE PUBLIC STORM DRAINAGE FACILITIES WITHIN SAID EASEMENT.

NOTES AND RESTRICTIONS

1. ADDRESSING SHALL BE IN ACCORDANCE WITH KIRKLAND BUILDING DIVISION POLICY MANUAL NUMBER 9.001, ASSIGNMENT OF STREET NUMBERS AND ROAD SIGNAGE.

2. UTILITY MAINTENANCE: EACH PROPERTY OWNER SHALL BE RESPONSIBLE FOR MAINTENANCE OF THE SANITARY SEWER OR STORM WATER STUB, RAIN GARDENS, PERMEABLE PAVEMENT, OR ANY OTHER INFILTRATION FACILITIES (KNOWN AS LOW IMPACT DEVELOPMENT) FROM THE POINT OF USE ON THEIR OWN PROPERTY TO THE POINT OF CONNECTION IN THE CITY SANITARY SEWER MAIN OR STORM WATER MAIN. ANY PORTION OF A SANITARY SEWER OR SURFACE WATER STUB, RAIN GARDEN, PERMEABLE PAVEMENT, OR ANY OTHER INFILTRATION FACILITIES, WHICH JOINTLY SERVES MORE THAN ONE PROPERTY, SHALL BE JOINTLY MAINTAINED AND REPAIRED BY THE PROPERTY OWNERS SHARING SUCH STUB. THE JOINT USE AND MAINTENANCE SHALL RUN WITH THE LAND AND BE BINDING ON ALL PROPERTY OWNERS WITHIN THIS SUBDIVISION, INCLUDING THEIR HEIRS, SUCCESSORS AND ASSIGNS.

3. PUBLIC RIGHT-OF-WAY SIDEWALK AND VEGETATION MAINTENANCE: EACH PROPERTY OWNER SHALL BE RESPONSIBLE FOR KEEPING THE SIDEWALK ABUTTING THE SUBJECT PROPERTY CLEAN AND LITTER FREE. THE PROPERTY OWNER SHALL ALSO BE RESPONSIBLE FOR THE MAINTENANCE OF THE VEGETATION WITHIN THE ABUTTING LANDSCAPE STRIP. THE MAINTAINANCE SHALL RUN WITH THE LAND AND WILL BE BINDING ON ALL PROPERTY OWNERS WITHIN THIS SUBDIVISION, INCLUDING THEIR HEIRS, SUCCESSORS AND ASSIGNS.

4. TRACT A IS A PUBLIC STORM DRAINAGE TRACT AND IS GRANTED AND CONVEYED TO THE CITY OF KIRKLAND OR ITS SUCCESSOR AGENCY FOR PUBLIC STORM DRAINAGE FACILITY PURPOSES UPON THE RECORDING OF THIS PLAT. THE CITY OF KIRKLAND IS HEREBY RESPONSIBLE FOR THE PUBLIC STORM DRAIN FACILITIES FACILITIES WITHIN SAID TRACT. AN EASEMENT OVER SAID TRACT IS HEREBY GRANTED AND CONVEYED TO THE MERITAGE RIDGE HOMEOWNERS ASSOCIATION FOR ACCESS AND LANDSCAPE MAINTENANCE.

5. TRACT B IS A PRIVATE OPEN SPACE TRACT AND IS HEREBY GRANTED AND CONVEYED TO THE MERITAGE RIDGE HOMEOWNERS ASSOCIATION UPON THE RECORDING OF THIS PLAT. SAID HOMEOWNERS ASSOCIATION IS HEREBY RESPONSIBLE FOR THE MAINTENANCE AND MANAGEMENT OBLIGATIONS ASSOCIATED WITH SAID TRACT. SHOULD THE MERITAGE RIDGE HOMEOWNERS ASSOCIATION FAIL TO PROPERLY MAINTAIN SAID TRACT, THE OWNERS OF LOTS 1 THROUGH 36 OF THIS PLAT SHALL BE EQUALLY RESPONSIBLE FOR THE MAINTENANCE OF SAID TRACT.

SURVEYOR'S NOTES

1. ALL TITLE INFORMATION SHOWN ON THIS MAP HAS BEEN EXTRACTED FROM CHICAGO TITLE INSURANCE COMPANY SUBDIVISION GUARANTEE ORDER NUMBER 0019664-06 DATED JULY 30, 2015. IN PREPARING THIS MAP, D.R. STRONG CONSULTING ENGINEERS INC. HAS CONDUCTED NO INDEPENDENT TITLE SEARCH NOR IS D.R. STRONG CONSULTING ENGINEERS INC. AWARE OF ANY TITLE ISSUES AFFECTING THE SURVEYED PROPERTY OTHER THAN THOSE SHOWN ON THE MAP AND DISCLOSED BY REFERENCED CHICAGO TITLE INSURANCE COMPANY COMMITMENTS. D.R. STRONG CONSULTING ENGINEERS INC. HAS RELIED WHOLLY ON CHICAGO TITLE COMPANY REPRESENTATIONS OF THE TITLE'S CONDITION TO PREPARE THIS SURVEY AND THEREFORE D.R. STRONG CONSULTING ENGINEERS INC. QUALIFIES THE MAP'S ACCURACY AND COMPLETENESS TO THAT EXTENT.

2. ALL SURVEY CONTROL INDICATED AS "FOUND" WAS RECOVERED FOR THIS PROJECT IN JUNE, 2007.

3. ALL DISTANCES ARE IN FEET.

4. THIS IS A FIELD TRAVERSE SURVEY. A LEICA FIVE SECOND COMBINED ELECTRONIC TOTAL STATION WAS USED TO MEASURE THE ANGULAR AND DISTANCE RELATIONSHIPS BETWEEN THE CONTROLLING MONUMENTATION AS SHOWN. CLOSURE RATIOS OF THE TRAVERSE MET OR EXCEEDED THOSE SPECIFIED IN WAC 332-130-090. ALL MEASURING INSTRUMENTS AND EQUIPMENT ARE MAINTAINED IN ADJUSTMENT ACCORDING TO MANUFACTURER'S SPECIFICATIONS.

CITY OF KIRKLAND WASHINGTON

DRS D.R. STRONG CONSULTING ENGINEERS
ENGINEERS PLANNERS SURVEYORS
620 7TH AVENUE
KIRKLAND, WA 98033

425.827.3063 OFFICE
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www.drstrong.com

STEPHEN J. SCHREI
STATE OF WASHINGTON
37555
REGISTERED
PROFESSIONAL LAND SURVEYOR

A PORTION OF
THE NW. 1/4 OF THE NW. 1/4,
SEC. 27, TWP. 26N. RGE. 5E., W.M.

DWN. BY	DATE	PROJECT NO.
SJS	8/11/15	13029
CHKD. BY	SCALE	SHEET
SJS		2 OF 5

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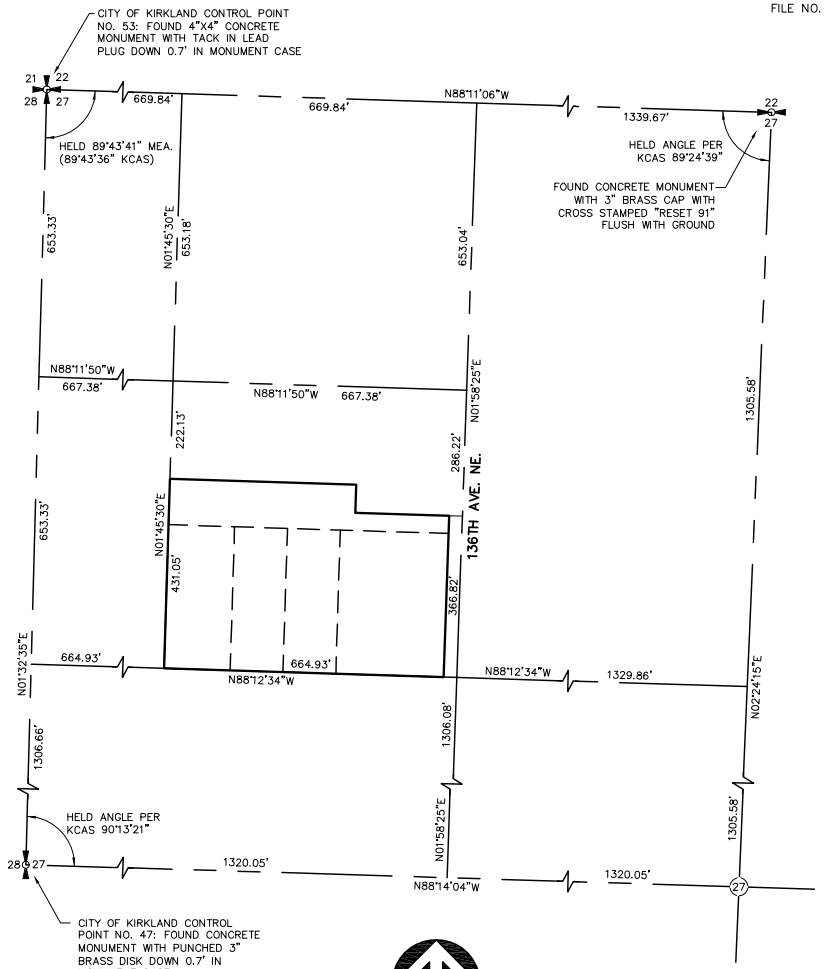
MERITAGE RIDGE

A PORTION OF NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 26 N., RANGE 5 E., W.M., CITY OF KIRKLAND, KING COUNTY, WASHINGTON
FILE NO. SUB13-02088



NORTH

GRAPHIC SCALE

0 100' 200' 400'

1 INCH = 200 FT.

BASIS OF BEARINGS:

N01°32'35"E BETWEEN THE MONUMENTS FOUND AT THE WEST QUARTER AND NORTHWEST SECTION CORNER OF SECTION 27-26-5 PER CITY OF KIRKLAND CONTROL POINTS 53 AND 47

TITLE RESTRICTIONS

1. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO PUGET SOUND POWER AND LIGHT COMPANY FOR AN ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 2555283 AND IS SHOWN HEREON.

2. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO OLYMPIC PIPE LINE COMPANY FOR A PIPE LINE OR LINES AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 5685811 AND IS SHOWN HEREON.

3. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO OLYMPIC PIPE LINE COMPANY FOR A PIPE LINE OR LINES AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 5685812 AND IS SHOWN HEREON.

4. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO OLYMPIC PIPE LINE COMPANY FOR A PIPE LINE OR LINES AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 7305100464 AND IS SHOWN HEREON.

5. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO PUGET SOUND POWER AND LIGHT COMPANY FOR AN UNDERGROUND ELECTRIC DISTRIBUTION SYSTEM AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 7911200631. THE LEGAL DESCRIPTION CONTAINED WITHIN SAID INSTRUMENT IS INSUFFICIENT TO DETERMINE THE EASEMENT'S EXACT LOCATION WITHIN THIS SITE.

6. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO KING COUNTY FOR A DRAINAGE FACILITY AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 8910160179 AND IS SHOWN HEREON.

7. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO WOODINVILLE WATER DISTRICT FOR UTILITIES AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 9301211043 AND IS SHOWN HEREON.

8. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO WOODINVILLE WATER DISTRICT FOR UTILITIES AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 9301211044 AND IS SHOWN HEREON.

9. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO WOODINVILLE WATER DISTRICT FOR UTILITIES AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 9301211045 AND IS SHOWN HEREON.

10. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO WOODINVILLE WATER DISTRICT FOR UTILITIES AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 9301211574 AND IS SHOWN HEREON.

11. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO FOR A STORM DRAIN LINE AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 9310252095 AND IS SHOWN HEREON.

12. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO THE QUADRANT CORPORATION FOR SANITARY SEWER AND OTHER UTILITIES AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 20150206000659.

13. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO NORTHSHORE UTILITY DISTRICT FOR SANITARY SEWER AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 20150213000872 AND IS SHOWN HEREON.

14. THIS SITE IS SUBJECT TO AN EASEMENT AND THE RIGHTS INCIDENTAL THERETO GRANTED TO PUGET SOUND ENERGY, INC. FOR THE CONSTRUCTION, MAINTENANCE AND OPERATION OF UTILITY SYSTEMS FOR THE PURPOSES OF TRANSMISSION, DISTRIBUTION AND SALE OF GAS AND ELECTRICITY, INCLUDING ALL NECESSARY APPURTENANCES THERETO AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 20150730000834. THE LEGAL DESCRIPTION CONTAINED WITHIN SAID INSTRUMENT IS INSUFFICIENT TO DETERMINE THE EASEMENT'S EXACT LOCATION WITHIN THIS SITE.

15. THIS SITE IS SUBJECT TO THE COVENANTS, CONDITIONS, RESTRICTIONS, RECITALS, RESERVATIONS, EASEMENTS, EASEMENT PROVISIONS, DEDICATIONS, BUILDING SETBACK LINES, NOTES, STATEMENTS AND OTHER MATERS, TO THE EXTENT THE SAME ARE PERMITTED BY APPLICABLE LAW AS SET FORTH KING COUNTY SHORT PLAT NUMBER 1177115, RECORDED UNDER RECORDING NUMBER 7805300830.

16. THIS SITE IS SUBJECT TO THE COVENANTS, CONDITIONS, RESTRICTIONS, RECITALS, RESERVATIONS, EASEMENTS, EASEMENT PROVISIONS, DEDICATIONS, BUILDING SETBACK LINES, NOTES, STATEMENTS AND OTHER MATERS, TO THE EXTENT THE SAME ARE PERMITTED BY APPLICABLE LAW AS SET FORTH KING COUNTY SHORT PLAT NUMBER 678109, RECORDED UNDER RECORDING NUMBER 7904241065.

17. THIS SITE IS SUBJECT TO THE COVENANTS, CONDITIONS, RESTRICTIONS, RECITALS, RESERVATIONS, EASEMENTS, EASEMENT PROVISIONS, DEDICATIONS, BUILDING SETBACK LINES, NOTES, STATEMENTS AND OTHER MATERS, TO THE EXTENT THE SAME ARE PERMITTED BY APPLICABLE LAW AS SET FORTH CITY OF KIRKLAND ALTERATION OF LOT LINE NO. LLA14-00720, RECORDED UNDER RECORDING NUMBER 20150112900007.

18. THIS SITE IS SUBJECT TO THE TERMS AND CONDITIONS OF AN AGREEMENT BETWEEN CORONET HOMES AND KING COUNTY WATER DISTRICT NO. 104 FOR TEMPORARY WATER SERVICE AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 7811081016.

19. THIS SITE IS SUBJECT TO THE TERMS AND CONDITIONS OF KING COUNTY WATER DISTRICT NO. 104 AGREEMENT-RESOLUTION 586 AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 7912200627.

20. THIS SITE IS SUBJECT TO THE TERMS AND CONDITIONS OF A ROAD MAINTENANCE AGREEMENT AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 8911010950.

21. THIS SITE IS SUBJECT TO AN AGREEMENT FOR INTERIM SEWER SERVICE EXECUTED BY WOODINVILLE WATER DISTRICT AND NORTHSHORE UTILITY DISTRICT AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 20141023000727.

22. THIS SITE IS SUBJECT TO AN AGREEMENT FOR RECIPROCAL TEMPORARY CONSTRUCTION EASEMENTS EXECUTED BY THE QUADRANT CORPORATION AND GEONERCO PROPERTIES, WA, LLC AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 20150206000660.

23. THIS SITE IS SUBJECT TO THE RIGHTS GRANTED TO KING COUNTY TO MAKE NECESSARY SLOPES FOR CUTS OR FILLS AS GRANTED IN DEED RECORDED UNDER RECORDING NUMBER 7810110487.

24. THIS SITE IS SUBJECT TO THE TERMS AND CONDITIONS OF A NOTICE OF CHARGES BY WATER, SEWER, AND/OR STORM AND SURFACE WATER UTILITIES AGREEMENT AS DISCLOSED BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 9408091502.

CITY OF KIRKLAND WASHINGTON

DRS D.R. STRONG CONSULTING ENGINEERS
ENGINEERS PLANNERS SURVEYORS
620 7TH AVENUE
KIRKLAND, WA 98033

425.827.3063 OFFICE
800.962.1402 TOLL FREE
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STEPHEN J. SCHREI STATE OF WASHINGTON 37555 REGISTERED PROFESSIONAL LAND SURVEYOR

A PORTION OF
THE NW. 1/4 OF THE NW. 1/4,
SEC. 27, TWP. 26N. RGE. 5E., W.M.

DWN. BY	DATE	PROJECT NO.
SJS	8/11/15	13029
CHKD. BY	SCALE	SHEET
	1"=200'	3 OF 5

RECORDING NO.	VOL./PAGE

LINE	BEARING	DISTANCE
L1	N01°58'25"E	24.44'
L2	N46°25'28"E	15.96'
L3	N86°30'50"E	63.20'
L4	N70°08'40"E	32.15'
L5	N77°25'49"W	9.00'
L6	N12°34'11"E	23.82'
L7	N77°25'49"W	5.47'
L8	N01°47'48"E	24.43'
L9	N88°12'34"W	31.12'
L10	N43°30'52"W	9.08'

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH
C1	16.00'	29°16'00"	8.17'
C2	22.50'	40°05'22"	15.74'
C3	97.50'	16°22'10"	27.86'
C4	45.00'	02°37'22"	2.06'
C5	45.00'	10°36'33"	8.33'

MERITAGE RIDGE

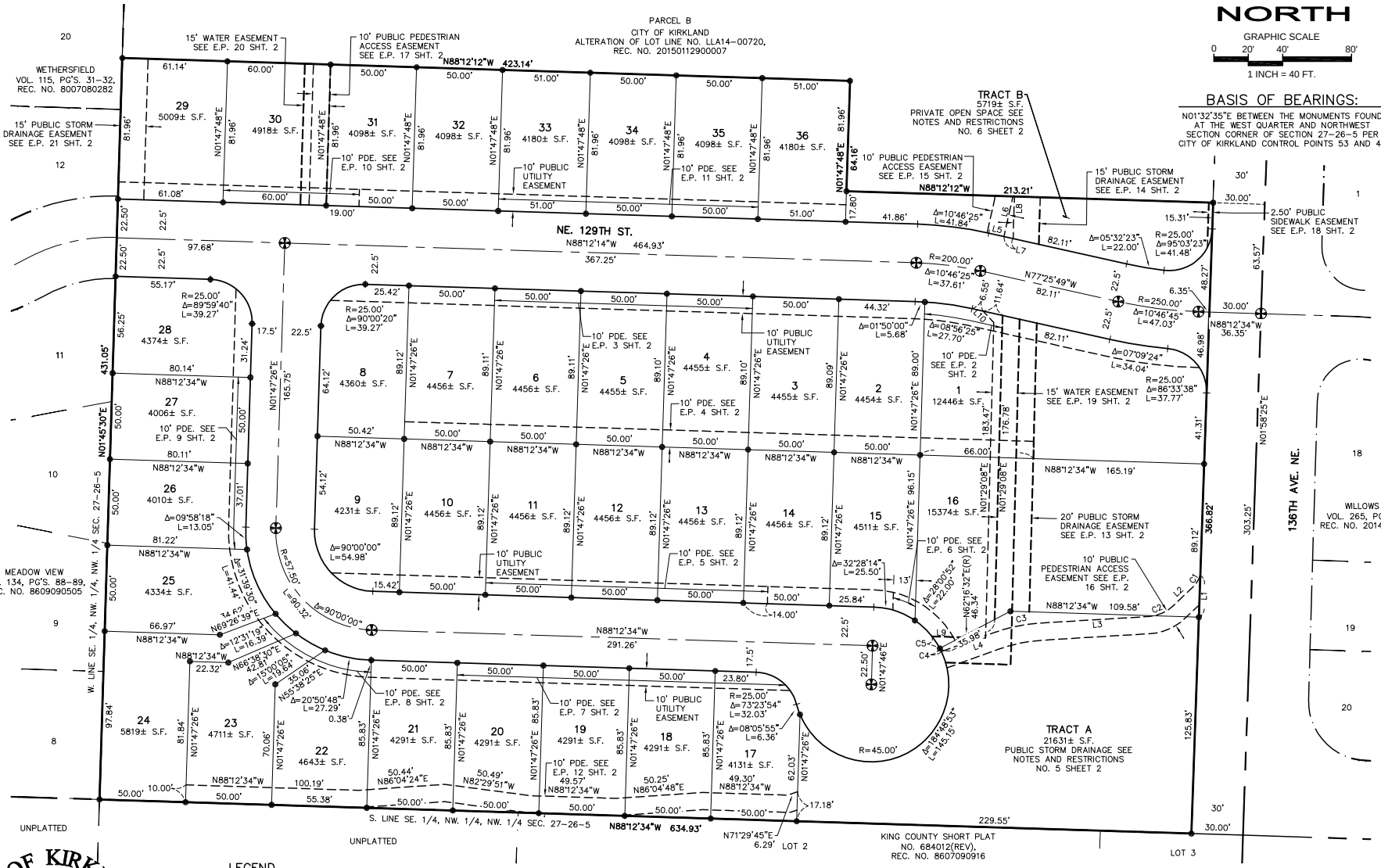
A PORTION OF NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 26 N., RANGE 5 E., W.M., CITY OF KIRKLAND, KING COUNTY, WASHINGTON
FILE NO. SUB13-02088

NORTH

GRAPHIC SCALE
0 20' 40' 80'
1 INCH = 40 FT.

BASIS OF BEARINGS:

N01°32'35"E BETWEEN THE MONUMENTS FOUND AT THE WEST QUARTER AND NORTHWEST SECTION CORNER OF SECTION 27-26-5 PER CITY OF KIRKLAND CONTROL POINTS 53 AND 47



LEGEND

- ⊕ SET CITY OF KIRKLAND STANDARD MONUMENT WITH BRASS DISK STAMPED 37555 IN MONUMENT CASE
- ○ FOUND CORNER MONUMENT AS NOTED
- ● SET 5/8" X 24" REBAR WITH PLASTIC CAP STAMPED "DRS 37555" AT CORNER OR ON LINE AT 4.00 FEET FROM CORNER AS INDICATED
- E.P. EASEMENT PROVISION
- PDE PRIVATE STORM DRAIN EASEMENT

CITY OF KIRKLAND WASHINGTON

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STEPHEN J. SCHREI — STATE OF WASHINGTON — 37555 — REGISTERED PROFESSIONAL LAND SURVEYOR

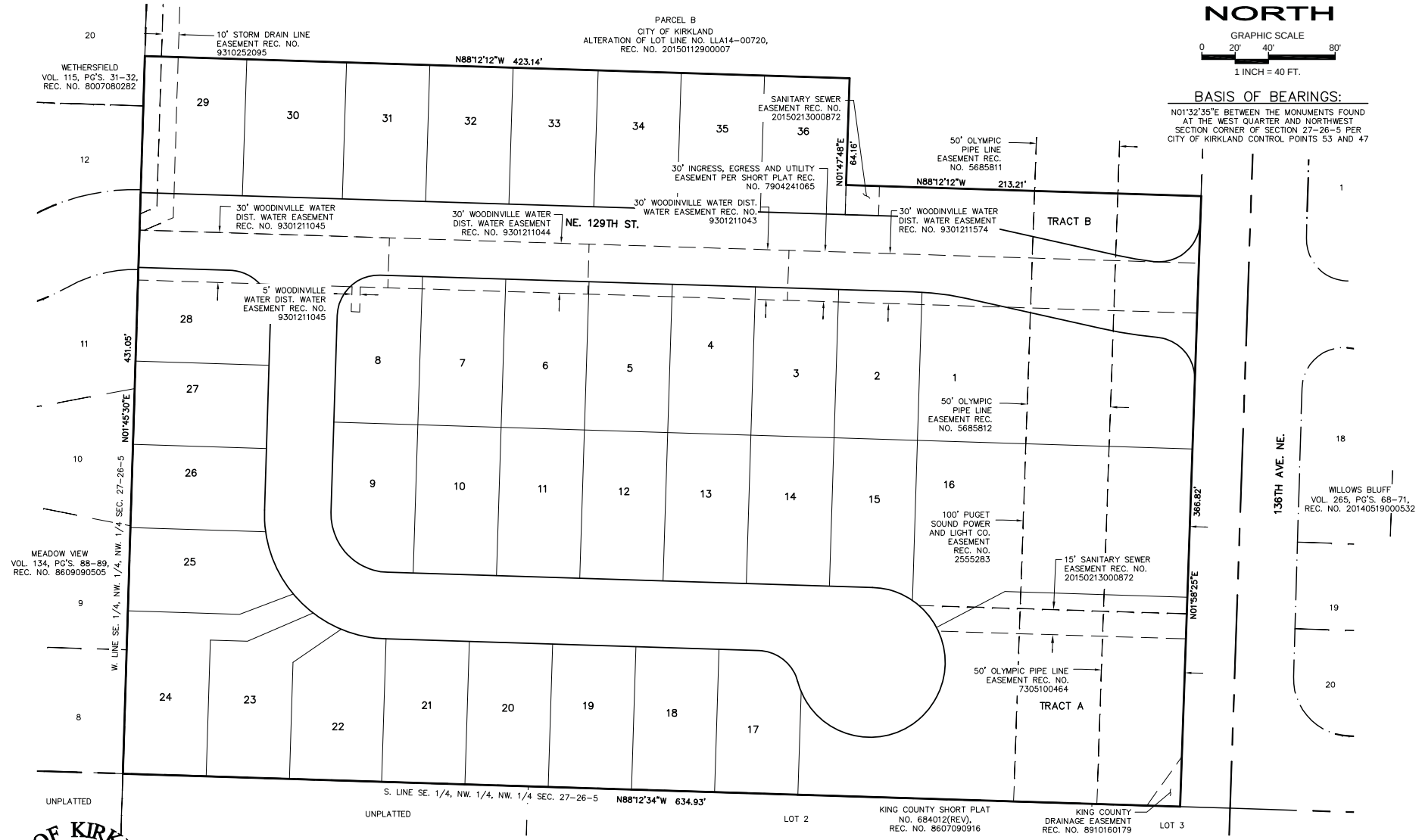
A PORTION OF
THE NW. 1/4 OF THE NW. 1/4,
SEC. 27, TWP. 26N. RGE. 5E., W.M.

DWN. BY	DATE	PROJECT NO.
SJS	8/11/15	13029
CHKD. BY	SCALE	SHEET
	1"=40'	4 OF 5

RECORDING NO.	VOL./PAGE

MERITAGE RIDGE

A PORTION OF NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 26 N., RANGE 5 E., W.M., CITY OF KIRKLAND, KING COUNTY, WASHINGTON
FILE NO. SUB13-02088



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DWN. BY	DATE	PROJECT NO.
SJS	8/11/15	13029
CHKD. BY	SCALE	SHEET
	1"=40'	5 OF 5

RECEIVED
JUN 27 2014
AM PM
PLANNING DEPARTMENT
BY

CITY OF KIRKLAND
HEARING EXAMINER FINDINGS, CONCLUSIONS AND DECISION

APPLICANT: Harbor Homes LLC

FILE NO: SUB13-02088

APPLICATION:

1. Site Location: 12817 136th Avenue NE, 13407, 13419 & 13505 NE 129th Street, and 13511 NE 129th Place

2. Request: To subdivide five parcels into 36 lots with access provided via a new access road from 136th Avenue NE which connects to the existing NE 129th Street right-of-way to the west of the plat to create a new through road

3. Review Process: Process IIA, the Hearing Examiner conducts a public hearing and makes a final decision on the preliminary subdivision

4. Key Issues: Compliance with applicable subdivision criteria and development regulations

RECOMMENDATION:

Department of Planning and Community Development Approve with conditions

PUBLIC HEARING:

The Hearing Examiner held a public hearing on the preliminary subdivision application on June 18, 2014, in the Council Chambers, City Hall, 123 Fifth Avenue, Kirkland, Washington. A verbatim recording of the hearing is available at the City Clerk's office and on the City of Kirkland website. The minutes of the hearing and the exhibits are available for public inspection in the Department of Planning and Community Development. The Examiner visited the site in advance of the hearing.

TESTIMONY AND PUBLIC COMMENT:

A list of those who testified at the public hearing, and a list of the exhibits offered at the hearing are included at the end of this Recommendation. The testimony is summarized in the hearing minutes.

FINDINGS AND CONCLUSIONS:

Having considered the evidence in the record and inspected the site, the Hearing Examiner enters the following:

Findings of Fact

Site and Vicinity

1. The site is located in the Kingsgate neighborhood and, following a proposed lot line alternation with property to the north (Vintner's West Plat and PUD), will be 260,327 square feet (4.69 acres) in area. It is presently developed with five single-family residences and accessory structures that are proposed for removal. Puget Sound Energy transmission lines and the underground Olympic pipeline cross the eastern part of the site.

2. The site is zoned RSA 8, a single-family residential zone with a maximum density of 8 units per acre and a minimum lot size of 3,800 square feet.

3. The site slopes up steeply from south to north and is designated as a high landslide hazard area on the City's Sensitive Area Maps. It includes 198 significant trees (6 inches or more diameter at breast height).

4. To the north and west is RSA 8 zoning and existing or planned single-family development; to the east is RSA 6 zoning and several new single-family developments; and to the south is TL 7 zoning, part of which is developed with an industrial park.

5. NE 129th Street presently extends from 136th Avenue NE, an arterial, through the site to its western boundary. Properties to the west of the proposed subdivision consist of three subdivisions approved by King County. The northernmost plat, Totem Vista, was approved in 1978 and included dedication of 133rd Place NE, a new road off of NE 132 Street, to serve the plat and future development to the south. The Wethersfield plat to the south of Totem Vista was approved in 1980 and continued 133rd Place NE to the south boundary of the plat. In 1986, the Meadow View plat was approved to the south of Wethersfield and continued 133rd Place NE to the south, where it terminates in a cul-de-sac. North of the cul-de-sac, Wethersfield includes a spur road, NE 129th Street, that extends to the east boundary of the property. *See* Exhibit A, Staff Advisory Report, Attachment 10.

Proposal

6. The applicant proposes to divide the five existing parcels into 48 single-family lots, all of which would meet the minimum lot size, with access provided from 136th Avenue NE via NE 129th Street. NE 129th Street would be extended to connect to the NE 129th Street right-of-way to the west, thereby creating a through road from 133rd Place NE to 136th Avenue NE. The road would be designed as a neighborhood access road

with a curb to curb width of 24 feet. A private access road within the plat, "Road A" would provide access from NE 129th Street to some of the proposed lots.

7. As part of its SEPA review of the proposal, the Public Works Department recommended that the Applicant install traffic calming measures on NE 129th Street and stop signs at the intersections with 136th Avenue NE and 133rd Place NE to discourage cut-through traffic and speeding.

8. Pursuant to KZC 95.30.6.a, the applicant is proposing phased review of tree retention on the property and submitted an arborist report and tree inventory, which were reviewed and confirmed by the City's Urban Forester. There are 172 viable trees on the site. Twenty are of High Retention Value, 84 are of Moderate Retention Value, and 68 are of Low Retention Value.

9. The applicant submitted a geotechnical report pursuant to KZC 85.15.3. The report concludes that construction of the proposed development is feasible from a geotechnical standpoint and includes recommendations for site development. Exhibit A, Attachment 9.

10. The applicant has not submitted letters of water and sewer service availability, but the Development Standards include a requirement for both letters. Exhibit A, Attachment 3, page 35.

State Environmental Policy Act and Traffic Concurrency

11. The traffic impact analysis (TIA) and revised supplemental TIA for the proposal are included in Exhibit A as Attachment 6, Enclosures 4 and 5. The supplement was done to evaluate the traffic impacts of the NE 129th Street connection.

12. A traffic count and a speed survey were conducted on 133rd Place NE. Approximately 665 trips per day and 66 PM peak hour trips occur north of NE 130th Place, and 340 trips per day and 34 PM peak hour trips occur south of NE 130th Place. The speed survey showed an average speed of 21 mph and no pattern of speeding. Exhibit A, Attachment 6, Enclosure 5 at 2.

13. Trip generation in the TIA and supplemental TIA is calculated using the average trip rates in the Institute of Transportation Engineers Trip Generation for Single-Family Detached Housing, which account for all site trips made by all vehicles for all purposes. Trip distribution is based on the concurrency model output provided by the City in its Traffic Impact Analysis Guidelines.

14. The TIA shows that approximately 86 daily project-generated trips would travel on NE 129th Street to 133rd Place NE and then to NE 132nd Street, and that approximately 164 daily trips from homes served by 133rd Place NE would now use NE 129th Street, through the proposed development, to access 136th Avenue NE. In a worst case scenario 9 project-generated PM peak hour trips may use 133rd Place NE, and in the best case, 11

PM peak hour trips from 133rd Place NE would reroute to the NE 129th Street connection. Exhibit A, Attachment 6, Enclosure 5.

15. Public Works and Fire staff determined that the widths of the existing and proposed rights-of-way for NE 129th Street are adequate for both normal and emergency vehicle traffic.

16. The Public Works Director has recommended that the NE 129th Street connection be required as part of the proposed plat in order to provide even traffic distribution, as well as a secondary access for emergency vehicles to residences in both the existing and proposed plats.

17. The City's Transportation Engineer concluded that traffic from the proposed subdivision and the NE 129th Street road connection will not have a significant adverse impact on 133rd Place NE and the neighborhoods to the west.

18. The application passed Traffic Concurrency on October 14, 2013. Pursuant to the State Environmental Policy Act (SEPA), the Department issued a Determination of Nonsignificance (DNS) for the proposal on May 13, 2014. Neither the DNS nor the concurrency test notice was appealed.

Public Comment

19. During the comment period on the application, the Department received 18 comment letters and emails, and a petition signed by numerous residents of the subdivisions to the west of the proposed plat. Many comments opposed the proposed NE 129th Street connection due to the narrowness and the sharp turn on the existing stub road, potential impacts to homes near the new intersection with NE 133rd Place NE, and the potential for cut-through traffic and resulting impacts to NE 133rd Place and residents who use the street. One letter, from BERPS Associates, expressed concern with the proposed development's conveyance of stormwater to a private stormwater system. *See* Exhibit A, Attachments 4 and 5.

20. Testimony and comment letters received at the hearing largely mirrored those in the comment letters received by the Department. *See* Exhibits B, C and D. Some residents who use 133rd Place NE indicated that there is presently a periodic problem with speeding in the neighborhood and asked that speed bumps be installed on 133rd Place NE. Others emphasized that the neighborhood "won't put up with speeding". Several mentioned that children play and ride bicycles in the street because it is safe to do so and asked how the impacts of the development on their neighborhood would be mitigated. One neighbor asked for crosswalks at the new intersections on NE 129th Street. Several residents near NE 132nd Street mentioned the difficulty they presently have in getting out of their driveways because of the traffic backed up at the stop sign to turn from 133rd Place NE onto NE 132nd Street. Overall, the testimony and letters expressed frustration at the pressures from the recent spike in development in the area.

21. Some neighbors who testified expressed concern that everyone in the neighboring subdivisions to the west was not notified of the application and hearing on the proposed subdivision.

22. A comment letter from the owners of much of the land that will be sold for the proposed development stated that they had watched open fields and trees be transformed into the three plats now developed to the west of the proposed project. They noted that with each plat, a road was stubbed out for connection to the next new development and asserted that the connection of NE 129th Street should therefore come as no surprise to the neighborhood. Exhibit B.

23. A letter from the attorney for BERPS Associates reports that they have reached agreement with the applicant on the stormwater issues raised in their earlier letter, and that they are working with the City to address a separate stormwater issue. Exhibit B.

Comprehensive Plan

24. The Comprehensive Plan Land Use Map designates the subject property for low density residential use, with a density of eight dwelling units per acre.

25. Comprehensive Plan Policy T-4.3 states that the City should "maintain a system of arterials, collectors, and local access streets that forms an interconnected network for vehicular circulation." Under this policy, the Plan explains that "[t]raffic spread over a 'grid' of streets, which is designed appropriate to neighborhood and system needs, flows smoothly. Kirkland has a number of existing cul-de-sacs, which help to create quiet and private residential areas. At the same time, however, cul de sacs and dead ends result in uneven traffic distribution and benefit some at the expense of others." Comprehensive Plan at IX-13.

26. Comprehensive Plan Policy T-4.5 states that the City should "maintain and improve convenient access for emergency vehicles," and that "an interconnected street network is the best way to achieve direct access." *Id.*

27. Comprehensive Plan Policy T-1.2 states that the City should "[m]itigate adverse impacts of transportation systems and facilities on neighborhoods." The policy recognizes that "[t]ransportation systems and facilities can have adverse impacts on neighborhoods," such as "[s]afety problems due to speeding vehicles and increasing traffic volumes," "[i]ncreased traffic resulting from drivers seeking alternate routes to congested arterials," "and/or [a]ir and noise pollution." The policy states that a combination of techniques should be used to avoid or mitigate these impacts, including "[d]eveloping and implementing neighborhood appropriate street design standards," "[c]reating an interconnected system of streets to distribute the traffic load and lessen the burden on any given street," and "[a]voiding connections through residential neighborhoods when they will create new routes for commercial/industrial traffic or by-pass routes for I-405." Comprehensive Plan at X-8.

28. Comprehensive Plan Policy T-4.4 addresses minimizing "bypass traffic and safety impacts on neighborhood streets." It acknowledges that "[c]ut-through traffic onto neighborhood streets from nearby congested arterials or collectors does occur," and explains that the "intent of this policy is to minimize the amount of cut-through traffic and the impacts of this traffic when it does occur by the use of various forms of traffic calming techniques." Comprehensive Plan at X-13.

29. Comprehensive Plan Policy T-6.1 states that the City should "[p]ave streets and access easements to the smallest dimensions necessary to accommodate their designed function, including emergency access." Comprehensive Plan at X-20.

Applicable Law

30. KZC 150.22.2 provides the requirements for distribution of notice of a subdivision application. It requires notice to owners of all property within 300 feet of any boundary of the subject property and to residents of each piece of property adjacent to or directly across the street from the subject property. It also requires publication in the City's official newspaper, and posting on the City's official notification boards and on the City's website. This Code section also includes the requirement for the applicant to post the property. Requirements for the notice of hearing are similar. *See* KZC 150.30.2.

31. Exhibit A, Attachment 3 includes surface water, stormwater, street and pedestrian improvement, tree retention, and other development standards and requirements for the project.

32. KZC 110.60.1 authorizes the Public Works Director to require dedication of land for rights-of-way and utility infrastructure if reasonably necessary as a result of a proposed development.

33. KZC 110.60.6 authorizes the City to require stop signs "in the manner and location established by the Department of Public Works."

34. KZC 95.30.6.a allows for phased review of tree retention as part of the subdivision process. In phased review, the applicant submits a tree retention plan that addresses only trees affected by known improvements at the time of application, and tree removal is limited to those affected areas. A new tree retention plan is required for each subsequent phase of the project.

35. KZC 85.25 lists the performance standards the City may require for development in a landslide hazard area.

36. KZC 150.65.3 provides that the Hearing Examiner may approve a Process IIA application only if it is "consistent with all applicable development regulations, and to the extent there is no applicable development regulation, the Comprehensive Plan," and is "consistent with the public health, safety and welfare."

37. KMC 22.12.230 provides that the Hearing Examiner may approve a proposed subdivision only if:

> (1) There are adequate provisions for open spaces, drainage ways, rights-of-way, easements, water supplies, sanitary waste, power service, parks, playgrounds and schools; and
>
> (2) It will serve the public use and interest and is consistent with the public health, safety and welfare. The Hearing Examiner shall be guided by the policy and standards and may exercise the powers and authority set forth in RCW 58.17.

38. In Process IIA application, the applicant bears the burden of convincing the Hearing Examiner that the applicant is entitled to the requested decision. KZC 150.50.

Conclusions:

1. There is no evidence in the record that the Department failed to comply with the notice requirements of KZC 150.22 or KZC 150.30.

2. Size, land use, zoning, and neighboring development do not raise issues of concern for the proposed subdivision.

3. The proposal is consistent with the site's zoning, which is consistent with the Comprehensive Plan's designation for the site.

4. The proposal has satisfied SEPA and Traffic Concurrency requirements.

5. The proposed subdivision will create infill residential development and is consistent with the goals of the Comprehensive Plan. The NE 129th Street connection recommended by the Public Works Department is consistent with Comprehensive Plan Policies T-4.3 and T-4.5, which call for an interconnected network for vehicular circulation including convenient access for emergency vehicles. The Public Works Department's recommendation for use of traffic calming techniques on the road, such as speed bumps, and stop signs at intersections, is consistent with Comprehensive Plan Policies T-1.2 and T-4.4, which suggest use of such techniques to mitigate adverse impacts of transportation systems on neighborhoods. And the construction of the paved road at 24 feet is consistent with Comprehensive Plan Policy T-6.1, which calls for the City to pave streets to the smallest dimensions necessary to accommodate their designed function.

6. As conditioned, the proposed subdivision complies with KMC 22.12.230 and KZC 150.65. As conditioned, it is consistent with zoning, subdivision, and other applicable regulations and makes adequate provision for open spaces, drainage ways, rights-of-way, easements, water supplies, sanitary waste, power service, parks, playgrounds, and schools. The proposed subdivision will serve the public use and interest and is consistent with the public health, safety and welfare.

DECISION:

Based on the foregoing findings and conclusions, the application for a preliminary subdivision is approved, subject to the following conditions:

1. This application is subject to the applicable requirements contained in the Kirkland Municipal Code, Zoning Code, and Building and Fire Code. It is the responsibility of the applicant to ensure compliance with the various provisions contained in these ordinances. Exhibit A, Attachment 3, Development Standards, is provided to familiarize the applicant with some of the additional development regulations. This attachment does not include all of the additional regulations. When a condition of approval conflicts with a development regulation in Exhibit A, Attachment 3, the condition of approval shall be followed.

2. The applicant shall comply with the applicable tree retention requirements of KZC Chapter 95. The tree retention conditions as outlined in Exhibit A, Attachment 3 shall be followed.

3. Prior to recording the subdivision, the applicant shall record the proposed lot line alteration to adjust the property boundaries to match the proposed site plan.

4. As part of any development permits, the applicant shall follow the recommendations contained in the report by Earth Solutions NW, LLC dated October 3, 2013.

Entered this 25th day of June, 2014, pursuant to authority granted by KZC 150.65 and KMC 22.12.230.

Sue A. Tanner
Hearing Examiner

SUBSEQUENT MODIFICATIONS

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

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 seven 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 seven years is tolled for any period of time during which a court order in said judicial review proceeding prohibits the recording of the plat.

PARTIES OF RECORD:
Maher Jacobi, Applicant
Parties of Record prior to the hearing
Kathryn and Keith O'Neill
Kevin Smit
Elaine H. Berryman
Lara Sosnosky
Jack Berryman
Luanna Chandler
Tom and Jill McGowan
Kim Chandler
Bob and Lisa Hedrick
Jeff Parks
Liz Parks
Frankie Bottinelli
Tin Su
Department of Planning and Community Development
Department of Public Works
Department of Building and Fire Services

EXHIBITS:

The following exhibits were entered into the record:

Exhibit A	Department's Advisory Report with Attachments 1 through 10
Exhibit B	Comment letters from Rod W. Tucker, Robert and Stacy Segundo, William Michael Frickberg, Joseph W. Martin, and John T. Cook, attorney-at-law, on behalf of BERPS Associates
Exhibit C	Copy of Elaine T. Berryman's testimony and 8 photographs
Exhibit D	Comment letters from Lyman Perkins, Kathleen Perri, and W.D. and Adelia T. Gran

APPEALS AND JUDICIAL REVIEW
The following is a summary of the deadlines and procedures for appeals. 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. Under Section 150.80, 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 14, 2014, 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.

Exhibit A

The Staff Advisory Report and Attachments for June 18, 2014 Hearing can be found here:

Staff Report and Attachments 1 thru 5

Attachments 6 thru Attachment 10

June 2, 2014

RECEIVED
JUN 04 2014
_____AM_____PM
PLANNING DEPARTMENT
BY_____

Examiner
c/o Tony Leavitt
City of Kirkland Planning & Community Development
123 5th Avenue
Kirkland, WA. 98033

RE: Permit No. SUB13-02088

Submitted By:
Rod W Tucker
13227 NE 130th Pl
Kirkland, WA. 98034
rod.nic@comcast.net

I vehemently challenge the proposal to create a new through road at 129th St!

What is the benefit to creating a new through road at 129th Street????? None! There is absolutely zero benefit to creating a new through road. If the new neighborhood has access via 136th Ave NE, then why is a new through road even being considered???? This is a ridiculous proposal that only serves to benefit the developer. On the other hand, the number of negative ramifications of creating a through road at 129th Street is significantly higher than zero.

Non residents will use this new path as a short cut between 132nd St and 136th Ave, especially during high traffic periods, which already cause 132nd St to back up for blocks, causing significant difficulty, at times, for existing residents trying to exit the neighborhood and travel West on 132nd St. This group of short cutters will not be concerned with maintaining the speed limit and will immediately create a new, significant, hazard to children, pets, and pedestrians who currently enjoy some level of safety knowing there are very few vehicles entering and leaving the neighborhood who do not share the same concerns as the residents who live there!

I have three active boys and they enjoy playing outside and having friends over. Our cul-de-sac is relatively quiet and we enjoy some peace of mind knowing they and their friends can play outside without significant traffic concerns. A new through street will eliminate this for all of us.

Look at the records of bursting pipe repairs in this neighborhood. The system is not built to withstand the current traffic load, let alone the massive increase in traffic that would be created by a new through street. Crumbling sidewalks, created by existing rumbling traffic, is already an issue that needs attention. Through traffic will only perpetuate this problem and create more issues.

CITY OF KIRKLAND
Hearing Examiner Exhibit
Applicant _____
Department _____
Public ✓
FILE # SUB13-02088
B

The "No Outlet" sign seen when entering this neighborhood was a major selling point for many who currently live here and will continue to be a major selling point for any new residents. The value of ALL of our homes will decrease by creating a new through street where one does not need to be. We have lived here happily for years without the need for a through street and the new residents of RSA 8 will be perfectly fine without it as well. In fact, their property values will likely be higher as a result of less through traffic in *their* neighborhood.

It is my belief that a through street consideration is being proposed as the only means by which the developer can squeeze in a few extra lots to sell. PLEASE do not compromise our standard of living so that a developer can make a few extra bucks. Be reasonable when making your considerations and please weigh the actual pros and cons and who is actually benefiting from this. Is it the residents? No! Clearly! It is the developer. Take care of the families who made the choice to live here.

Regards,

Rod W. Tucker

June 13, 2014

Hearing Examiner
c/o Mr. Tony Leavitt
City of Kirkland-Planning and Community Development Department
123 5th Avenue
Kirkland, WA 98033

RECEIVED
JUN 16 2014
_____ AM _____ PM
PLANNING DEPARTMENT
BY_____

Re: Permit # SUB13-02088

To Whom It May Concern:

We are writing to express our concerns regarding the construction of the Meritage Ridge Subdivision and the subsequent traffic impact.

Our primary concern is the proposed access road off of 136th Ave NE that will also connect to the existing NE 129th Street and subsequently 133rd Place NE. It is our understanding that traffic studies have been conducted and study results have indicated that there will be no adverse impact. Traffic counters were placed on 133rd Place NE after a 2nd traffic study was requested. However, it is the time it takes to take a left onto NE 132nd in peak traffic times that could pose challenges. Merging onto NE 132nd can be difficult due to traffic backing up from the traffic light at the intersection of NE 132nd and 132nd NE. This factor along with the increased traffic from the completion of the new developments of Vintners Ridge (51 homes), Willows Bluff (26 homes), and Meritage Ridge (36 homes) will adversely affect the neighborhood traffic flow when traffic backs up onto 133rd Place NE.

The "Environmental Determination for Meritage Ridge Preliminary Subdvision" Memorandum dated May 8, 2014 did not address this.

We ask that you consider the increase in traffic volume when all developments are completed and consider another option other than the connection of NE 129th Street to 133rd Place NE. 133rd Place NE was not built to handle the volume of traffic that is anticipated.

Thank you for your consideration.

Sincerely,

Robert and Stacy Segundo
13226 NE 130th Place
Kirkland, WA 98034
425.495.1500 (c)
stacy_oda2001@yahoo.com

Tony Leavitt

From: Mike <mfrickberg@whidbey.com>
Sent: Tuesday, June 17, 2014 12:42 PM
To: Tony Leavitt
Subject: Meritage Ridge, Case No. SUB13-02088

RECEIVED
JUN 17 2014
AM PM
PLANNING DEPARTMENT
BY

Tony Leavitt
City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033

Re: Meritage Ridge, Case No. SUB13-02088

Dear Mr Leavitt,

My wife's grandparents in the 1940's purchased the five acre property that is the majority of the south portion of the proposed Meritage Ridge development.

My wife clearly remembers when there was only a few houses with open grass fields, meadows and trees where the Totem Vista, Weathersfield, and Meadow View developments now exist.

Over time these three developments evolved. The developers designed and built the homes following the The King County Master Plan in place at that time.

As a result the roads were layout and built with the clear intention of continuing the road as future properties developed. This was obvious and clear to us when we bought our property at 13419 NE 129th St in 1982 - that the property was zoned as multiple houses per acre.

When the Meadow View development was finished in the mid 1980's the prospective home buyers bought into a developed community concept which included a road stubbed (NE 129th St) that was clearly defined, curbed, paved, complete with utilities pointing east toward future development. For that matter it was the same for Totem Vista, and Weathersfield with their roads stubbing out toward the south at each of their development completions.

From our perpective, each of the original and current home owners bought their homes knowing of the road continuation potential.

We have owned our property and lived here for many years as we watched the grass filled meadows as they became developed - for which those that are opposing this now call home.....with all due respect, we expect the same curtiousy that we have previously extended with their developments.

Respectfully,

William Michael Frickberg
Vicki B Frickberg
13419 NE 129th St
Kirkland, WA, 98034

HOULIHAN LAW

3401 Evanston Avenue N. Suite C • Seattle, WA 98103

JOHN T. (JT) COOKE
Attorney
jt@houlihanlaw.com

RECEIVED
JUN 17 2014
AM PM
PLANNING DEPARTMENT
BY

June 17, 2014

Via Email: TLeavitt@kirklandwa.gov

City of Kirkland Hearing Examiner
c/o Tony Leavitt, City of Kirkland Planning Dept.
123 5th Avenue
Kirkland, WA 98033

***Re:* Meritage Ridge, Case No. SUB13-02088**

Dear Hearing Examiner:

This firm represents a group of individuals commonly referred to as BERPS Associates ("BERPS"). BERPS is the owner of King County Tax Parcels 2726059123, 2726059051, & 2726059122 which abut the southern boundary of the above-referenced subdivision ("BERPS Properties"). By letter dated February 7, 2014 BERPS submitted comments to the City of Kirkland Planning Department which identified BERPs' concerns with the proposed subdivision. Specifically, BERPS raised concern over the impact any increase in stormwater may have on the stability of a slope along the southern boundary of the proposed Meritage Ridge subdivision.

Since that time, BERPS has met with the applicant and its engineers and has addressed its concerns subject to the applicant adhering to the following conditions:

- Drain System—Applicant agrees to construct and maintain a French Drain or similar structure along the length of the southern boundary of the property ("Drain Sytsem"). The Drain System shall be designed to capture stormwater runoff and convey it away from the slope. The Drain System shall be maintained by applicant until the post-construction is complete and operational.

- Retention of CESCL—Applicant agrees to retain a Certified Erosion and Sediment Control Lead ("CESCL"). The CESCL shall inspect and monitor the site during

construction to ensure that construction stormwater is being managed in accordance with all applicable requirements.

- Post-Construction Drainage—Applicant agrees to construct and install a drainage system on the subdivision lots abutting the southern boundary. The post-construction drainage system shall consist of catch-basin(s) which shall collect and convey stormwater to the stormwater vault. Final grading of the rear yards shall be sloped towards the on-site drainage.

- Stormwater Vault Design—Applicant shall provide BERPS with the opportunity to review and comment on the final designs for the stormwater vault. Applicant agrees to implement reasonable design measures recommended by BERPS to ensure that the vault does not undermine slope stability.

BERPS maintains that the City has not acquired the legal rights to use an existing drainage system that crosses a portion of the BERPS Properties to collect and convey stormwater generated from public right-of-ways. BERPS is addressing that issue separately with the City.

Please contact me if you have any questions.

Very truly yours,

John T. Cooke

Cc: Rob Jammerman (via email)
John Baringer (via email)
Client

Written comments submitted by

Joseph W. Martin Telephone: 206-334-5302

12942 133rd PL NE joemartin500@msn.com

Kirkland, WA 98034

To:

Tony Leavitt, Associate Planner , et al

Regarding:

Meritage Ridge 36 Lot Preliminary Plat FILE NO.: SUB13-02088

My wife, Alison D. Martin and I have resided at / owned the above property since September, 1984.

We wish to argue against the opening of the "existing NE 129th Street right -of-way, to the west of the plat, to create a new through road."

This action will effectively turn 133rd Place NE into an arterial.

Speeds of vehicles originating from the cul-de-sac at the south end of 133rd Place NE frequently exceed the posted limit of 25 mph.

Routing vehicles from the proposed development, as well as traffic from

136th Avenue NE will add to the problem and most definitely affect the safety and serenity of our neighborhood in an adverse way.

We realize that most people are apt to advance a "NIMBY" argument, but we appeal to a sense of fair play- since annexation by the City of Kirkland, our property taxes have increased, as well as the utility bills- owing to "franchise fees" tacked on by the city.

Under this proposal, the Developer realizes their profit- and produces an externality degrading our quality of life.

Please consider a compromise- restrict access to the new development to 136th Avenue NE and preserve the safety and character of Totem Vista / Wethersfield.

Joseph W. Martin
6/18/2014

June 18th 2014

ELAINE BERRYMAN, 12924 133RD PLACE NE (WETHERSFIELD SUBDIVISION)

LOCATION: THE SPUR ROAD (AT NE 129TH ST AND 133RD PLACE NE) IS SITUATED ONLY THREE PROPERTIES SOUTH OF MY HOUSE. THIS EXITING SMALL, DEAD END STREET HAS BEEN THERE SINCE APPROXIMATELY 1986 WHEN THE LAST SUBDIVISION WAS BUILT. ALL THREE SUBDIVISIONS LOCATED IN THE SAME VACINITY WITH THE TRAFFIC FLOW IN AND OUT ON ONLY 133RD PLACE NE OFF OF NE 132. WE HAVE ALL, OVER THE PAST 35-40 YEARS, THOUGHT THIS WOULD BE A PERFECT LOCATION FOR ALL OUR FAMILIES TO BE RAISED. IT IS A VERY QUIET AND SAFE NEIGHBORHOOD TO RAISE OUR CHILDREN, GRANDCHILDREN, OLDER ADULTS, AND PETS. BEING IN UNINCORPORATED KING COUNTY WHEN THESE HOUSES WERE ORIGINALLY BUILT, WE ALL UNDERSTOOD THAT NE 129TH STREET WOULD REMAIN CLOSED AND NEVER OPENED AS A THROUGH STREET. NOW, THAT WE ARE IN THE "CITY OF KIRKLAND", WE ARE TOLD THAT THINGS HAVE TO BE APPLIED DIFFERENTLY. THIS IS VERY DISTURBING TO WE HOME OWNERS, KNOWING YOU ARE INSISTING ON CHANGING THIS STREET, WHICH IS VERY NARROW, INTO A STREET THAT WOULD CAUSE US TO DEAL WITH HEAVIER TRAFFIC FLOW IN OUR NEIGHBORHOOD ALONG WITH THE SMELL OF EXHAUST FUMES TO BREATH, DIRT, DANGER TO OUR CHILDREN, GRANDCHILDREN, AND PETS, THE DROP OF PROPERTY VALUES, AND SPEEDING TRAFFIC. MANY OF WE ENJOY SO MUCH TO WALK OUR CALTISACS WHEN WE CHOOSE TO GET OUR DAILY EXERCISE. WE DO NOT HAVE AN "OPEN PLAY AREA" FOR OUR CHILDREN, WE DO NOT HAVE FANCY PICNIC AREA, A DOG PLAY AREA, ETC. THAT IS EXACTLY WHAT IS BEING PLANNED FOR THESE NEW DEVELOPMENTS. IN THE PAST YEARS, WE HAVE ALWAYS KNOW OUR STREET TO BE SAFE ENOUGH TO HAVE ANNUAL PICNICS, A PLACE TO SHARE CONVERSATIONS WITH OUR GREAT NEIGHBORS AND OF COURSE WATCH OUR CHILDREN RIDE THEIR BIKES AND PLAY SOCCER OR SOFTBALL. WE KNOW ALL OF OUR NEIGHBORS' CARS, PETS, AND CHILDREN. WITH THIS ROAD OPEN – WE WON'T HAVE THIS GREAT OPPORTUNITY AGAIN. WE ARE SURROUNDED BY NE 124TH (WHICH IS A MAJOR ROAD TO THE SOUTH OF OUR DEVELOPMENT) – ALONG WITH 132 NE TO THE WEST, ALONG WITH NE132 TO THE NORTH, AND 136NE TO THE EAST OF OUR PROPERTIES. WE ARE DIRECTLY SITUATED IN THE MIDDLE OF ALL THE CARS GOING EVERY DIRECTION ON THESE ROADS EVERY DAY AROUND US – AND, NOW THE CITY OF KIRKLAND WANTS TO DIRECT THAT SAME TRAFFIC THROUGH A NEIGHBORHOOD THAT HAS BEEN HERE FOR 40 YEARS AND SO ADMIRED BY THEIR HOMEOWNERS. WE ALL WOULD PREFER TO KEEP OUR NEIGHBORHOOD A PROUD, FRIENDLY, AND SAFE NEIGHBORHOOD. THERE'S AN OLD SAYING "IF IT AIN'T BROKE, DON'T [redacted] FIX IT" -- THIS ROAD NEEDS TO REMAIN CLOSED!

THE CITY OF KIRKLAND SAY THEY ARE CONCERNED WITH EMERGENCY VEHICLES GETTING TO THE NEW DEVELOPMENT OF "MERITAGE RIDGE". RATHER THEN GO SOUTH IN OUR NEIGHBORHOOD, ON 133RD PLACE NE., DOWN TO NE129 ST WITH THESE EMERGENCY VEHICLES, WHY DON'T THEY FOCUSED ON DOING SOMETHING ABOUT THE PARKING ON NE 132ND, WHICH SOME OF THOSE BROKEN-DOWN CARS, TRAILERS, AND TRUCKS HAVE BEEN PARKED THERE FOR MONTHS AND MONTHS. THESE VEHICLES ARE AN OVER-FLOW FROM THE "KIRKLAND HEIGHTS APARTMENTS" WHICH ARE LOCATED NORTH OF OUR SUBDIVISION. WE THINK THE CITY OF KIRKLAND SHOULD TAKE THE TIME, MONEY, AND EFFORT THAT THEY WOULD USE OPENING NE129TH AND APPLY IT IN CLEANING-UP NE 132ND FROM THOSE VEHICLES AND DEMAND "NO PARKING ON THAT STREET". THE KIRKLAND HEIGHTS APARTMENTS OWN THE LARGE AND VACANT PARCEL OF LAND TO THE EAST OF THEIR UNITS. THERE IS NOTHING ON THIS

CITY OF KIRKLAND
Hearing Examiner Exhibit
Applicant _____
Department _____
Public ✓
FILE # SUB13-02058

C

PARCEL AT ALL AND IT WOULD PROVIDE THE "KIRKLAND HEIGHTS" APARTMENTS WITH A PERFECT SOLUTION TO THEIR OVERFLOW. DOING THIS, IT WOULD PROVIDE THE CITY WITH A MUCH WIDER AND SAFER ROUTE TO NE 136TH, POSSIBLY ADDING EVEN A BIKE LANE. WORKING ON SOLVING NE132 PROBLEMS WOULD ALLOW MORE SAFE AND DIRECT ACCESS TO ALL DEVELOPMENTS OFF OF NE136TH. THIS WOULD SEEM MORE LOGICAL, LESS EXPENSIVE, AND WOULD AVOID INTERRUPTING OUR DAILY LIVES IN "OUR SUBDIVISION" ON 133RD PLACE NE WITH EMERGENCY VEHICLES AND OTHER LOCAL TRAFFIC THAT WOULD CUT THROUGH TO "MERITAGE RIDGE". THE NEW HOUSING DEVELOPMENT JUST NORTH OF "MERITAGE RIDGE" WHICH IS CALLED " VINTNER'S WEST" CONTAINS 35 HOUSES (ONE SHORT OF MERITAGE RIDGE", HAS "NO" PLANS FOR A THROUGH STREET, SO THAT MEANS ANY EMERGENCY VEHICLES WOULD BE FORCED TO ENTER THAT SUBDIVISION ONLY OFF OF 136TH NE. IT WILL BE THE "ONLY ENTRANCE AND EXIT" TO THIS NEW DEVELOPMENT, SO WHY CAN'T THOSE SAME EMERGENCY VEHICLES ENTER AND EXIT TO THE SOUTH DEVELOPMENT, ONLY A FEW HUNDRED YARDS SOUTH OF VINTNER'S RIDGE OFF OF 136TH NE. SEEMS TO ME, THE CITY WOULD SAVE A LOT MORE TIME AND TAX PAYER'S MONEY, IF THEY WOULD IMPROVE THE CONDITIONS ON NE 132 AND 136TH NE TO PROVIDE THE BEST EMERGENCY ACCESS POSSIBLE.

WE IN THE SUBDIVISIONS THAT ARE LOCATED ON 133RD PLACE NE, NE 129TH, NE 130TH, AND NE 131ST WOULD LIKE TO HAVE THE NE 129TH STREET REMAIN CLOSED. WE WOULD LIKE OUR NEIGHBORHOOD TO REMAIN THE QUIET, PEACEFUL, CLEAN, SAFE, AND PROUD PLACE THAT EXIST NOW!

(SUBMIT EXHIBITS)

(7 Photos submitted of NE 132nd with overflow parking at the Kirkland Heights Apartments and vacant lot east of the apartments which is owned by Boeing Machinist Aerospace Union and 1 picture of NE 129th Street.)

Also, I'm submitting this letter.

ELAINE H. BERRYMAN
Elaine H. Berryman
12924 133rd Place NE
Kirkland, WA. 98034

phone: 425-821-1774
email: ehberryman@hotmail.com

NE 129th STREET
6/18/14

Vacant parcel, east of Apartments
6/18/14

NE 132nd headed east towards 136th
6/18/2014

CHEVROLET

NE132 headed West to intersection
6/18/2014

CHEVROLET

21

6/18/1?24

TO: WHOM IT MAY CONCERN

I'm LYMAN PERKINS, I LIVE AT 13232 N.E 129TH PLACE KIRKLAND 98034. I VEHEMENTLY OPPOSE THE OPENING OF OUR COMMUNITY TO A THROUGH ROAD FOR TRAFFIC FROM THE NEW DEVELOPMENT.

I'm CONCERNED ABOUT THE MASSIVE AMOUNT OF TRAFFIC THROUGH OUT SMALL COMMUNITY. SAFETY, POLUTION, THE DE-VALUE OF OUR HOMES, ETC, ETC.

Lyman Perkins

TEL: (425) 823-8250
E MAIL: PERKY424@COMCAST.NET

CITY OF KIRKLAND
Hearing Examiner Exhibit
Applicant ____
Department ____
Public ✓
FILE # SUB13-02088

D

Kathleen M. Perri
13246 NE 129th Place
Kirkland, WA 98034

TO: City of Kirkland

RE: Proposal to create new through road using 133rd place.

As a resident of Kirkland, living at the corner of 129th Place and 133rd Place, I wish to express my concerns regarding the new proposed through road in my neighborhood.

There is already enough traffic on 133rd Place and opening the cul de sac to allow new and more traffic is a serious safety issue. There are children at play in a quiet, safe neighborhood and that would be dramatically changed.

Also, the speed and number of vehicles is a major concern. There are currently no speed limit signs and no stop signs on our streets, until you get to the main intersection at 132nd. Traffic would be out of control without signs. Since most new developments attract younger families, visitors and relatives would create much more traffic. Also speed would definitely be a great concern and should be a major factor in this decision process. How about delivery trucks, trash and yard waste trucks, home repair and utility companies coming to do their work. All of this will have an impact on our neighborhood.

The air quality and the noise are also factors which all residents must be concerned about. I know I do not want more noise from vehicles passing my home every day, or the pollution from more vehicles. Our health as well as safety is a concern.

The value of our homes will also be affected by changing our neighborhood to an open/easy access area.

The list can go on and on.....I'm sure many people will have additional items for your consideration. I hope my concerns are given consideration in this process. If a vote is taken, I vote NO for the new through road!

Respectfully,

Mrs. Kathleen Perri

Mrs. Kathleen Perri
June 18, 2014

July 16, 2014

To: City of Kirkland Hearing Examiner

c/o Mr. Tony Leavitt
Planning Dept.

Re: File No. SUB13-02088
Meritage Ridge Subdivision

We are opposed to opening NE 129th Street as a new through road connecting to 133rd Place NE. It will create more traffic, noise and bring our house value down. The residents of this new development should exit off of the new road with access to 136th Ave. NE. Keep our neighborhood separate. Thank you for your consideration.

Signed

Adelia T Gran
13040 - 133rd Pl. NE
425-823-7098

Name H. D. Gran
Address 13040 133 Pl NE
Telephone 425-823-7098

Due to old age and health we are not able to attend meeting. Very concerned.

RESOLUTION R-5068

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AFFIRMING THE HEARING EXAMINER DECISION APPROVING THE MERITAGE RIDGE PRELIMINARY SUBDIVISION IN DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. SUB13-02088.

WHEREAS, Harbor Homes LLC filed an application with the Department of Planning and Community Development for approval, through Process IIA review, of a preliminary subdivision located within a Single-Family (RSA) 8 zone; and

WHEREAS, the Hearing Examiner held an open record hearing on the application on June 18, 2014; and

WHEREAS, after considering all of the documents, testimony, and comments submitted at the hearing, the Hearing Examiner entered her Findings, Conclusions, and, Decision approving the application for the preliminary subdivision on June 25, 2014; and

WHEREAS, Kathryn O'Neill filed a timely appeal of the Hearing Examiner's decision to approve the application for the preliminary subdivision on July 14, 2014; and

WHEREAS, the City Council, in a closed record appeal hearing held during the September 16, 2014, regular meeting, having carefully considered the appeal, the staff report on the appeal, the record developed in the hearing before the Hearing Examiner, and the oral and written arguments of the persons entitled to participate in the appeal hearing.

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

Section 1. The Hearing Examiner decision approving the Meritage Ridge Preliminary Subdivision is affirmed and the Findings, Conclusions, and Decision of the Hearing Examiner entered June 25, 2014, and filed in the Department of Planning and Community Development File No. SUB13-02088 are adopted by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this 16th day of September, 2014.

Signed in authentication thereof this 16th day of September, 2014.

R-5068

MAYOR

Attest:

City Clerk

RESOLUTION R-5172

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE SUBDIVISION AND FINAL PLAT OF MERITAGE RIDGE BEING DEPARTMENT OF PLANNING AND BUILDING FILE NO. SUB13-02088 AND SETTING FORTH CONDITIONS TO WHICH SUCH SUBDIVISION AND FINAL PLAT SHALL BE SUBJECT.

WHEREAS, a subdivision and preliminary plat was approved by the Hearing Examiner on June 25, 2014; and

WHEREAS, the Department of Planning and Building subsequently received an application for approval of the subdivision and final plat from Harbor Homes LLC, the owner of the real property described in the application, which is located within a Residential Single Family RSA 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 Public Works official, the concurrency test has been passed, and a concurrency test notice issued; and

WHEREAS, pursuant to the State Environmental Policy Act, RCW 43.21C and the Administrative Guidelines and local ordinance adopted to implement it, an environmental checklist has been submitted to the City of Kirkland, reviewed by the Responsible Official and a determination was made that the proposed action will not have significant adverse effect on the environment; and

WHEREAS, the 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 Building ("Director") issued Findings, Conclusions and Recommendations recommending approval of the subdivision and the final plat; and

WHEREAS, the City Council, in open meeting, considered the environmental documents received from the Responsible Official along with the Findings, Conclusions and Recommendations of the Director.

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 Building, filed in Department of Planning and Building File No. SUB13-02088, are adopted by the Kirkland City Council as though fully set forth in this Resolution.

Section 2. The City Council hereby approves the subdivision and final plat of Meritage Ridge. Approval of the subdivision and the final plat of Meritage Ridge is subject to the applicant's compliance with the conditions set forth in the recommendations adopted above 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 in this Resolution.

Section 4. A copy of this Resolution, along with the Findings, Conclusions and Recommendations adopted above 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 _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
MAYOR

Attest:

_____
City Clerk

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dawn Nelson, Planning Supervisor
Arthur Sullivan, ARCH Program Manager

Date: November 19, 2015

Subject: REDI FUND INTERLOCAL AGREEMENT, FILE PLN15-00009

RECOMMENDATION

Staff recommends that the City Council adopt the enclosed resolution, through approval of the consent calendar, authorizing the City Manager to sign on behalf of the City of Kirkland an agreement substantially similar to that attached as Exhibit "A" to the resolution, which is entitled "the Interlocal Agreement Regarding the Establishment and Administration of a Regional Equitable Development Initiative Fund."

BACKGROUND DISCUSSION

What is the REDI Fund?

The REDI Fund emerged from the work of the Growing Transit Communities (GTC) Partnership, a consortium of public, private, and non-profit stakeholders led by the Puget Sound Regional Council (PSRC). The REDI Fund is a revolving loan program funded through a combination of public and private funds that will proportionally fund properties in King, Pierce and Snohomish counties. It will allow strategic early investment in well served transit oriented neighborhoods by providing low interest loans to non-profit and private developers to secure land or existing residential properties to create housing that includes affordable housing. It also encourages incorporating other community facilities into resulting developments.

Earlier in 2015, the City Council approved a conditional allocation of Kirkland general funds set aside for low and moderate income housing for the REDI fund through the ARCH Housing Trust Fund ($500,000 total ARCH funding, including $120,000 from the City of Kirkland).

ARCH's funding combined with several other public funders (King County, Seattle, Washington State) is intended to then leverage funds from foundations and lenders. The three funding tiers are:

- first tier seed money from public sources;
- second tier funds from foundations and mission driven investors;
- third tier funds from banks and community development financial institutions.

$5 million has been committed from public funders for the first tier including $500,000 from ARCH members, $2.5 million from the State of Washington, $1 million from King County, and $1 million from Seattle. The Interlocal Agreement provides for the REDI fund to commence when there is a minimum of $18 million available from all three tiers combined, which is currently available. The program is able to add additional funds with a long term goal of having $25 million available. The revolving loan is expected to be in place for at least ten years. When the revolving fund is stopped, funds would be returned to investors with private investors being paid first, and any remaining funds returned to public funders based on their proportional investment. The basic program follows models used in other parts of the country including the Denver Transit Oriented Development Fund, and the Bay Area Transit Oriented Affordable Housing (TOAH) Fund.

The REDI Fund Interlocal Agreement

The Interlocal Agreement will be entered into by all public funders participating in the REDI Fund. It was drafted with input from ARCH staff and Executive Board, and city attorneys for several ARCH members including Kirkland. The Interlocal authorizes the Executives of participating public funders to oversee ongoing operation of the program. For ARCH members, that role is designated to the ARCH Administering Agency (Bellevue City Manager) upon consultation with the ARCH Executive Board. The Interlocal addresses issues including:

1. Geographic balance of funds that takes into account levels of public investment (Section II.B.4). Based on current public funding commitments, 28% of program funds would be targeted to eligible areas of East King County. This translates to about $5 million or more depending on the level of private funds in the program.
2. Minimum affordability requirements (Sections II.A.1). These are set at a relatively low level to provide maximum flexibility on the types of projects assisted, with language stating that more significant levels of affordability are encouraged and preferred. Affordability is measured both relative to median income as well as existing rents in the project area. There is also a requirement for covenants to ensure long-term affordability.
3. Required minimum levels of relocation assistance, if necessary (Section II.A.4). The intent is to minimize the need for relocation.
4. The REDI fund governance structure, reporting requirements to parties and representation on committees. Each public funder will have a representative on the Advisory Committee and the Oversight Committee (policy setting committee). Public funders will have rotating representation on the credit committee (reviewer of individual applications) including a floating representative so that the public funder most closely geographically associated to a proposed project reviews the project. For example, an ARCH representative would participate in credit committee for any project located in East King County (Section IV.B).
5. Appointment of the ARCH administering agency (Bellevue), after consulting with the ARCH Executive Board, to act in its behalf on executing the Master Credit

Agreement and other related administering documents (Sections V and VI.C). (Note: this is the same authorization made by councils when they made their funding commitment to the program earlier in 2015.)

6. Potential extension of the program upon approval of all the parties. This would require going back to city council of each funding member of ARCH (Section X.B).

The REDI Fund Master Credit Agreement

The Interlocal Agreement authorizes executives of the public funders (ARCH Executive Board, ARCH Administering Agency for ARCH members) to review and enter a Master Credit Agreement so long as it is consistent with the provisions of the Interlocal. The REDI Fund Master Credit Agreement will document the detailed aspects of the program. The Interlocal (Section V) lists items that, at a minimum, must be addressed in the Master Credit Agreement and related documents. They are identified below and are similar to those identified in the conditions for providing funding through the ARCH Housing Trust Fund.

Program and project criteria including:

1. Geographic balance for use of the fund, with goals for sub-regions including East King County.
2. Defined transit oriented neighborhood areas eligible for use of the fund with flexibility over time to account for changes in land use and transit service. Currently identified neighborhoods include areas in all seven of the ARCH member cities who are providing funding.
3. Criteria for eligible borrowers.
4. Overall affordability goals for housing created through fund.
5. Criteria for reviewing applications and establishing loan terms (e.g. amount, interest rate, duration) for individual projects.
6. Guidelines regarding eligible types of development, with the primary objective being the development or preservation of housing that includes affordable housing in stand-alone or mixed use development. Also provisions to help benefit other non-housing uses (e.g. community facilities; small businesses) as a secondary use in mixed use developments to encourage vibrant urban centers.
7. Minimum developer contributions and how REDI funds could be blended with other funding sources.
8. Review/underwriting criteria for evaluating individual sites, including establishing milestones to be able to evaluate appropriate progress on individual sites. Include some level of flexibility in these criteria to be responsive to different market conditions throughout the region.
9. Procedures for disposition or other use of properties that are not able to proceed as proposed.
10. Clear direction/policy regarding relocation.

Governance issues including:

1. Committee structure (Oversight and/or Loan), membership, frequency of meetings and responsibilities.

2. Process for identifying and if needed, replacing an administrative agent and the roles and responsibilities of the administrative agent.
3. Procedures/process the fund will use to review individual applications and develop funding recommendation.
4. The amounts and terms of funds from each investor, including how losses are allocated (note: the intent is to spread any losses for any individual property among several public funders to the extent allowed by specific public fund sources).
5. Process for regular review and evaluation of REDI Fund activity and revisions to fund priorities and structure.
6. Provisions for administering fund resources and obligations upon expiration of the Agreement, if the Agreement is not renewed.

RESOLUTION R-5173

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN INTERLOCAL AGREEMENT REGARDING THE ESTABLISHMENT AND ADMINISTRATION OF A REGIONAL EQUITABLE DEVELOPMENT INITIATIVE FUND AND AUTHORIZING THE CITY MANAGER TO SIGN.

WHEREAS, A Regional Coalition for Housing (ARCH) was created in 1992 by an interlocal agreement to help coordinate the efforts of Eastside cities to provide affordable housing; and

WHEREAS, ARCH is comprised of 15 Eastside cities and King County; and

WHEREAS, the ARCH cities of Bellevue, Issaquah, Kenmore, Kirkland, Mercer Island, Redmond, Woodinville desire to enter into an interlocal agreement for the establishment and administration of a Regional Equitable Development Initiative Fund (REDI Fund) with the jurisdictions of King County, the City of Seattle, Pierce County, and Snohomish County; and

WHEREAS, the REDI Fund is a financing tool designed to promote equitable development within transit communities; and

WHEREAS, Kirkland, as a community with transit, is eligible to be included in and benefit from the REDI Fund; and

WHEREAS, the REDI Fund will support strategic acquisition of land and buildings within walking distance of high quality transit for development and preservation of affordable housing.

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

Section 1. The City Manager is authorized and directed to sign on behalf of the City of Kirkland an agreement substantially similar to that attached as Exhibit "A," which is entitled "the Interlocal Agreement Regarding the Establishment and Administration of a Regional Equitable Development Initiative Fund."

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
MAYOR

Attest:

_____
City Clerk

INTERLOCAL AGREEMENT REGARDING THE ESTABLISHMENT AND ADMINSTRATION OF A REGIONAL EQUITABLE DEVELOPMENT INITIATIVE FUND

This Interlocal Agreement regarding the Establishment and Administration of a Regional Equitable Development Initiative Fund ("Agreement") is entered into by and among the jurisdictions of King County, The City of Seattle, Pierce County, Snohomish County and the cities of Bellevue, Issaquah, Kenmore, Kirkland, Mercer Island, Redmond, and Woodinville, who for purposes of this Agreement are jointly referred to as A Regional Coalition for Housing (ARCH) [collectively "the Parties"]. This Agreement is made pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW, in order to create and operate a Regional Equitable Development Initiative Fund (REDI Fund) for the Puget Sound Region, encompassing King, Pierce and Snohomish Counties.

RECITALS

WHEREAS, the Parties desire to further the following goals:

- Expand and preserve affordable housing choices for low and moderate-income households in proximity to frequent and/or high-capacity transit services that connect riders with job, economic, educational , cultural, health and other opportunities;
- Advance transit ridership through support of nearby population densities, including household types that use transit most heavily, including Low- and Moderate-Income households;
- Support equitable transit-oriented residential and mixed-use development projects throughout the region that address disparities in access to healthy sustainable communities and provide opportunities for lower income people, small local businesses and community facilities to thrive;
- Overcome barriers to site acquisition for developers of affordable housing in proximity to frequent and high-capacity transit services with high and/or increasing real estate demand;
- Enable the acquisition of residential properties for long-term affordability in locations with current or anticipated risk of displacement and loss of affordable units;
- Finance projects that achieve transit-supportive densities, use community building and sustainable design principles, provide a mix of uses and minimize negative impacts on existing residents or businesses; and

WHEREAS, the Parties desire to act cooperatively in order to efficiently and expeditiously establish and administer a Regional Equitable Development Initiative (REDI)

Fund, which will be jointly administered by an administrative agent, as set forth in this Agreement; and

WHEREAS, the Parties have combined responsibility and authority for local and regional planning and funding for the provision of housing affordable to people that work and/or live in the counties of King, Pierce and Snohomish; and

WHEREAS, the Parties desire to cooperatively establish clear requirements of the REDI Fund and clear expectations regarding their participation in and oversight of the REDI Fund.

NOW, THEREFORE, in consideration of the foregoing circumstances, and the mutual promises and undertakings contained herein, the Parties agree as follows:

I. PURPOSE AND DESCRIPTION

The Parties join in this Agreement in order to: declare their joint support for equitable development that primarily creates and preserves affordable housing in locations near transit stations and stops that provide frequent and/or high capacity transit services within the Sound Transit service area in King, Pierce and Snohomish Counties; contribute public funds from or on behalf of the respective jurisdictions into a public/private REDI Loan Fund that will enable land to be purchased for such equitable development; and effectively utilize and share funds granted from Washington State to the region for such a loan fund.

II. REDI FUND REQUIREMENTS, AGREEMENTS, ELIGIBLE PROPERTIES AND FUND STRUCTURE

A. REDI Fund Requirements. The REDI Fund is designed primarily for property acquisition to create and preserve housing that will include affordable housing units in areas near frequent and/or high capacity transit services. The Parties agree to the following minimum requirements:

1) Minimum affordability for all projects. A minimum of 10% of the units in a project seeking a REDI Fund loan must have monthly rent or multi-family for-sale prices set at least 20% below the level of the average rent or multi-family for-sale prices for the Area Market in which the acquired property is located, for a minimum period of 50 years. The rents or multi-family for-sale prices of the affordable housing units may not exceed rents or prices affordable to households at or below 80% of area median income (AMI)[1]. Greater affordability will be encouraged for projects seeking publicly subsidized Permanent Financing, consistent with the requirements of such funding. The intent of the Parties is to

[1] Current area median income as determined by HUD on an annual basis.

encourage and approve loans for projects that exceed the minimum affordability of this Sub-section, to the extent feasible.

2) Requirements for projects that will preserve existing housing. Applicants proposing to acquire existing housing must clearly demonstrate how they will create or preserve affordability relative to housing in the Area Market of the same age and quality. Enforcement of the REDI affordability requirements for preservation projects may be deferred until after Permanent Financing is acquired per the Affordable Housing Regulatory Agreement.
3) All projects must demonstrate best efforts to minimize displacement of residential and/or commercial tenants during and after the term of the REDI Fund loan. Efforts may include agreements not to increase rents of existing tenants during the term of the REDI Fund loan beyond a reasonable annual inflationary amount based on the consumer price index or agreements to offer income-eligible residential and/or commercial tenants a right to return to a newly renovated property. Such agreements may be expressed as loan conditions in a REDI Fund loan agreement.
4) For a project that will cause displacement of residential or commercial tenants, relocation assistance may be required. The relocation assistance amount per tenant household will be established by the local relocation policy of the city where the project is located; or the county where the project is located if the city does not have a local relocation policy; or the nearest county of the Parties if the county where the project is located does not have a local relocation policy.
5) An Affordable Housing Regulatory Agreement (as defined in Section VI) that runs with the land will be recorded in first lien position for each property obtained through the REDI Fund. The Affordable Housing Regulatory Agreement will be granted in favor of the local jurisdiction and/or county in which the property is located. Upon repayment of the REDI Fund loan, the REDI Fund and local jurisdiction or county may re-convey their interest in the Affordable Housing Regulatory Agreement in order to replace it with a new Affordable Housing Regulatory Agreement, so long as it operates as a covenant that runs with the land and contains the minimum the level of affordability required by this section. For projects that preserve existing housing and propose to reduce some or all of the unit rents, the Affordable Housing Regulatory Agreement will define eviction for cause and will specify that current tenants will not be evicted other than for cause during the term of the REDI Fund loan, and that the start date for reduced rent levels will begin after the receipt of Permanent Financing and/or funding to support the ongoing operations of the project.

B. Other REDI Fund Agreements.

1) Coordination. The Parties agree to release their individual fund contributions to the REDI Fund into public top loss fund account(s) to be administered and coordinated by the "Administrative Agent" (as set forth in Section IV). All Parties agree to proactively coordinate their respective public funding processes with the REDI Fund project pipeline.
2) Application Process and Eligible Applicants. REDI Fund loans will be awarded through an application process that is open and available on a rolling basis. Eligible applicants include non-profit and for-profit housing developers, public development authorities, housing authorities and non-profit land banking agencies. Properties acquired with REDI funds may include properties that are one hundred percent affordable, mixed-income properties and mixed-use properties with affordability components.
3) Geographic Distribution. The Parties agree to work together and with the Administrative Agent and other REDI Fund investors to achieve the specific percentages of the REDI Fund to be spent in sub-regions of King County, Seattle and the ARCH sub-region, and in Pierce and Snohomish Counties, consistent with applicable law, over the ten-year duration of the REDI Fund, as set forth in Appendix A, Table of Percentages for Distribution of REDI.
4) Other Goals and Priorities. While the primary purpose of REDI is for the creation and preservation of housing projects with affordable housing located near frequent and/or high capacity transit services, the Parties will work together to further the goals set forth at page one of this Agreement, and will work with partners to encourage and approve projects that are committed to equitable development, healthy, resilient communities near frequent and/or high capacity transit services, and community benefits in the allowable non-housing portion of projects, including facilities that meet community needs and community desired spaces for small business development and business incubation, such as business innovations districts.

C. Eligible Properties and Uses. Lending from the REDI Fund shall be for the following :

1) Acquisition of vacant, improved or unimproved land for new development. Primary use must be for housing at transit supportive densities, with at least the minimum amount of affordable housing on site as defined in this Agreement. A project that will acquire improved and occupied property for demolition or substantial rehabilitation and may result in tenant displacement will be required to demonstrate net equitable public benefit.

2) Acquisition of existing multi-family housing with the goal of minimizing displacement of residents of such housing in transit oriented locations, rehabilitating such housing, as needed, and preserving it as affordable. This category of eligibility may be exempted from the transit supportive densities requirement and will be reviewed on a case by case basis.
3) Pre-development funds to support the development of properties acquired with a REDI Fund loan. Pre-development fund requests will be reviewed on a case by case basis and will be reserved for circumstances where other sources of pre-development funds are not available or are not feasible for a project.

REDI Fund Structure. The REDI Fund shall be established as a "Syndicated Loan" structure, a loan fund offered by a group of lenders (a syndicate) who work together to provide blended funds for a single borrower, with an Administrative Agent appointed as the lead.

The REDI Fund has three tiers of capital. The first tier is comprised of the public "top loss" funds. The second tier is comprised of second loss and subordinate investors, including Program Related Investments (PRI) and flexible debt from mission-driven investors. The third tier is comprised of senior debt investors. The tiers will be administered as a cohesive fund by the Administrative Agent, who will package the fund sources into individual REDI Fund loans.

The first tier funds are contributed to the fund without interest. The second and third tier funds are contributed at a variety of interest rates. For each loan, the Administrative Agent will blend funds from each of the tiers into one blended rate loan. The Master Credit Agreement (as set forth in Section V) will detail the blending of the capital of individual funders and investors from the three tiers for each loan.

The Master Credit Agreement will detail how public funds will be allocated to individual projects. To the extent practical, while accounting for any requirement of specific fund sources, projects will receive funds from multiple public fund sources. The Administrative Agent will track, retain and share records with the funders regarding the amount of each fund source contributed to each REDI loan so that the parties have a record of the percentage of their funds in each loan.

III. PUBLIC FUNDER CONTRIBUTIONS AND FUND RELEASE REQUIREMENTS

A. Public Funder Contributions

1) King County. Subject to the provisions of Subsection III.B., King County will contribute $1 million to the REDI Fund. King County's requirement for the use of this investment mirrors the minimum affordable housing unit requirements, as described in Section II.A., for each REDI loan. In addition, within 7 years of capitalization of the fund, some combination of projects that will create and/or preserve a minimum of 5 units affordable to 50% AMI and below, and a minimum of 15 units affordable to 30% AMI and below, must have received a REDI Fund loan within King County.

   In addition, through an agreement with the Puget Sound Regional Council (PSRC), King County will contribute a pass-through grant from the State of Washington in the amount of $2.5 million. The State is granting the funds for a revolving loan fund to support affordable housing opportunities near transit stations and stops that provide frequent and/or high capacity transit services and are located within the Sound Transit service area. The $2.5 million is contributed to the first tier (public top loss tier) on behalf of three participating counties, King, Pierce and Snohomish.

2) The City of Seattle. Subject to the provisions of Subsection III.B., The City of Seattle will contribute $1 million to the REDI Fund. Within five years of capitalization of the fund, a minimum of 10 units affordable to households earning up to 80% AMI for a period of fifty years must have received a REDI Fund loan within Seattle city limits. The City of Seattle reserves the right to withdraw its investment at the end of five years if this minimum requirement has not been met.

3) A Regional Coalition for Housing (ARCH). Subject to the provisions of Subsection III.B., those cities collectively referred to as ARCH will contribute $500,000 to the REDI Fund in the following amount for each individual city:

Bellevue:	$250,000
Issaquah	$ 36,500
Kenmore	$ 25,000
Kirkland	$120,000
Mercer Island	$ 11,500
Redmond	$ 50,000
Woodinville	$ 7,000

   ARCH's requirement for the use of these investments mirrors the minimum affordable housing unit requirements for each REDI loan, described in Section II.

B. Release of Public Funds to REDI Fund Account(s). The funds of the Parties will be released to the REDI account(s) established by the Administrative Agent only after each of the following has occurred: (1) execution of this Interlocal Agreement; (2) execution of the Master Credit Agreement by the Executives of the Parties and by all initial investors in the REDI Fund; (3) constitution of an Oversight Committee and confirmation by the REDI Fund Staff Work Group that all documents necessary to administer the REDI Fund have been approved by that Committee; and (4) at least $18 million has been committed to the REDI Fund through a combination of all investment tiers.

IV. ADMINISTRATION AND OVERSIGHT OF THE REDI FUND

A. Administrative Agent. Day-to-day REDI Fund activities and operations will be administered by an Administrative Agent chosen by the Executives of the Parties.

1) The role and duties of the Administrative Agent and the process for selecting and replacing the Administrative Agent, if necessary, will be specified in the Master Credit Agreement.
2) The Administrative Agent will maintain all REDI Fund financial records and submit all reports required by the REDI Oversight Committee in a form that is acceptable to that Committee.
3) The Administrative Agent will staff the REDI committees and provide regular reports for such committees and for fund investors, as specified in the Master Credit Agreement. Annual reports, including a report in an acceptable format for the State of Washington, will be available to the REDI Fund public funders, committees and the Executives of the Parties, to deliver to the State and their stakeholders.
4) The Administrative Agent will have the lead role in obtaining second and third tier mission investors and senior debt investors to the fund, maintaining investor relations and exploring options to expand and/or replace capital as needed.
5) Compensation of the Administrative Agent through the REDI Fund shall be detailed in the Master Credit Agreement.

B. Governance and Oversight.

1) Advisory Committee. The REDI Fund will receive advice and feedback through an Advisory Committee, whose members will include major regional affordable housing and transportation stakeholders, representatives from all investor entities and the REDI Fund Administrative Agent. While all investors may participate, this is not mandatory. The Advisory Committee will provide high-level advice, feedback and recommendations to the Oversight Committee and the

Administrative Agent. The Advisory Committee shall meet at least once per year. The total number of members and composition of this committee shall be specified in the Master Credit Agreement. The Parties agree to communicate and coordinate so that at least one public funder representative attends each of these committee meetings.

2) Oversight Committee. The REDI Fund will be governed by an Oversight Committee. The Oversight Committee will always be chaired by a first tier public top loss investor, and the Parties agree to rotate this role as the Chair. Details of the rotation process will be specified in the Master Credit Agreement.

   The Oversight Committee members will include the following: one permanent seat for each direct public funder of the first tier (top loss); one permanent seat for the Administrative Agent; one rotating seat for jurisdictions that share in the REDI Fund indirectly through funds granted from the State of Washington; one or two rotating seats for Tier 2 lenders, depending on the number of such lenders; and, one or two rotating seats for senior Tier 3 lenders, depending on the number of such lenders. The total number of committee members, selection process and seat rotation process will be specified in the Master Credit Agreement.

   The Oversight Committee will oversee the details of the direction and business of the REDI Fund to ensure that the fund is meeting its stated purpose, mission and goals, including oversight of a REDI Fund evaluation process that will recognize and account for the goals and priorities of the respective Parties. Such oversight includes reviewing the cumulative activities of the REDI Fund, and, on an as needed basis, amending REDI Fund policies and procedures. The Oversight Committee may discuss potential revisions to REDI Fund underwriting criteria and policies/procedures contained in the Master Credit Agreement, and if such revision(s) are deemed necessary, initiate a process for all investors to sign a revised Master Credit Agreement. The Oversight Committee will meet at least twice per year, and may meet more frequently if determined necessary.

3) Credit Committee. A Credit Committee will be convened periodically, and as needed, by the Administrative Agent to review loan applications, and to take action to approve such applications based on criteria established by the Oversight Committee. As needed, the Credit Committee may also evaluate requests for amendments or loan extensions. The membership of the Credit Committee will include: a) one regularly rotating seat for first tier funders; b) one seat for the Most Local Public Funder of the application (s) being reviewed by the committee; c) one regularly rotating seat for second tier investors; d) one regularly rotating

seat for third tier investors; and, e) a seat for the Administrative Agent. The details of the credit committee processes, including seat rotation, will be specified in the Master Credit Agreement.

The Parties agree to communicate with each other regarding project applications within a jurisdiction that does not currently have a representative sitting on the credit committee in order to protect each other's interests. The Parties agree to support the minimum requirements of fellow public funders contained in Section III when projects are otherwise equally qualified. All written correspondence and minutes from Credit Committee meetings will be provided promptly to all members of the Oversight Committee.

V. REDI FUND MASTER CREDIT AGREEMENT.

All investors in the REDI Fund will sign and enter into a Master Credit Agreement that is consistent with this Interlocal Agreement and establishes the following, at a minimum:

A. The roles, responsibilities, duties and processes, as applicable of investors, committees, and the Administrative Agent;
B. Procedures for the Oversight Committee to initiate a process to replace the Administrative Agent, if determined necessary;
C. Amounts and terms of capital contributions by the investors and capital flow through the life of the fund, i.e. the manner in which the capital from the individual lenders will be layered into individual loans and the operating approach of the fund;
D. Eligible borrowers, eligible project location areas, and other relevant qualification criteria for project selection;
E. Details of REDI Fund policies and procedures, including the REDI Fund application, relocation and displacement;
F. Percentages for the sub-regional distribution of loans per Appendix A;
G. Terms and conditions to ensure that the Parties' public funds are used for their intended purpose;
H. Provisions for mitigating losses to the first tier public funds;
I. Provisions for administering fund resources and obligations upon expiration of the Agreement, if the Agreement is not renewed.
J. Provisions requiring the Administrative Agent to track, retain and share records with the funders regarding the amount of each fund source contributed to each REDI loan so that the parties have a record of the percentage of their funds in each loan.

The elements, policies and conditions of the Master Credit Agreement shall be guided by the principles and requirements of this Agreement and signed by the Executives of the Parties.

VI. DEFINITIONS

A. Affordable Housing Regulatory Agreement. Affordable Housing Regulatory Agreement means a recorded agreement that runs with the land regulating the minimum number of affordable housing units required by the REDI Fund for an acquired property. An Affordable Housing Regulatory Agreement is recorded at the time a REDI Fund loan is closed and runs with the land for a period of fifty years, unless released and replaced per the provisions of Section II.A.

B. Area Market. Area Markets for the purpose of determining average rents and average multi-family for-sale prices for the area in which an applicant's project is located shall be determined by local rental research information and for-sale listing service publications, and shall be detailed in the Master Credit Agreement.

C. Executive. Executive means the appropriate designated authority of each of the Parties (e.g. County Executive, Mayor). The Parties collectively referred to as ARCH appoint the designated authority of the Administering Agency of ARCH, as designated and defined in the Amended and Restated Interlocal Agreement for ARCH to act as their Executive. The Executive for the ARCH Parties will consult with the ARCH Executive Board prior to acting on behalf of the ARCH Parties.

D. Low-Income Household. A Low Income Household is a household whose income is at or below 50% of area median income (AMI), as determined and published by HUD on an annual basis, for the area in which a REDI project is located.

E. Moderate-Income Household. A Moderate Income Household is a household whose income is at or below 80% AMI, and more than 50% AMI, as determined and published by HUD on an annual basis, for the area in which a REDI project is located.

F. Most Local Public Funder. The Most Local Public Funder is the first tier public funder with the smallest jurisdictional boundary in which a project application is located; e.g. for a project in Seattle, Seattle is the Most Local Public Funder, for a project in Bellevue, ARCH is the Most Local Public Funder, and for a project in SeaTac or Shoreline, King County is the Most Local Public Funder.

G. Permanent Financing. Permanent Financing means long-term debt or equity financing that supports the development or acquisition/rehabilitation of a housing asset.

H. REDI Fund Staff Work Group. The REDI Fund Work Group consists of the lead staff of the three direct public investors, King County, Seattle and ARCH; the Administrative Agent; staff from the Puget Sound Regional Council; and staff representatives from Pierce County and Snohomish County.

VIII. CONTACT PERSONS

For purposes of this Agreement, the following persons shall serve as contact persons for their respective jurisdictions:

King County:

Snohomish County:

Pierce County:

The City of Seattle:

ARCH:

IX. EFFECTIVE DATE OF AGREEMENT

This Agreement shall be effective on _____, 2015.

X. DURATION OF AGREEMENT

A. Duration. Unless otherwise renewed as provided herein, this Agreement shall remain in effect until _____.

B. Renewal. The Executives of the Parties agree to have discussions with the other REDI Fund investors no later than December 31, 2022 to determine if the Parties wish to renew this Agreement and continue the Fund beyond the initial ten-year period. The Agreement may be renewed for an additional ten year term, or for such other lesser period as the parties may agree.

C. Termination. The Oversight Committee shall review and discuss whether the Master Credit Agreement should include provisions that would allow for the termination of the REDI Fund before the ten year period of this Agreement if there is no activity in the fund for a prescribed period of time.

XI. ADDITIONAL PARTIES, REVISIONS

A. Additional jurisdictions may become a Party to this Agreement upon investment of the jurisdiction's public funds into the first tier of the REDI Fund, and approval and signature of this Agreement.

B. Revisions to the Appendix A, Table of Percentages for Distribution of REDI, may be made in order to reflect the addition of Parties to this Agreement, failure of a Party to sign this Agreement or additional public fund contributions made. Such revisions shall be approved by the Executives of the Parties. Revisions to Appendix A shall be

considered to be approved in writing when the revised Appendix A is signed by all the Executives of the Parties.

XII. GENERAL MATTERS AND RECORDING

A. Entire Agreement. This Agreement is the complete expression of the terms hereof, and any representations or understandings, whether written or oral, not incorporated herein are excluded.

B. No Assignment. No party shall have the right to transfer or assign its rights or obligations under this Agreement without the prior written consent of all other parties.

C. No Separate Legal Entity. No separate legal entity is created by this Agreement.

D. Venue. Any action filed under or related to this Agreement must be brought in King County Superior Court.

E. Recording. This Agreement shall be filed with King County Records or otherwise made public in accordance with the Interlocal Cooperation Act.

F. Dispute Resolution. If any dispute arises among the Parties which is not resolved by routine meetings or communications, the disputing parties agree to seek resolution of such dispute in good faith by meeting, as soon as feasible. If the parties do not come to an agreement on the dispute, the parties may agree to pursue mediation through a process to be mutually agreed upon, with the parties to the dispute sharing equally the costs of mediation and assuming their own costs.

G. No Third Party Beneficiaries. This Agreement is for the benefit of the Parties only, and no third party shall have any rights hereunder.

H. Retained Responsibility and Authority. Except as expressly provided for herein, the Parties retain the responsibility and authority for managing and maintaining their own respective systems and programs related to affordable housing activities.

The invalidity of any clause, sentence, paragraph, section, or portion thereof shall not affect the validity of the remaining provisions of the Agreement. In the event the provision invalidated is necessary for any Party to continue to receive the benefit it was receiving under the Agreement before the invalidation, the Parties agree to consider amending the Agreement to provide a substitute provision that enables the affected Party or Parties to continue to receive that benefit. If such an amendment cannot be agreed upon, the Agreement will be deemed terminated as of any date required by the invalidation.

XIII. COUNTERPARTS

A. This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated Agreement.

Approved and executed this ____ day of _____, 20XX

Jurisdiction:_____

Signature: _____

By:_____
Printed Name

Title:_____

Approved as to form:

_____
City/County Attorney

APPENDIX A

TABLE OF PERCENTAGES FOR GEOGRAPHIC DISTRIBUTION OF REDI FUNDS

Source	Top Loss Share	Seattle	East King	Balance King	Snohomish	Pierce
State (1)	$ 2,500,000	$ 529,963	$ 412,194	$ 529,963	$ 435,789	$ 592,091
King Co	$ 1,000,000	$ 360,000	$ 280,000	$ 360,000		
Seattle	$ 1,000,000	$ 1,000,000				
ARCH	$ 500,000		$ 500,000			
Total Public Top Loss	$ 5,000,000	$ 1,889,963	$ 1,192,194	$ 889,963	$ 435,789	$ 592,091
TOTAL Funds (2)	**$ 18,000,000**	**$ 6,840,000**	**$ 4,320,000**	**$ 3,240,000**	**$ 1,620,000**	**$ 2,160,000**
% Split		**38%**	**24%**	**18%**	**9%**	**12%**
ASSUMPTIONS FOR GEOGRAPHIC PERCENTAGE DISTRIBUTION CALCULATION						
Regional (County) Split						
	Population (3)			56%	20%	24%
	Transit Nodes (4)			62%	14%	24%
	Combined Average			**59%**	**17%**	**24%**
King Split (5)		36%	32% (6)	32%		
	North adjustment (7)	**36%**	**28%**	**36%**		

(1) State funds assigned to each area based on combined population-transit node share and, within King Co share of RHAP allocation. See following footnotes for more detail
(2) Total funds available: Public funds plus foundation and private lenders.
(3) Based on proportion of 2010 Census population in each county.
(4) Estimated proportional share of total acreage within eligible TOD areas.
(5) Based on King County Regional Affordable Housing Program (RAHP) geographic allocation formula agreement between King County jurisdictions
(6) For RAHP program North and East King County are included in one geographic area.
(7) North King Co share moved from East King Co to Balance King Co.

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: November 19, 2015

Subject: City Hall Photography Recommendation

RECOMMENDATION

For Council to adopt the recommendation of the Cultural Arts Commission to approve the suite of photos as recommended by the City Hall Art Committee, and also to empower the City Hall Art Committee to curate comparable images by the chosen artist, Maria Meneses, as scale, budget and site design may dictate. It is recommended that the photography be approved through adoption of the consent calendar.

BACKGROUND AND SELECTION PROCESS

Based upon the total construction cost for the City Hall renovation, $70,000 was allocated for permanent art. Staff retained Perri Howard, VMG, to oversee the art curation for a total of $6,500 and formed a City Hall Art Committee (Committee) of six, comprised of Cultural Arts Commission (CAC) members and City Hall staff representing several departments that will be located in City Hall. The Committee met several times in July and August to determine the types of art and art piece locations at City Hall. There was consensus among Committee members and also the City Hall Steering Committee and Cultural Arts Commission that both photographic and metal art be incorporated in the renovated space.

Following a call for artists and Committee and CAC consideration of several photographers who submitted images, Maria Olga Meneses was retained for the photographic art.

Maria Meneses completed her residency over the course of eight weeks, September-October, 2015. She photographed scenes and settings in Kirkland during daylight and evening hours and various weather conditions.

Ms. Meneses was asked to respond to the following criteria during her residency:

- The importance of transparency in government
- The unique character of Kirkland
- Local landscapes including open space, the waterfront, and neighborhoods
- The significant and diverse work that is accomplished by City employees and elected officials on the community's behalf

Ms. Meneses was compensated $10,000 for her field work and photographs. A selection of 162 images was delivered to the curator, Perri Howard, on November, 06, 2015. Seventy-five of the strongest works were presented to the Committee on November, 09, 2015. The Committee selected 39 of the 75 images via a consensus-based process to be considered for the graphic glass inclusion. (Attachment A)

On Nov 18, 2015 the CAC met and voted to support the Committee recommendation and make a final recommendation to City Council to approve the suite of photos as recommended by the City Hall steering committee but with the caveat that the Committee be empowered to curate comparable images as scale, budget and site design may dictate.

These photographs will be integrated as graphic glass features to enhance the visitor experience and staff work environment within Kirkland City Hall. A welcoming and delightful aspect of the new renovations, the graphic glass will provide wayfinding assistance, add color and vibrancy to the décor, and offer screening and separation by adding frosted interlayers to the graphic glass in high traffic areas.

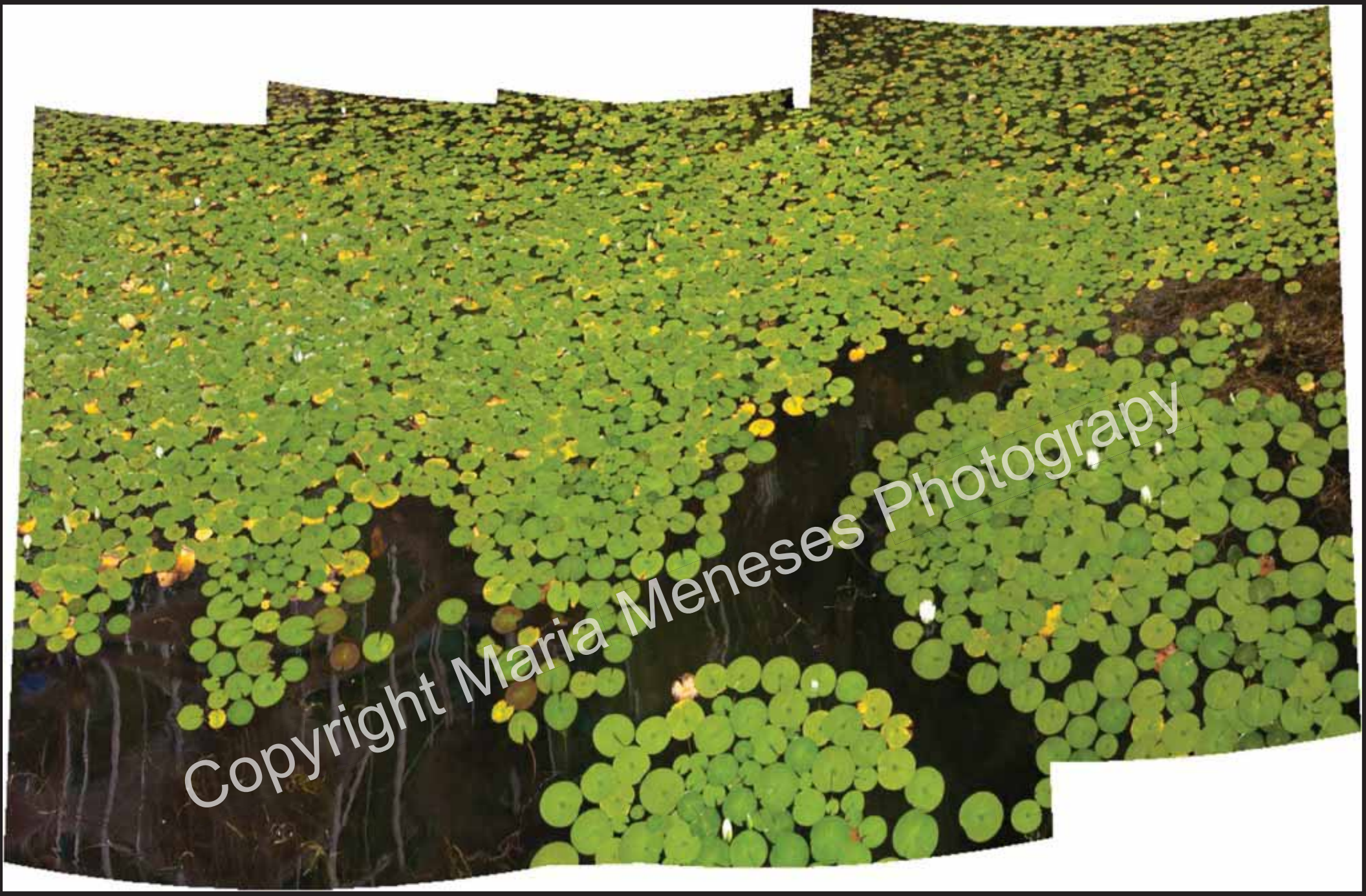
NEXT STEPS

Over the next few months the project team consisting of the Architect, Designer, Project Manager, Fabricators, Staff to the Cultural Arts Commission, and Curator along with the Committee will:

- Verify the project schedule to stay on building completion schedule
- Meet with architect and designer to identify locations and discuss cost sharing.
- Formalize budget for the graphic glass.
- Select images to be included in graphic glass, verify size, resolution, and scale.
- Present selected images in situ to the Committee.
- The Committee will vote to accept proposed images and locations, or ask for changes.
- Prototypes will be presented for review by the Committee and Cultural Arts Commission prior to fabrication

In the unlikely event of vandalism, files will be kept at full resolution to be reprinted. If shattered, glass is held in place by an adhesive inter-laminate layer.

If the City wants to use any of the images not chosen for City Hall, an additional scope of work should be created that establishes a licensed usage agreement with the artist.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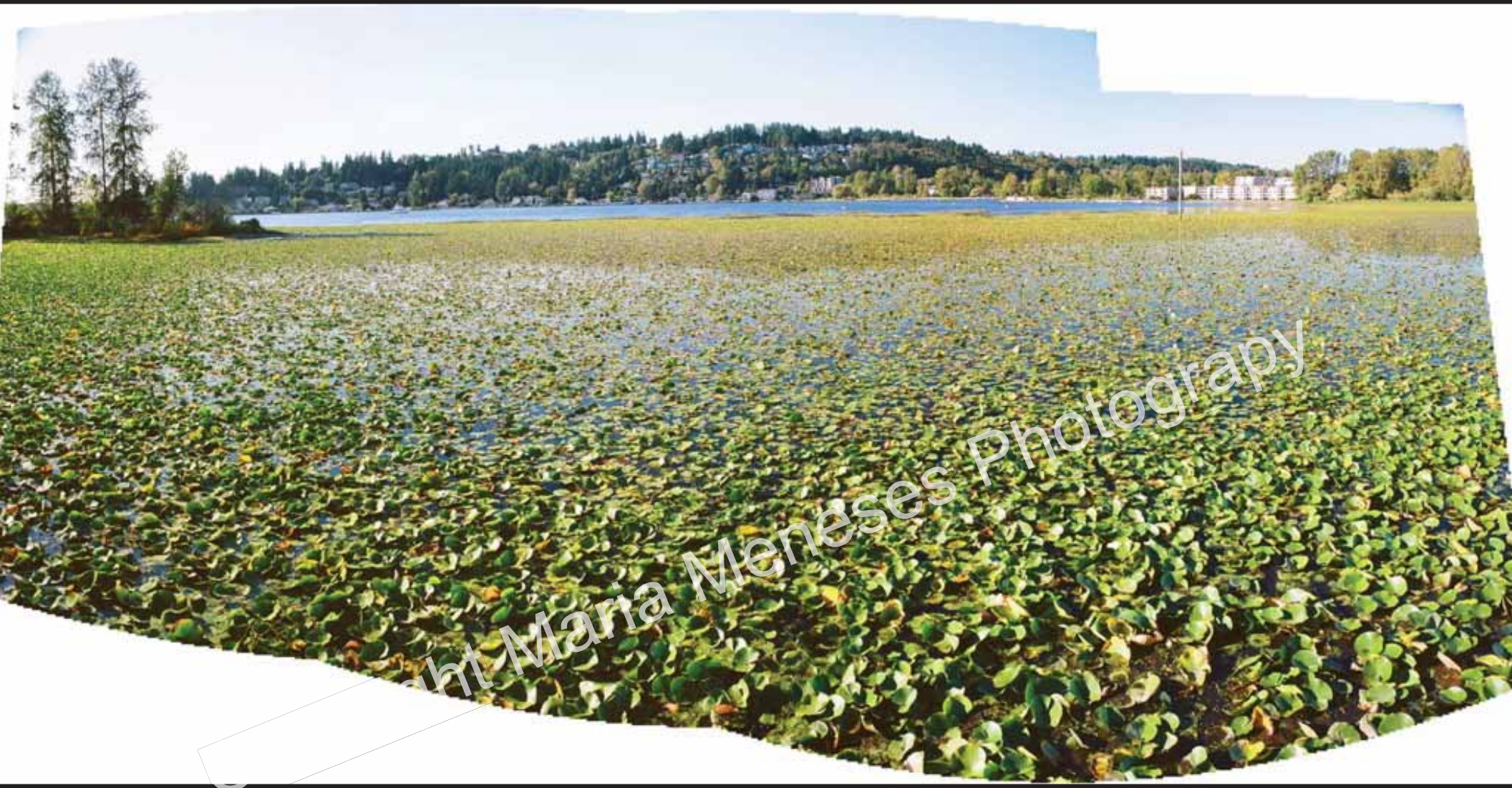
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CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

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

Date: November 16, 2015

Subject: RESOLUTION TO RELINQUISH THE CITY'S INTEREST IN A PORTION OF UNOPENED RIGHT-OF-WAY VAC15-02299

RECOMMENDATION:

It is recommended that the City Council adopt the attached Resolution relinquishing interest in a portion of unopened right-of-way abutting the parcel located at 11238 NE 92nd Street. Specifically, the subject right-of-way is identified as the south 8 feet of the unopened alley abutting the north boundary of the following described property: Lots 28, 29, and 30, Block 242, Supplementary Plat to Kirkland, as per plat recorded in Volume 8 of Plats, page 5, records of King County, Washington.

Approval of this memo by adopting the Consent Calendar will authorize relinquishing interest in said right-of-way.

BACKGROUND DISCUSSION:

The unopened portion of the alley abutting the property of 11238 NE 92nd Street (Attachment A) was originally platted and dedicated in 1891 as Supplementary Plat to Kirkland. The Five Year Non-User Statute provides that any street or right-of-way platted, dedicated, or deeded prior to March 12, 1904, which was outside City jurisdiction when dedicated, and which remains unopened or unimproved for five continuous years, is then vacated. The subject right-of-way has not been opened or improved, but it has never formally been vacated and still appears on the City records as unopened right-of-way.

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

Attachment A: Vicinity Map
Resolution

Burow Property
Non-User Vacation Exhibit
11238 NE 92nd Street

Proposed Vacation

Granted Non-User Vacations

Burow Property

CITY OF KIRKLAND WASHINGTON

Produced by the City of Kirkland.

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Printed 2015 - Public Works

RESOLUTION R-5174

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE IN AN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNERS DUANE AND JANICE BUROW

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

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

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

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

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

Section 1. As requested by the property owners Duane F. Burow and Janice Burow, the City Council of the City of Kirkland hereby recognizes that the following described right-of-way has been vacated by operation of law and relinquishes all interest it may have, if any, in the portion of right-of-way described as follows:

A portion of unopened alley being identified as the south 8 feet of the unopened alley abutting the north boundary of the following described property: Lots 28, 29, and 30, Block 242, Supplementary Plat to Kirkland, as per plat recorded in Volume 8 of Plats, page 5, records of King County, Washington.

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

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2015

Signed in authentication thereof this _____ day of _____, 2015.

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

Date: November 13, 2015

Subject: RESOLUTION TO RELINQUISH THE CITY'S INTEREST IN A PORTION OF UNOPENED RIGHT-OF-WAY VAC15-01907

RECOMMENDATION:

It is recommended that the City Council adopt the attached Resolution relinquishing interest, except for a utility easement, in a portion of unopened right-of-way abutting the parcel located at 11239 NE 91st Street. Specifically, the subject right-of-way is identified as the north 8 feet of the unopened alley abutting the south boundary of the West 10 feet of Lot 2, all of Lot 3, and the East 20 feet of Lot 4, all in Block 234, Supplementary Plat to Kirkland, according to the plat thereof recorded in Volume 8 of Plats, page 5, records of King County, Washington.

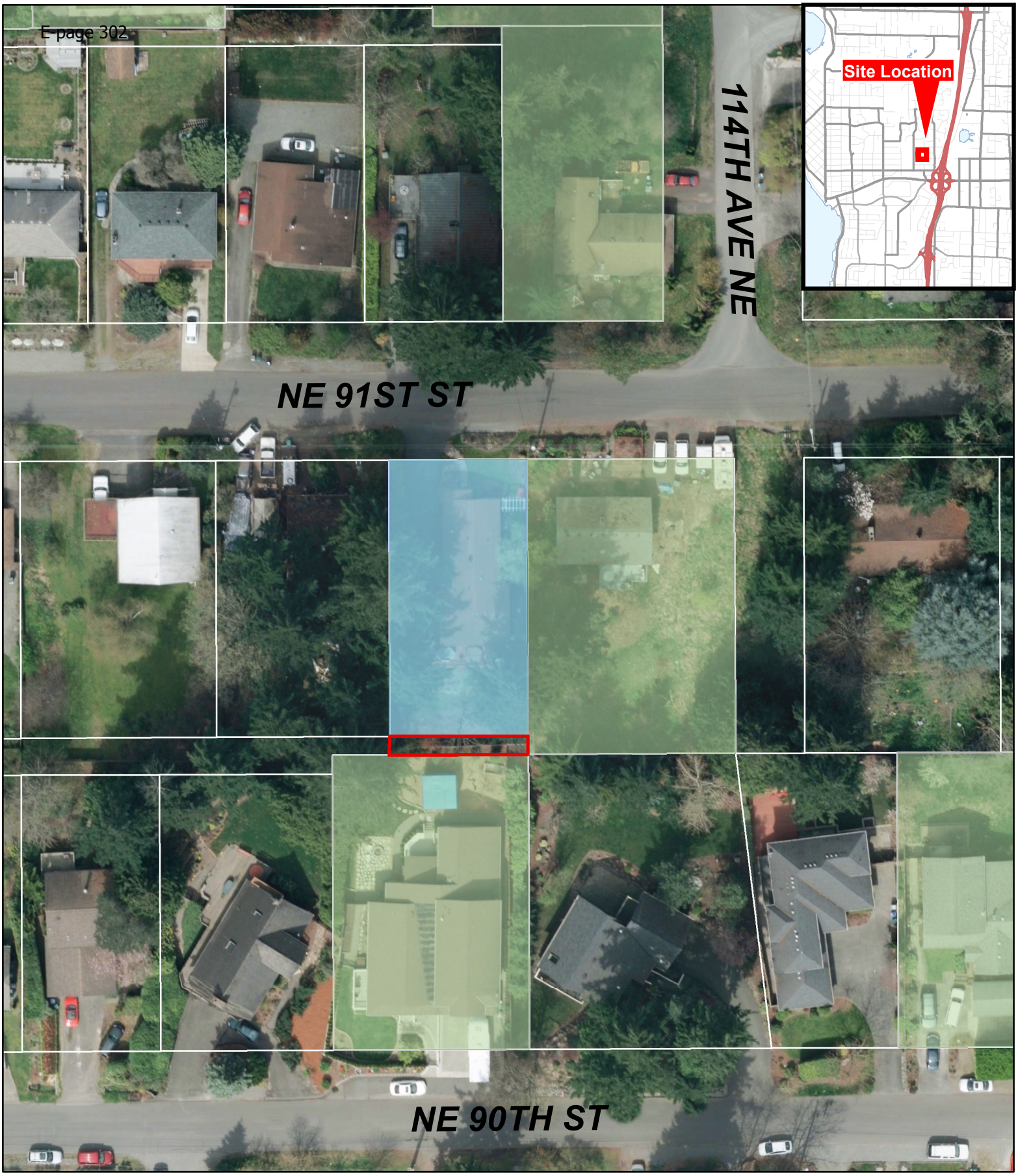
Approval of this memo by adopting the Consent Calendar will authorize relinquishing interest, except for a utility easement, in said right-of-way.

BACKGROUND DISCUSSION:

The unopened portion of the alley abutting the property of 11239 NE 91st Street (Attachment A) was originally platted and dedicated in 1891 as Supplementary Plat to Kirkland. The Five Year Non-User Statute provides that any street or right-of-way platted, dedicated, or deeded prior to March 12, 1904, which was outside City jurisdiction when dedicated, and which remains unopened or unimproved for five continuous years, is then vacated. The subject right-of-way has not been opened or improved, but it has never formally been vacated and still appears on the City records as unopened right-of-way.

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

Attachment A: Vicinity Map
Resolution



Hopen Property
Non-User Vacation Exhibit
11239 NE 91st Street

Proposed Vacation

Granted Non-User Vacations

Hopen Property

Produced by the City of Kirkland.

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Printed 2015 - Public Works

RESOLUTION R-5175

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST, EXCEPT FOR A UTILITY EASEMENT, THE CITY MAY HAVE IN AN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNER NANCY HOPEN

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

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

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

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

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

Section 1. As requested by the property owner Nancy Hopen, the City Council of the City of Kirkland hereby recognizes that the following described right-of-way has been vacated by operation of law and relinquishes all interest it may have, if any, except for a utility easement, in the portion of right-of-way described as follows:

A portion of unopened alley being identified as the north 8 feet of the unopened alley abutting the south boundary of the West 10 feet of Lot 2, all of Lot 3, and the East 20 feet of Lot 4, all in Block 234, Supplementary Plat to Kirkland, according to the plat thereof recorded in Volume 8 of Plats, page 5, records of King County, Washington.

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

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2015

Signed in authentication thereof this _____ day of _____, 2015.

_____
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: November 19, 2015

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF DECEMBER 8, 2015.

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 November 5, 2015, are as follows:

	Project	Process	Estimate/Price	Status
1.	City Hall Police Area Demolition	Job Order Contract	$66,677.43	Work Order issued to Burton Construction, Inc. of Spokane, WA
2.	Kirkland Green Trip and Totem Lake Green Trip Programs Outreach/Marketing	Request for Proposals	$40,000 - $80,000	RFP advertised on 11/16 with proposals due on 12/2.
3.	City Hall Renovation	Invitation for Bids	$7,400,000	Advertised on 11/23 with bids due on 12/23

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

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration
Tom Mikesell, Financial Planning Manager
Neil Kruse, Senior Financial Analyst

Date: November 24, 2015

Subject: **2015-2016 MID-BIENNIAL BUDGET ADJUSTMENT**

RECOMMENDATION:

Council approves the attached ordinance adjusting the budget for the 2015-2016 biennium.

BACKGROUND DISCUSSION:

At the November 4 Council Study Session, the City Council was presented with a financial update and a series of budget adjustments to the 2015-2016 Budget. In addition, a public hearing on the mid-biennium budget adjustments and a Study Session on the 2015-2020 Capital Improvements Program were held on November 17. The adjustments discussed, and feedback received, at those meetings are incorporated in the budget adjustments ordinance presented for adoption. The City's budget is adopted at the fund level which sets the total biennial expenditure authority for each fund. A list of the mid-biennial operating budget adjustments is included as Attachment A. It is organized by adjustment type within each fund and identifies the funding source for each item. A summary of the 2015-2016 budget by fund type is included in the table below.

Fund Type	Current 15-16 Budget	Appropriation Change	Revised 15-16 Budget
General Government:			
General Fund	200,601,537	1,388,526	201,990,063
Other Operating Funds	32,449,754	232,096	32,681,850
Internal Service Funds	79,892,730	937,180	80,829,910
Non-Operating Funds	119,887,466	35,044,328	154,931,794
Utilities:			
Water/Sewer	95,410,865	-	95,410,865
Surface Water	43,804,212	827,652	44,631,864
Solid Waste	34,292,594	-	34,292,594
Total Budget	**606,339,158**	**38,429,782**	**644,768,940**

Total adjustments result in a net budget increase of $38,429,782. When reviewing the budget adjustments in Attachment A, it is important to note the distinction between a budget adjustment and an appropriation change. In simple terms, not all budget adjustments will require a change in the appropriation.

For example, a budget increase that is funded from an expenditure decrease somewhere else in the budget has the effect of changing the City's spending plan, but does not result in any net new resources needing appropriation. Similarly, an adjustment funded from existing reserves does not require an appropriation increase, since the City appropriates its reserves as part of the biennial budget. In contrast, an adjustment that is funded with new internal or external revenues requires an appropriation increase to accommodate the increase in total resources. The following table demonstrates the linkage between the total appropriation change and the total adjustment for the General Fund; the mechanics are similar for other adjustments in the table.

General Fund	
Total Adjustment	2,294,982
less Working Capital	(799,953)
less Expenditure offsets	(106,503)
Total Appropriation Change	1,388,526

Total budget adjustments as described in Attachment A result in a net budget increase of $38,469,782, and reflect the following broad categories:

- *Council Directed/Other Requests and Previously Approved Adjustments* – This category includes any additional changes identified by Council and formalizing previously approved actions (fiscal notes, etc). Some of these requests have been approved by the Council since the budget was adopted, but the formal appropriation adjustment is occurring as part of the mid-biennial budget update. Major adjustments in this category include:

    - **New Liquor Tax Revenue/Public Safety Sinking Fund Offset** – Replaces $241,000 of General Fund revenue deposited in the Public Safety Sinking Fund in 2016 with new Liquor Tax revenue expected to be received in 2015 and 2016 based on changes to the distribution amount made during the 2015 State legislative session. The displaced General Fund revenue reverts to working capital, where it is used to partially fund 2016 Service Packages and budget adjustments described in this memo;

    - **Firefighter Over hires** – Provides $172,102 from General Fund working capital on a one-time basis to fund two temporary firefighter over hire positions in light of expected retirements in 2016;

    - **Temporary Affordable Care Act Support** - One-time use of $163,753 from the Health Benefits Fund, and $13,754 of expenditure offsets in the General Fund, for temporary staff to support Affordable Care Act Internal Revenue Service reporting requirements.

    - **Community Point of Distribution (CPOD) Funding** – Provides $6,400 from General Fund working capital to establish and stock two CPODs in neighborhoods in 2016;

- **Corrections Reorganization** – Funds an enhancement to the supervisory capacity at the City Jail using a $23,558 ongoing reduction to the jail contract budget line item;

- **Capital Projects Engineering Staff** – Adds $507,209 in the General Fund to fund four positions in the Capital Projects Engineering division, funded with charges to capital project budgets;

- **McAuliffe Park/Teen Center Debt Defeasance** – Increases the appropriation in the Debt Service Fund by $1,042,043 to pay off existing city debt using existing park impact fee balances. The total cost of the defeasance is $1,251,543; the difference comes from existing appropriations for annual debt service;

- **City Hall Debt Service** – Increases the appropriation in the Debt Service Fund by $421,214 to pay the 2016 debt service payment for the recently issued $5.8 million Limited Tax General Obligation Debt to support the City Hall renovation project; and,

- **Emergency Generators** – A line item adjustment in the General Fund to transfer $60,000 from working capital to the General Capital Improvements Fund to support the purchase and installation of an emergency generator in 2016.

- *Housekeeping Items* – Necessary adjustments to budget accounts, fund balances, etc. Major adjustment in this category include:

  - **Cost of Service Reconciliation –** An annual reconciliation of internal service charges paid by city operating funds that will increase internal charge revenue to the General Fund by $62,734.

  - **Surface Water Billing Correction –** A reconciliation of Surface Water Utility charges paid by City funds based on an audit of the billing methodology, totaling $124,059 in the General Fund and $58,463 across all other City funds.

- *2016 Service Packages* – As discussed during the budget study session, the City Manager requested departments to restrict service packages for 2016 to items that are: 1) funded with new revenue or offsetting expenditure reductions; 2) directly related to the 2015-2016 City Work Plan. The service packages recommended by the City Manager are fully funded through expenditure offsets, available one-time cash or reserves, or external funding. A summary of the recommendations and funding sources and the service package requests are included as Attachment B.

- *2015-2020 CIP* - The proposed 2015-2020 Capital Improvements Program presented to the City Council at Study Sessions on July 21, August 3 and November 17, are formalized as part of this process through adoption of the changes impacting 2015-2016. The revised 2015-2020 CIP will require changes to capital projects fund appropriations as summarized by category below:

	Total Funded CIP for 2015-2016			
Category	**Adopted CIP**	**Revised CIP**	**Difference**	**Appropriation Change**
Transportation	17,801,200	39,924,800	22,123,600	21,338,300
Parks	4,097,000	7,230,015	3,133,015	2,437,171
Public Safety	567,400	3,129,300	2,561,900	155,800
General Government				
Technology	1,790,200	3,130,900	1,340,700	1,326,800
Facilities	8,504,300	14,004,600	5,500,300	5,500,300
Subtotal	**32,760,100**	**67,419,615**	**34,659,515**	**30,758,371**
Surface Water Management	3,226,000	4,891,900	1,665,900	574,900
Water/Sewer	6,573,000	10,156,000	3,583,000	-
Utilities Subtotal	**9,799,000**	**15,047,900**	**5,248,900**	**574,900**
Grand Total	**42,559,100**	**82,467,515**	**39,908,415**	**31,333,271**

Changes to the 2015-2016 Budget based on the 2015-2020 CIP process described above result in an increase in appropriation of $31,333,271 in the current biennium and are included in the budget adjustment ordinance attached to this memorandum. The primary reasons for the increase to the 2015-2016 CIP are new projects added as a result of the Transportation Master Plan, Parks, Recreation, and Open Space Plan, and Surface Water Master Plan, increases to the Maintenance Center Expansion and City Hall Renovation projects, and the addition of the Fire Station 24 property acquisition.

City of Kirkland
2015-2016 Budget
Mid Biennial Budget Adjustment Summary

Attachment A

Dept.	Description	Appropriation Adjustment	Adjustment Type: Service Package	Adjustment Type: Council/Other	Adjustment Type: Housekeeping	Adjustment Type: Total Adjustment	Funding Source: Internal Transf./Chrg.	Funding Source: Working Capital/ Reserves	Funding Source: Exp.Offsets/ Prior Approvals	Funding Source: External Revenue	Funding Source: Total Funding	Funding Source/Notes
General Fund												
CMO	Kalakala Donation	**500**		500		500				500	500	
HR	Temporary HR Analyst	**136,480**		136,480		136,480	136,480				136,480	Temporary Affordable Care Act Support
PK	On-Call Office Specialist	**8,370**		8,370		8,370				8,370	8,370	Community Development Block Grant Funding
PK	Miscellaneous Contingent Salary Sch	**38,700**		38,700		38,700				38,700	38,700	Recreation Revenues
PK	ARC Study and Outreach	**48,979**		48,979		48,979	48,979				48,979	CIP Revenue
PW	CIP Engineering Positions	**507,209**		507,209		507,209	507,209				507,209	CIP Engineering Charges to Projects
PW	Surface Water Internal Professional S	**52,000**			52,000	52,000	52,000				52,000	
PB	Temporary Electrical/Building Inspec	**62,299**		62,299		62,299				62,299	62,299	Building Permit Revenue
FD	Antique Pumper Restoration	**30,000**		30,000		30,000				30,000	30,000	Private Donation
PD	King County RSO Grant Revenue	**10,983**			10,983	10,983				10,983	10,983	Grant funded investigations overtime
PD	Target Zero Grant Overtime	**15,153**			15,153	15,153				15,153	15,153	Grant funded traffic overtime
PD	WATPA Grant	**3,989**			3,989	3,989				3,989	3,989	Grant funded patrol and traffic overtime
PD	Corrections Reorganization	**-**		23,558		23,558			23,558		23,558	Jail contract cost line item reduction
FA	Affordable Care Act Accounting Supp	**27,273**		41,027		41,027	27,273		13,754		41,027	Health Fund transfer
FD	Firefighter Overhire	**172,102**		172,102		172,102				172,102	172,102	New Liquor Tax Revenue/Public Safety S.F. Offset
FD	CPOD Supplies	**6,400**		6,400		6,400				6,400	6,400	New Liquor Tax Revenue/Public Safety S.F. Offset
PD	Lieutenant's Test	**10,000**		10,000		10,000				10,000	10,000	New Liquor Tax Revenue/Public Safety S.F. Offset
PD	Telestaff Shift Bidding Module	**10,278**		14,996		14,996		4,718		10,278	14,996	New Liquor Tax Revenue/Public Safety S.F. Offset
PW	Surface Water Area Billing Revision	**62,734**			124,059	124,059	62,734	34,134	27,191		124,059	C.O.S True Up / EPSCA Radio Reduction
FA	State Auditor Contract Increase	**18,220**		18,220		18,220				18,220	18,220	New Liquor Tax Revenue/Public Safety S.F. Offset
ND	Emergency Generators	**-**		60,000		60,000		60,000			60,000	Funding for PS0080 Emergency Generators
ND	City Hall Debt	**-**		421,214		421,214		421,214			421,214	City Hall Debt placeholder
Various	Service Packages	**166,857**	488,744			488,744		279,887	42,000	166,857	488,744	Building Reserves/ Exp. Savings/ Dev. Fees
General Fund Total		**1,388,526**	**488,744**	**1,600,054**	**206,184**	**2,294,982**	**834,675**	**799,953**	**106,503**	**553,851**	**2,294,982**	
Lodging Tax Fund												
CMO	Additional Professional Services	-		15,000		15,000		15,000			15,000	
CMO	Cost of Service Reconciliation				1,301	1,301		1,301			1,301	
Lodging Tax Fund Total		**-**	**-**	**15,000**	**1,301**	**16,301**	**-**	**16,301**	**-**	**-**	**16,301**	
Street Operating Fund												
FA	Receptionist/Admin Clerk Parking Pro	19,576		19,576		19,576				19,576	19,576	Parking Meter Revenue
PW	Business Analyst (MMS)	197,346		197,346		197,346	197,346				197,346	
PW	Cost of Service Reconciliation	-			33,642	33,642		33,642			33,642	
PW	Surface Water Area Billing Revision	**-**			40,851	40,851		40,851			40,851	
PW	Service Packages	**5,324**	97,871			97,871		4,047	88,500	5,324	97,871	
Street Operating Fund Total		**222,246**	**97,871**	**216,922**	**74,493**	**389,286**	**197,346**	**78,540**	**88,500**	**24,900**	**389,286**	

Dept.	Description	Appropriation Adjustment	Adjustment Type: Service Package	Council/Other	Housekeeping	Total Adjustment	Funding Source: Internal Transf./Chrg.	Working Capital/ Reserves	Exp.Offsets/ Prior Approvals	External Revenue	Total Funding	Funding Source/Notes
Parks Maintenance Fund												
PK	Lakeview Elementary Field Turf	9,850		9,850		9,850				9,850	9,850	Field rental Revenue
PK	Cost of Service Reconciliation	-			3,038	3,038		3,038			3,038	
Parks Maintenance Fund Total		**9,850**	**-**	**9,850**	**3,038**	**12,888**	**-**	**3,038**	**-**	**9,850**	**12,888**	
Parks Levy Fund												
PK	Cost of Service Reconciliation	-			6,033	6,033		6,033			6,033	
Parks Levy Fund Total		**-**	**-**	**-**	**6,033**	**6,033**	**-**	**6,033**	**-**	**-**	**6,033**	
Impact Fees Fund												
ND	Recognize Additional Revenue - CIP	2,822,700		2,822,700		2,822,700				2,822,700	2,822,700	
Impact Fees Fund Total		**2,822,700**	**-**	**2,822,700**	**-**	**2,822,700**	**-**	**-**	**-**	**2,822,700**	**2,822,700**	
Excise Tax Capital Improvement Fund												
ND	Park Debt Defeasance	-			28,533	28,533		16,144	12,389		28,533	
Excise Tax Capital Improvement Fund Tot		**-**	**-**	**-**	**28,533**	**28,533**	**-**	**16,144**	**12,389**	**-**	**28,533**	
LTGO Debt Service Fund												
ND	McAuliffe Park MCA Debt GO Bond D	859,964		859,964		859,964	859,964				859,964	
ND	Teen Center AGGG TUB Debt Defeas	182,079		182,079		182,079	182,079				182,079	
ND	City Hall Debt Service	421,214		421,214		421,214	421,214				421,214	GF working capital placeholder
LTGO Debt Service Fund Total		**1,463,257**	**-**	**1,463,257**	**-**	**1,463,257**	**1,463,257**	**-**	**-**	**-**	**1,463,257**	
General Capital Projects Fund												
N/A	2015-2020 CIP Funding Adjustments	9,420,071		12,535,915		12,535,915	7,680,615	2,356,000	759,844	1,739,456	12,535,915	
General Capital Projects Fund Total		**9,420,071**	**-**	**12,535,915**	**-**	**12,535,915**	**7,680,615**	**2,356,000**	**759,844**	**1,739,456**	**12,535,915**	
Transportation Capital Projects Fund												
N/A	2015-2020 CIP Funding Adjustments	21,338,300		22,455,300		22,455,300	7,485,800		1,117,000	13,852,500	22,455,300	
Transportation Capital Projects Fund		**21,338,300**	**-**	**22,455,300**	**-**	**22,455,300**	**7,485,800**	**-**	**1,117,000**	**13,852,500**	**22,455,300**	
Water/Sewer Utility Operating Fund												
PW	Cost of Service Reconciliation	-			14,937	14,937		14,006	931		14,937	EPSCA Rate decrease: $931
PW	Water Comp Plan Update Amendmen	-		12,200		12,200		12,200			12,200	
PW	Utility Manager Portion of Reorganiza	-		55,783		55,783		55,783			55,783	
PW	Surface Water Area Billing Revision	-			12,550	12,550		12,550			12,550	
PW	Service Packages	-	78,673			78,673		78,673			78,673	
Water/Sewer Utility Operating Fund Total		**-**	**78,673**	**67,983**	**27,487**	**174,143**	**-**	**173,212**	**931**	**-**	**174,143**	
Water/Sewer Capital Fund												
N/A	2015-2020 CIP Funding Adjustments	-		3,583,000		3,583,000		3,583,000			3,583,000	
Water/Sewer Capital Fund Total		**-**	**-**	**3,583,000**	**-**	**3,583,000**	**-**	**3,583,000**	**-**	**-**	**3,583,000**	
Surface Water Operating Fund												
PW	Surface Water Area Billing Revision	182,252			182,252	182,252	182,252				182,252	Internal Charges from Other Funds
PW	DOE OSD contract amendment	20,500			20,500	20,500				20,500	20,500	
PW	Cost of Service Reconciliation	-			12,994	12,994		12,994			12,994	
PW	Ditch Maintenance Adjustments	-			9,516	9,516		9,516			9,516	
PW	Utility Manager Portion of Reorganiza	-		9,168		9,168		9,168			9,168	
PW	NPDES Municipal Stormwater Capaci	50,000			50,000	50,000				50,000	50,000	
PW	Service Packages	-	78,545		50,000	128,545		78,545		50,000	128,545	
Surface Water Operating Fund Total		**252,752**	**78,545**	**9,168**	**325,262**	**412,975**	**182,252**	**110,223**	**-**	**120,500**	**412,975**	

Dept.	Description	Appropriation Adjustment	Adjustment Type: Service Package	Council/Other	Housekeeping	Total Adjustment	Funding Source: Internal Transf./Chrg.	Working Capital/ Reserves	Exp.Offsets/ Prior Approvals	External Revenue	Total Funding	Funding Source/Notes
Surface Water Capital Fund												
N/A	2015-2020 CIP Funding Adjustments	574,900		1,334,200		1,334,200		759,300		574,900	1,334,200	
Surface Water Capital Fund Total		**574,900**	**-**	**1,334,200**	**-**	**1,334,200**	**-**	**759,300**	**-**	**574,900**	**1,334,200**	
Equipment Rental Fund												
PW	CIP Engineering Vehicle	24,900			24,900	24,900	24,900				24,900	
Various	EPSCA Radio Rate Reduction	(28,122)			(28,122)	(28,122)	(28,122)				(28,122)	Reduction in 2016 EPSCA rates from PD, Fire and PW
PB 1	Electrical/Building Inspector and Plan	39,020		39,020		39,020	39,020				39,020	
Various	Fleet Purchases	221,929		221,929			221,929					
Various	Service Packages	-	4,902			4,902		4,902			4,902	
Equipment Rental Fund Total		**257,727**	**4,902**	**260,949**	**(3,222)**	**40,700**	**257,727**	**4,902**	**-**	**-**	**40,700**	
Information Technology Fund												
PD	Telestaff Shift Bidding Module	14,996		14,996		14,996	14,996				14,996	Transfer from General Fund
Information Technology Fund Total		**14,996**	**-**	**14,996**	**-**	**14,996**	**14,996**	**-**	**-**	**-**	**14,996**	
Facilities Maintenance Fund												
FC	Houghton Court Rental Property Adju	310,728		310,728		310,728				310,728	310,728	
FC	Maintenance Center Security Camera	32,300		32,300		32,300				32,300	32,300	
FC	Closed CIP Project Funding Returned	321,429			321,429	321,429	321,429				321,429	
PW	CIP Engineering Furniture	-			35,000	35,000		35,000			35,000	
Facilities Maintenance Fund Total		**664,457**	**-**	**343,028**	**356,429**	**699,457**	**321,429**	**35,000**		**343,028**	**699,457**	
TOTAL OTHER FUNDS		**37,041,256**	**259,991**	**45,132,268**	**819,354**	**45,989,684**	**17,603,422**	**7,141,693**	**1,978,664**	**19,487,834**	**45,989,684**	
TOTAL ALL FUNDS		**38,429,782**	**748,735**	**46,732,322**	**1,025,538**	**48,284,666**	**18,438,097**	**7,941,646**	**2,085,167**	**20,041,685**	**48,284,666**	

ATTACHMENT B

City of Kirkland
2015 Mid-Bi Budget Review
2016 Service Package Requests

		2016 Department Request				2016 City Manager Recommended				Funding Source							
Pkg. #		FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offsets	Fees/ Charges		New Revenue	Reserves	Total Funding Sources
GENERAL FUND																	
City Manager's Office																	
16GCM01	State Legislative Advocate	-	15,000	-	15,000	-	15,000	-	15,000	-	-	-	-	-	15,000	-	15,000
Subtotal City Manager's Office		**-**	**15,000**	**-**	**15,000**	**-**	**15,000**	**-**	**15,000**	**-**	**-**	**-**	**-**	**-**	**15,000**	**-**	**15,000**
Public Works																	
16GPW01	PW Operations/Maintenance Center Reorganization	-	9,000	-	9,000	-	9,000	-	9,000	-	-		-	-	9,000	-	9,000
Subtotal Public Works		**-**	**9,000**	**-**	**9,000**	**-**	**9,000**	**-**	**9,000**	**-**	**-**	**-**	**-**	**-**	**9,000**	**-**	**9,000**
Planning & Building																	
16GPB01	Expired Permit Inspections	-	-	45,000	45,000	-	-	45,000	45,000	-	-	-	-	-	-	45,000	45,000
16GPB02	Building Digitization project	-	-	434,887	434,887		-	234,887	234,887	-	-	-	-	-	-	234,887	234,887
16GPB03	Convert temp Plans Examiner II to Ongoing	1.00	-	-	-	1.00	-	-	-	-	-	-	-	-	-	-	-
16GPB04	Houghton/Everest Neighborhood Center Plan	-	-	30,000	30,000	-	-	30,000	30,000	-	-	30,000	-	-	-	-	30,000
16GPB05	Temporary Electrical/Building Inspector	1.00	-	142,857	142,857	1.00	109,957	32,900	142,857		-	-	142,857	-		-	142,857
16GPB06	Zoning Charts to tables	-	-	12,000	12,000	-	-	12,000	12,000	-	-	12,000	-	-	-		12,000
Subtotal Planning & Building		**2.00**	**-**	**664,744**	**664,744**	**2.00**	**109,957**	**354,787**	**464,744**	**-**	**-**	**42,000**	**142,857**	**-**	**-**	**279,887**	**464,744**
GENERAL FUND TOTAL		**2.00**	**24,000**	**664,744**	**688,744**	**2.00**	**133,957**	**354,787**	**488,744**	**-**	**-**	**42,000**	**142,857**	**-**	**24,000**	**279,887**	**488,744**
OTHER FUNDS																	
Street Operating Fund																	
16SPW01	Small Sweeper for Parking Garage/Park Lane	-	9,874	71,500	81,374	-	9,874	71,500	81,374	-	-	71,500	9,874	-	-	-	81,374
16SPW02	CKC Maintenance Vehicle/Equipment Trailer	-	3,635	45,000	48,635	-	3,635	45,000	48,635	3,635	-	45,000	-	-	-	-	48,635
16GPW01	PW Operations/Maintenance Center Reorganization	-	4,048	-	4,048	-	4,048	-	4,048	4,048	-	-	-	-	-	-	4,048
Subtotal Street Operating Fund		**-**	**17,557**	**116,500**	**134,057**	**-**	**17,557**	**116,500**	**134,057**	**7,683**	**-**	**116,500**	**9,874**	**-**	**-**	**-**	134,057
Equipment Rental Fund																	
16GPW01	PW Operations/Maintenance Center Reorganization	-	4,902	-	4,902	-	4,902	-	4,902	4,902	-	-	-	-	-		4,902
Subtotal Equipment Rental Fund		**-**	**4,902**	**-**	**4,902**	**-**	**4,902**	**-**	**4,902**	**4,902**	**-**	**-**	**-**	**-**	**-**	**-**	**4,902**
Surface Water Management Fund																	
16DPW01	Storm Water Pond Safety Improvements	-	-	30,000	30,000	-	-	30,000	30,000	30,000	-	-	-	-	-	-	30,000
16GPW01	PW Operations/Maintenance Center Reorganization	-	15,995	-	15,995	-	15,995	-	15,995	15,995	-	-	-	-	-	-	15,995
Subtotal Surface Water Management Fund Fund		**-**	**15,995**	**30,000**	**45,995**	**-**	**15,995**	**30,000**	**45,995**	**45,995**	**-**	**-**	**-**	**-**	**-**	**-**	**45,995**
Water/Sewer Operating Fund																	
16UPW01	Addition to Sewer Master Plan Scope: Inflow and Infiltration Study	-	-	41,000	41,000	-	-	41,000	41,000	41,000	-	-	-	-	-	-	41,000
16GPW01	PW Operations/Maintenance Center Reorganization	-	37,673	-	37,673	-	-	37,673	37,673	37,673	-	-	-	-	-	-	37,673
Subtotal Water/Sewer Operating Fund		**-**	**37,673**	**41,000**	**78,673**	**-**	**-**	**78,673**	**78,673**	**78,673**	**-**	**-**	**-**	**-**	**-**	**-**	**78,673**
TOTAL OTHER FUNDS		**-**	**76,127**	**187,500**	**263,627**	**-**	**38,454**	**225,173**	**263,627**	**137,253**	**-**	**116,500**	**9,874**	**-**	**-**	**-**	**263,627**
TOTAL ALL FUNDS		**2.00**	**100,127**	**852,244**	**952,371**	**2.00**	**172,411**	**579,960**	**752,371**	**137,253**	**-**	**158,500**	**152,731**	**-**	**24,000**	**279,887**	**752,371**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	State Legislative Advocacy Services	16GCM01

DEPARTMENT	DIVISION	FUND
City Managers Office	Executive	General Fund

COUNCIL GOALS

Financial Stability, Dependable Infrastructure, Balanced Transportation, Economic Development, Human Services, Public Safety, Parks, Open Spaces and Recreation, and Environment.

DESCRIPTION AND JUSTIFICATION

This service package request would address a fee increase for legislative advocacy services, thereby maintaining continuity of service through the remainder of 2015, for the 2016 legislative session and the 2016 interim. The approved 2015-16 biennial budget included one-time funding in 2015 of $48,000 for legislative advocacy, as well as one-time funding in 2016 of $48,000. This service package request would add one-time funding of $3,000 in 2015 for state legislative advocacy work in the interim and one-time funding of $12,000 for state legislative advocacy in 2016.

The City's current State Legislative Advocacy Services contract terminated September 30, 2015. Staff initiated a Request For Proposal (RFP) process in August which concludes September 22. The term of the contract contemplated in the RFP is for a period of three (3) years, beginning October 1, 2015.

Waypoint Consulting, LLP, has responded to the City's RFP and has proposed an increase in their monthly fee to $5,000. The City Manager recommends that the City accept Waypoint's proposal and enter into a new three year contract with the firm. Waypoint has been informed that funding above the current monthly retainer fee is contingent upon approval by the City Council of this service package request, as well as approval by the City Council of the 2017-2018 biennial budget.

For purposes of planning, this service package request anticipates the City awarding the State Legislative Advocacy Services contract to Waypoint Consulting at $5,000 per month, beginning October 1, 2015.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ -	$ -	$ -
Supplies & Services	$ -	$ 3,000	$ -	$ 12,000	$ 15,000
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ 3,000**	**$ -**	**$ 12,000**	**$ 15,000**
Expenditure Savings	$ -	$ -	$ -	$ -	$ -
Offsetting Revenue	$ -	$ 3,000	$ -	$ 12,000	$ 15,000
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	State Legislative Advocacy Services	16GCM01

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
SUPPLIES & SERVICES							
Professional Services	0100201310	5410100		$ 3,000		$ 12,000	$ 15,000
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ 3,000**	**$ -**	**$ 12,000**	**$ 15,000**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
Liquor Excise Tax Revenue	010000000	3360694		$ 3,000		$ 12,000	$ 15,000
							$ -
		Total	**$ -**	**$ 3,000**	**$ -**	**$ 12,000**	**$ 15,000**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Public Works Operations and Maintenance Center Reorganization	16GPW01

DEPARTMENT	DIVISION	FUND
Public Works	Various	Various

COUNCIL GOALS

Dependable Infrastructure

DESCRIPTION AND JUSTIFICATION

The service needs of City of Kirkland's Public Works Department work have evolved over the last several years. This proposed reorganization of the Department is to keep pace with those changes, and to better align service delivery with long-range plans and policy direction. Additionally, the proposed organizational changes address the Department's internal business needs through performance management, standardized systems and practices, improved communication, succession planning, and organizational development. Specifically, changes are proposed to the organizational structure in Maintenance and Operations. These changes include the reclassification of the Superintendent to Deputy Director, an Operations Manager, Utility Manager, and Utilities Supervisor, and the reallocation of the current Management Analyst position. These are all explained in further detail in the Issue Paper. Please note the number of positions in operations and maintenance will not change; however, how positions are allocated to the various funds will change to align with the structure proposed. The financial impact of these changes varies by fund.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED	0.00

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ 71,617	$ -	$ 71,617
Supplies & Services	$ -	$ -	$ -	$ -	$ -
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ -**	**$ 71,617**	**$ -**	**$ 71,617**
Expenditure Savings	$ -	$ -	$ -	$ -	$ -
Offsetting Revenue	$ -	$ -	$ -	$ 71,617	$ 71,617
Net Service Package Cost	**$ -**	**$ -**	**$ 71,617**	**$ (71,617)**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Public Works Operations and Maintenance Center Reorganization	16GPW01

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
General Fund - See MSP	0102313810	5100100/5200100			$ 9,000		$ 9,000
Street Operating - See MSP	1172714290	5100100/5200100			$ 4,047		$ 4,047
Equipment Rental - See MSP	5212414860	5100100/5200100			$ 4,902		$ 4,902
Surface Water Utility - See MSP	4212633831	5100100/5200100			$ 15,995		$ 15,995
Water/Sewer Utility - See MSP	4112513457	5100100/5200100			$ 37,673		$ 37,673
							$ -
		Total	**$ -**	**$ -**	**$ 71,617**	**$ -**	**$ 71,617**
SUPPLIES & SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
Working Capital	Multiple	5990400				$ 71,617	$ 71,617
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 71,617**	**$ 71,617**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ 71,617**	**$ (71,617)**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Expired Permit Inspections	16GPB01

DEPARTMENT	DIVISION	FUND
Planning & Building	Building	Building reserves

COUNCIL GOALS

Public Safety - Provide public safety through a community-based approach that focuses on prevention of problems and a timely response.

DESCRIPTION AND JUSTIFICATION

This service package requests additional funds to allow staff to provide better customer service for the residents of the City of Kirkland, by offering Saturday inspections for their expired permits. Most expired permits are small residential projects like water heater and furnace replacements, air conditioners and similar types of installations that required permits, but inspections weren't scheduled. Providing Saturday inspections allows more flexibility for homeowners to schedule inspections without having to take time off of work.

This service package would be funded from the Building Reserve since this is money that was collected in past years to cover these inspections, however, the inspections did not occur at that time. This service needs to be performed on overtime since we currently have no spare capacity during regular work hours due to the increasing upturn in construction activity.

We will evaluate this pilot program at the end of 2016 to determine whether this should be continued or possibly expanded.

The use of temporary employees, on-call employees and overtime are part of Building Services strategy for working through peak workload periods while minimizing the risk of layoffs during off-peak periods.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ -	$ 45,000	$ 45,000
Supplies & Services	$ -	$ -	$ -	$ -	$ -
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ -**	**$ -**	**$ 45,000**	**$ 45,000**
Expenditure Savings	$ -	$ -	$ -	$ -	$ -
Offsetting Revenue (Use of Reserves)	$ -	$ -	$ -	$ 45,000	$ 45,000
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Expired Permit Inspections	16GPB01

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
Overtime	0105402420	5100300				$ 45,000	$ 45,000
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 45,000**	**$ 45,000**
SUPPLIES & SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
Building Reserve (RGG0011BLD)						$ 45,000	$ 45,000
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 45,000**	**$ 45,000**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Building Digitization Project	16GPB02

DEPARTMENT	DIVISION	FUND
Planning & Building	Building Services	General Fund

COUNCIL GOALS

Council value (Efficiency) - Kirkland is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment. We believe that a culture of continuous improvement is fundamental to our responsibility as good stewards of public funds.

DESCRIPTION AND JUSTIFICATION

In January 2015, the Building Division received funding to conduct a 12-month pilot digitization program to evaluate, catalog, and scan our building permit records. A Records Management Specialist was hired to organize the program, finalize a Kirkland retention schedule, and assess the scope of the project. Based on the scale and magnitude of the records which have accumulated over the past 70+ years and to bring us into compliance with our adopted retention schedule, we estimate it will take approximately 10 years for one full-time employee to complete this task.

In an effort to expedite this process, we are recommending a blended approach. Hire an outside vendor to do the bulk of the scanning, while maintaining a full-time temporary records specialist to act as staff liaison and coordinator, and to pre-sort and prep documents for scanning. This option would take approximately 24-36 months and would allow us an efficient method to address questions and issues as they arise. Also, once the files are scanned, someone will still need to upload the files appropriately into EnerGov and work with development services staff to troubleshoot and identify new record types as they are discovered.

The Building division has the greatest amount of paper records stored off-site, and the highest demand for retrieval of records. This is very costly and not very customer-service friendly. In this age of technology, it is expected that records are easily accessible and digitizing our older paper records makes it easier and more efficient for staff and customers to access. Digitizing our paper records will get all of our records in the same, searchable format. Although this will require resources, it will ultimately greatly reduce the staff time necessary to research and complete public records requests, as well as eliminate the need for off-site storage. It is anticipated it will take approximately 2 -3 years to complete.

* Note: This service package provides for a temporary Records Specialist & consultant fees through December 2016. We'll assess the success & speed of the project mid-2016 to determine if additional funds are needed in 2017/18 to continue the Records Specialist and vendor, if we determine the project can be completed by 2017/18.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ -	$ 34,887	$ 34,887
Supplies & Services	$ -	$ -	$ -	$ 200,000	$ 200,000
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ -**	**$ -**	**$ 234,887**	**$ 234,887**
Expenditure Savings	$ -	$ -	$ -	$ -	$ -
Offsetting Revenue	$ -	$ -	$ -	$ 234,887	$ 234,887
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Building Digitization Project	16GPB02

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
Temporary Records Specialist Sala	0109502420	5100100				$ 28,574	$ 28,574
Temporary Records Specialist Ben	0109502420	5200100				$ 6,313	$ 6,313
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 34,887**	**$ 34,887**
SUPPLIES & SERVICES							
Outside vendor to scan	0105405855	5410100		$ -		$ 200,000	$ 200,000
						$ -	$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 200,000**	**$ 200,000**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
Building Reserves RGG 0011 BLD	0100012420	5990501				$ 117,444	$ 117,444
Technology Reserves						$ 117,444	$ 117,444
		Total	**$ -**	**$ -**	**$ -**	**$ 234,887**	**$ 234,887**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Conversion of Temporary Plans Examiner to Regular (Ongoing)	16GPB03

DEPARTMENT	DIVISION	FUND
Planning & Building	Building	General

COUNCIL GOALS

Public Safety - Provide public safety through a community-based approach that focuses on prevention of problems and a timely response.

DESCRIPTION AND JUSTIFICATION

The Building division is requesting converting a vacant temporary Plans Examiner II, to an ongoing position due to the current economic climate. The temporary position is fully funded so no new revenue is necessary. As part of the 2014/2015 budget development, the Building Division submitted a service package for a temporary Plans Examiner II if the Park Place and Totem Lake redevelopment projects were to move forward. Although the Park Place and Totem Lake Mall projects are one time projects, they are both expected to span multiple years.

When we initially advertised the temporary Plans Examiner II position, we receive a very limited response due to the highly competitive job market. We reposted this position pending approval to convert it from temporary to on-going which resulted in receiving four strong candidates. The hiring process is currently stalled pending resolution of this conversion.

The Building Division has five regular examiners and one temporary examiner. The Division does not plan to convert the remaining temporary position to regular. All of the Building staff understand that the construction industry is volatile and all positions are subject to lay off if warranted by a decrease in construction activity.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED	1.00				
	2015		2016		
COST SUMMARY	Ongoing	One-Time	Ongoing	One-Time	Total
Personnel Services	$ -	$ -	$ 110,713	$ (110,713)	$ -
Supplies & Services	$ -	$ -	$ -	$ -	$ -
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ -**	**$ 110,713**	**$ (110,713)**	**$ -**
Expenditure Savings	$ -	$ -	$ -	$ 110,713	$ 110,713
Offsetting Revenue	$ -	$ -	$ 110,713	$ -	$ 110,713
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Conversion of Temporary Plans Examiner to Regular (Ongoing)	16GPB03

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
Plans Examiner II (salary)	0105405855	5100100			$ 74,164	$ (74,164)	$ -
Plans Examiner II (benefits)	0105405855	5200100			$ 36,549	$ (36,549)	$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ 110,713**	**$ (110,713)**	**$ -**
SUPPLIES & SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
Approved SP (salary)	0105405855	5100100				$ 74,164	$ 74,164
Approved SP (benefits)	0105405855	5200100				$ 36,549	$ 36,549
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 110,713**	**$ 110,713**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
Development Revenue	0100000000	3458301			$ 110,713		$ 110,713
							$ -
		Total	**$ -**	**$ -**	**$ 110,713**	**$ -**	**$ 110,713**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Houghton/Everest Neighborhood Center Plan	16GPB04
DEPARTMENT	**DIVISION**	**FUND**
Planning & Building	Policy and Planning	General

COUNCIL GOALS

Neighborhoods, Diverse Housing, Environment, Economic Development, Balanced Transportation

DESCRIPTION AND JUSTIFICATION

On September 16, 2014, the City Council adopted Resolution R-5067 regarding the review and update process for the Houghton/Everest Neighborhood Center. The resolution states that the City will initiate a formal public review and update process no later than January 15, 2016 with recommendations by the Planning Commission to be completed by October 31, 2016.

This service package is a request for consulting services to assist the City with that update within the time frame noted in the resolution. Such professional services could include public engagement events (e.g. professionally facilitated interactive workshops, charrettes, focus groups, etc.); urban and architectural design studies; and development feasibility analysis.

The study and plan update would be coordinated with the 6th Street South/Houghton Business District Corridor Study Capital Improvement Program Project (ST 0087 000).

Is this Service Package tied to a CIP Project? ☐ **No** ☑ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ -	$ 30,000	$ 30,000
Supplies & Services	$ -	$ -	$ -	$ -	$ -
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ -**	**$ -**	**$ 30,000**	**$ 30,000**
Expenditure Savings	$ -	$ -	$ -	$ (30,000)	$ (30,000)
Offsetting Revenue	$ -	$ -	$ -	$ -	$ -
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Houghton/Everest Neighborhood Center Plan	16GPB04

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
Professional Services	0105305851	5410100				$ 30,000	$ 30,000
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 30,000**	**$ 30,000**
SUPPLIES & SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
Professional services savings	0105305851	5410100				$ (30,000)	$ (30,000)
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ (30,000)**	**$ (30,000)**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Electrical/Building Inspector	
DEPARTMENT	**DIVISION**	**FUND**
Planning & Building	Building	General

COUNCIL GOALS

Public Safety - Provide public safety through a community-based approach that focuses on prevention of problems and a timely response.

DESCRIPTION AND JUSTIFICATION

This service package requests an additional inspector to help cover current workload. This specifically addresses current projects under construction (not Park Place and Totem Lake Mall, covered separately) and gets us a more manageable, normal daily inspection/inspector ratio.

2015 permit activity has exceeded 2014 activity by 8.8%, and the daily average inspections per inspector, has also increased by 9.3% causing our inspectors to average 17 inspections per day, per inspector. The 2013 Zucker Report recommends that "the average number of inspections per day per inspector fall within a range of between 10 and 15 per day." The trend is expected to continue. This service package provides resources to help maintain our current activity and allows us to continue to meet our customer service goals and inspection obligations. Also we have received a verbal notification that one of our inspectors has purchased a retirement home in Arizona and will be retiring in June of 2016. The recruitment and hiring process for an inspector could take between three to six months in this highly competitive construction industry.

The use of temporary employees, on-call employees and overtime are part of Building Services strategy for working through peak workload periods while minimizing the risk of layoffs during off-peak periods.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ 108,357	$ -	$ 108,357
Supplies & Services	$ -	$ -	$ 1,600	$ 32,900	$ 34,500
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ -**	**$ 109,957**	**$ 32,900**	**$ 142,857**
Expenditure Savings	$ -	$ -	$ -	$ -	$ -
Offsetting Revenue	$ -	$ -	$ 109,957	$ 32,900	$ 142,857
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Electrical/Building Inspector	0

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
Elec/Bldg Inspector (salary)	0105402420	5100100			$ 70,236	$ -	$ 70,236
Elec/Bldg Inspector (benefits)	0105402420	5200100			$ 38,121	$ -	$ 38,121
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ 108,357**	**$ -**	**$ 108,357**
SUPPLIES & SERVICES							
Computer, phone	0105402420	5350300				$ 4,000	$ 4,000
Vehicle	0105402420	5459202				$ 28,000	$ 28,000
Travel	0105402420	5430100			$ 400	$ -	$ 400
Training	0105402420	5490200			$ 400	$ -	$ 400
Code Books	0105402420	5310100				$ 500	$ 500
Communication	0105402420	5420100			$ 800	$ -	$ 800
Office furniture (chair)	0105402420	5350200				$ 400	$ 400
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ 1,600**	**$ 32,900**	**$ 34,500**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
Building permit fees		3221001			$ 109,957	$ 32,900	$ 142,857
							$ -
		Total	**$ -**	**$ -**	**$ 109,957**	**$ 32,900**	**$ 142,857**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Zoning Code "Charts to Tables" Streamlining Project - Phase 2	16GPB06
DEPARTMENT	**DIVISION**	**FUND**
Planning & Building	Policy and Planning	General Fund

COUNCIL GOALS

Implement the Development Services Organization Review recommendations - simplify the Zoning Code to further the goals of Economic Development and Neighborhoods.

DESCRIPTION AND JUSTIFICATION

This service package will allow completion of the Zoning Code reformatting project that was begun in 2014 as a result of the Zucker report and was identified on the 2013 - 2014 City Work Program. Staff and Code Publishing completed Phase 1 in February 2015. That phase included reformatting of approximately 2/3 of the previous Use Zone Charts into a table format. Phase 2 will include the same type of work for the remaining 1/3 of the charts and includes all of the named business districts. Phase 1 cost approximately $24,000 and Phase 2 will cost an additional $12,000. Phase 2 will begin in early 2016 and should take approximately six months to complete. Phase 2 of this project is included on the adopted 2015 - 2017 Planning Work Program. It was originally scheduled for the second half of 2015 but was delayed until the completion of Zoning Code amendments associated with the Totem Lake Business District.

The advantages of the reformatted code are:
1) Reduces volume of code by approximately 350 pages
2) Makes code more user friendly
3) Saves money on printing future supplements
4) Makes code easier to amend
5) Improves code searching capability – current PDF charts cannot be searched
6) Enables eNotes and Pop-up zoning definitions – cannot use these features with PDF charts.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ -	$ -	$ -
Supplies & Services	$ -	$ -	$ -	$ 12,000	$ 12,000
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ -**	**$ -**	**$ 12,000**	**$ 12,000**
Expenditure Savings	$ -	$ -	$ -	$ (12,000)	$ (12,000)
Offsetting Revenue	$ -	$ -	$ -	$ -	$ -
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Zoning Code "Charts to Tables" Streamlining Project - Phase 2	16GPB06

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
SUPPLIES & SERVICES							
Professional Services	0105305851	5410100		$ -		$ 12,000	$ 12,000
						$ -	$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 12,000**	**$ 12,000**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
Professional Services	0105305851	5410100				$ (12,000)	$ (12,000)
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ (12,000)**	**$ (12,000)**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
				$ -			$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Small Sweeper	16SPW01

DEPARTMENT	DIVISION	FUND
Public Works	Parking Facilities	Street Operating

COUNCIL GOALS

Dependable Infrastructure, Environment

DESCRIPTION AND JUSTIFICATION

Efforts are underway to improve parking in the downtown central business area. Currently, sweeping of the downtown parking garage is contracted out and done on a quarterly basis. There are several benefits to sweeping the garage more often, including the perceived appearance cleanliness brings and the environmental benefits. Power sweeping is the most cost effective method for removing paper, leaves, trash and other visible debris as well as unseen particles and hazardous waste products left by vehicles. This can also be used for sweeping along Park Lane and other confined or narrow spaces that are inaccessible for a regular sized sweeper. The festival configuration of Park Lane and the location within the downtown core business area draws a significant amount of pedestrian traffic; therefore, in order to maintain the aesthetic value, the roadway could be cleaned more often. The alternative is to continue with quarterly sweeping of the parking garage, and hand washing Park Lane. Street operating has under expenditures in their current budget that would accommodate this purchase. In addition, ongoing costs will be covered by additional parking revenue projected from the recent changes to paid parking.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ -	$ -	$ -
Supplies & Services	$ -	$ -	$ 11,374	$ -	$ 11,374
Capital Outlay	$ -	$ -	$ -	$ 70,000	$ 70,000
Total Service Package Cost	**$ -**	**$ -**	**$ 11,374**	**$ 70,000**	**$ 81,374**
Expenditure Savings	$ -	$ -	$ (1,500)	$ (70,000)	$ (71,500)
Offsetting Revenue	$ -	$ -	$ 9,874	$ -	$ 9,874
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Small Sweeper	16SPW01

			2015		2016		
Description	Org Key	Object	Ongoing	One-Time	Ongoing	One-Time	Total
PERSONNEL SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
SUPPLIES & SERVICES							
Fleet O&M	1172714265	5459201			$ 2,000		$ 2,000
Fleet RR	1172714265	5459202			$ 9,374		$ 9,374
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ 11,374**	**$ -**	**$ 11,374**
CAPITAL OUTLAY							
Small Sweeper	1172714265	5550100				$ 70,000	$ 70,000
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 70,000**	**$ 70,000**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
Contracted sweeping	1172714265	5450100			$ (1,500)		$ (1,500)
Parking Study (OST0014000)	1172344450	5410100				$ (20,000)	$ (20,000)
Prkg Imprvmnts(OPW1503 000)	1172344450	5410100				$ (50,000)	$ (50,000)
							$ -
		Total	**$ -**	**$ -**	**$ (1,500)**	**$ (70,000)**	**$ (71,500)**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
Parking Revenue	1170000000	3623001			$ 9,874		$ 9,874
							$ -
		Total	**$ -**	**$ -**	**$ 9,874**	**$ -**	**$ 9,874**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	CKC Maintenance Vehicle & Equipment Trailer	16SPW02
DEPARTMENT	**DIVISION**	**FUND**
Public Works	Public Grounds	Street Operating

COUNCIL GOALS

Dependable Infrastructure

DESCRIPTION AND JUSTIFICATION

In 2006, Public Works purchased an electric vehicle to supplement the needs of the Department. The vehicle was initially used to transport staff that performed water meter reading, however, as the vehicle aged, performance on hills and battery limitations of the vehicle led to the purchase of a standard gas powered vehicle for the water meter reader duties. The electric vehicle was surplused to the Public Grounds division and used primarily to service the downtown parking garage.

When the City purchased the Cross Kirkland Corridor (CKC), the electric vehicle was shifted to duties of CKC daily inspection. The vehicle has now reached the end of its service life and needs to be replaced. The purchase of a new generation electric vehicle, in this case a four wheel utility vehicle, would allow staff to carry tools and necessary supplies for stocking dog waste stations and making routine repairs and general maintenance needed along the CKC. The purchase of a new vehicle was included in the CKC maintenance plan, but not for three more years. This service package is necessary due to the failure of the existing vehicle.

A second component of this service package request is an equipment trailer. The Public Grounds crew currently utilizes a small service trailer for hauling tools and equipment used to maintain City facilities (City Hall, KJC, Fire Stations). The existing (dedicated) trailer was not sized to handle the larger rider mowers that are now employed by Public Grounds; this requires daily shifting of equipment from other trailers in order to transport the rider mowers. A dedicated larger capacity equipment trailer will allow the Public Grounds crew to perform their work more efficiently while also providing additional, secured storage for tools and equipment.

Is this Service Package tied to a CIP Project? C ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ -	$ -	$ -
Supplies & Services	$ -	$ -	$ 3,635	$ -	$ 3,635
Capital Outlay	$ -	$ -	$ -	$ 45,000	$ 45,000
Total Service Package Cost	**$ -**	**$ -**	**$ 3,635**	**$ 45,000**	**$ 48,635**
Expenditure Savings	$ -	$ -	$ -	$ (45,000)	$ (45,000)
Offsetting Revenue	$ -	$ -	$ -	$ -	$ -
Net Service Package Cost	**$ -**	**$ -**	**$ 3,635**	**$ -**	**$ 3,635**

2015-16 SERVICE PACKAGE REQUEST

TITLE	CKC Maintenance Vehicle & Equipment Trailer	16SPW02

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
SUPPLIES & SERVICES							
Fleet O&M - Trailer	5272711838	5459201			$ 1,200		$ 1,200
Fleet RR - Trailer	5272711838	5459202			$ 2,435		$ 2,435
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ 3,635**	**$ -**	**$ 3,635**
CAPITAL OUTLAY							
Gator for CKC Maint	1172714269	5550100				$ 25,000	$ 25,000
Trailer For Grounds Maint	1172734310	5550100				$ 20,000	$ 20,000
		Total	**$ -**	**$ -**	**$ -**	**$ 45,000**	**$ 45,000**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
Roadway Maint	1172714230	5340600				$ (45,000)	$ (45,000)
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ (45,000)**	**$ (45,000)**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ 3,635**	**$ -**	**$ 3,635**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Storm Water Pond Safety Improvements	16DPW01
DEPARTMENT	**DIVISION**	**FUND**
Public Works	Surface Water	Surface Water Utility

COUNCIL GOALS

Dependable Infrastructure, Environment

DESCRIPTION AND JUSTIFICATION

This request is to establish a source of funding to draw on when new fencing, lighting, locks, or signage is needed to secure storm water ponds for safety reasons. The fencing requirements for wet ponds are defined by the degree of slope along the edge of the pond. Sediment and pollutants accumulate in the pond and must be removed periodically. At times, removal of the sediment increases the slope along the edge of the pond to the extent that fencing may be needed to discourage people and pets from entering the storm pond. Funding will help the field staff respond to safety and security needs as they arise.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #** _____

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ -	$ -	$ -
Supplies & Services	$ -	$ -	$ -	$ 30,000	$ 30,000
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ -**	**$ -**	**$ 30,000**	**$ 30,000**
Expenditure Savings	$ -	$ -	$ -	$ -	$ -
Offsetting Revenue	$ -	$ -	$ -	$ 30,000	$ 30,000
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Storm Water Pond Safety Improvements	16DPW01

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
SUPPLIES & SERVICES							
Securing Ponds - Fencing	4212663835	5410100				$ 30,000	$ 30,000
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 30,000**	**$ 30,000**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
Working Capital	4212633832	5990400				$ 30,000	$ 30,000
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 30,000**	**$ 30,000**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Addition to Sewer Master Plan Scope - Inflow and Infiltration Study	16UPW01

DEPARTMENT	DIVISION	FUND
Public Works	Sewer	Sewer Utility

COUNCIL GOALS

Dependable Infrastructure, Environment

DESCRIPTION AND JUSTIFICATION

Inflow and Infiltration (I&I) is groundwater that enters the sewer system through cracked pipes, leaky manholes, or other failed infrastructure. I&I can cause sanitary sewer overflows and backups that release raw sewage into the environment. In addition, excess storm and ground water entering the sanitary sewer system through I&I results in increased wastewater treatment costs. King County plans to charge cities for I&I entering their system. This study would determine where in the City I&I is a problem and how to address it. In particular, a $21.6 M project for sewermain replacement west of Market Street is included in the unfunded portion of the 2015-2020 CIP. This study would help determine how to phase the project and possibly combine various methods of treatment (chemical grout, full pipe replacement, pipe bursting/replacement). This would be done as a supplement to the Sewer System Plan update currently underway. This is a one-time expense to be funded from utility fund balance.

Is this Service Package tied to a CIP Project? ☑ **No** ☐ **Yes** **CIP #**

NUMBER OF FTE's REQUESTED

COST SUMMARY	2015 Ongoing	2015 One-Time	2016 Ongoing	2016 One-Time	Total
Personnel Services	$ -	$ -	$ -	$ -	$ -
Supplies & Services	$ -	$ -	$ -	$ 41,000	$ 41,000
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Package Cost	**$ -**	**$ -**	**$ -**	**$ 41,000**	**$ 41,000**
Expenditure Savings	$ -	$ -	$ -	$ -	$ -
Offsetting Revenue	$ -	$ -	$ -	$ 41,000	$ 41,000
Net Service Package Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

2015-16 SERVICE PACKAGE REQUEST

TITLE	Addition to Sewer Master Plan Scope - Inflow and Infiltration Study	16UPW01

			2015		2016		
Description	**Org Key**	**Object**	**Ongoing**	**One-Time**	**Ongoing**	**One-Time**	**Total**
PERSONNEL SERVICES							
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
SUPPLIES & SERVICES							
I&I Study	4112513457	5410100				$ 25,000	$ 25,000
Flow monitors	4112513551	5340600				$ 16,000	$ 16,000
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 41,000**	**$ 41,000**
CAPITAL OUTLAY							
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							$ -
							$ -
							$ -
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CORRESPONDING OFFSETTING REVENUE (if applicable)							
Working Capital	4112533811	5990400				$ 41,000	$ 41,000
							$ -
		Total	**$ -**	**$ -**	**$ -**	**$ 41,000**	**$ 41,000**
		NET SERVICE PACKAGE REQUEST	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

ORDINANCE O-4508

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2015-2016.

WHEREAS, the City Council finds that the proposed adjustments to the Biennial Budget for 2015-2016 reflect revenues and expenditures that are intended to ensure the provision of vital municipal services at acceptable levels.

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

Section 1. The Mid-Biennial 2015 adjustments to the Biennial Budget of the City of Kirkland for 2015-2016 are adopted.

Section 2. In summary form, modifications to the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined are as follows:

Funds	Current Budget	Adjustments	Revised Budget
General	200,601,537	1,388,526	201,990,063
Lodging Tax	874,532	-	874,532
Street Operating	21,786,049	222,246	22,008,295
Cemetery Operating	888,646	-	888,646
Parks Maintenance	3,210,606	9,850	3,220,456
Parks Levy	5,689,921	-	5,689,921
Contingency	4,036,425	-	4,036,425
Impact Fees	7,398,384	2,822,700	10,221,084
Excise Tax Capital Improvement	22,192,787	-	22,192,787
Limited General Obligation Bonds	6,834,174	1,463,257	8,297,431
Unlimited General Obligation Bonds	1,449,743	-	1,449,743
General Capital Projects	40,995,414	9,420,071	50,415,485
Transportation Capital Projects	35,265,204	21,338,300	56,603,504
Water/Sewer Operating	60,816,693	-	60,816,693
Water/Sewer Debt Service	903,200	-	903,200
Utility Capital Projects	33,690,972	-	33,690,972
Surface Water Management	24,671,586	252,752	24,924,338
Surface Water Capital Projects	19,132,626	574,900	19,707,526
Solid Waste	34,292,594	-	34,292,594
Health Benefits	26,872,580	-	26,872,580
Equipment Rental	21,929,320	257,727	22,187,047
Information Technology	15,267,859	14,996	15,282,855
Facilities Maintenance	15,822,971	664,457	16,487,428
Firefighter's Pension	1,715,335	-	1,715,335
	606,339,158	38,429,782	644,768,940

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

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2015.

Signed in authentication thereof this _____ day of _____, 2015.

_____
MAYOR

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

Council Meeting: 12/08/2015
Agenda: Unfinished Business
Item #: 10. b.

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration
Tom Mikesell, Financial Planning Manager
George Dugdale, Senior Financial Analyst

Date: December 2, 2015

Subject: **FINAL 2016 PROPERTY TAX LEVY**

RECOMMENDATION:

Council receives an update on the status of the final property tax levy for 2016 and, if the final levy worksheet is received from the King County Assessor's Office by December 8, adopt a revised version of Ordinance O-4507 lowering the adopted property tax levy.

BACKGROUND DISCUSSION

At the November 17 Council Meeting, Council adopted Ordinance O-4500 setting the City's maximum allowable levy of $28,474,138, with an additional excess levy of $574,065. Council adopted ordinance O-4500 in order to meet the December 6 deadline established by the King County Council for submission of levy amounts. Ordinance O-4500 included a maximum amount since the County will allow submission of a final levy amount that is lower than the preliminary amount but not higher. Consequently, the preliminary property tax levy was set higher than the final levy would be.

The County estimated that the final levy worksheet would be available either by the last week of November or the first week of December. As noted at the November 17 Council meeting, staff intended to bring forward a new ordinance establishing the final, lower property tax levy amount at the December 8 Council meeting. As of this writing, the Assessor's Office has not finalized the City's levy worksheet and therefore staff is unable to accurately calculate the amount of the 2016 levy. To our knowledge, this circumstance has not occurred before. As a result, a placeholder Ordinance O-4507 is included with the figures to be filled in based on the final worksheet from King County shaded. If the final levy amount is available prior to December 8, then a revised Ordinance O-4507 lowering the levy adopted by Ordinance O-4500 will be provided for consideration.

If the final levy amount is not known by December 8, the City will work with the King County Assessor's Office to revise the Preliminary Levy adopted on November 17, and will update Council upon completion. Staff confirmed that some cities within King County pass an ordinance establishing a maximum allowable levy, and revise this administratively without passing a second ordinance, therefore this approach is feasible and ensures we capture the maximum allowable levy amount. However, in this case the actual final levy amount will be determined by King County based on their calculation of the levy limit and the City's preliminary ordinance amount would be superseded. Council would have the option of adopting a replacement ordinance at a later date memorializing the final amount.

ORDINANCE O-4507

AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2016, THE SECOND YEAR OF THE CITY OF KIRKLAND'S 2015-2016 FISCAL BIENNIUM AND REPEALING ORDINANCE 4500.

WHEREAS, the City Council previously held a public hearing on November 17, 2015, to consider amendments to the 2015-2016 Biennial Budget; and

WHEREAS, the City Council and the City Manager have considered the anticipated financial requirements of the City of Kirkland for the fiscal year 2016; and

WHEREAS, pursuant to RCW 35A.33.135, the City Council is required to determine and fix by ordinance the amount to be raised by ad valorem taxes; and

WHEREAS, on November 17, 2015, the City Council passed Resolution 5167, which made a finding of substantial need pursuant to RCW 84.55.0101, which authorizes a limit factor of 101 percent for the property tax levy for 2016; and

WHEREAS, on November 17, 2015, the City Council passed Ordinance 4500 which was the preliminary property tax levy; and

WHEREAS, the City Council wishes to repeal the preliminary property tax levy and pass the final tax levy based upon the most recent property tax levy data provided by King County; and

WHEREAS, RCW 84.55.120 requires that the increase in the levy over the prior year shall be stated both as to dollars and percentage.

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

Section 1. Ordinance 4500 passed November 17, 2015, is repealed.

Section 2. The regular property tax levy for the year 2016 is fixed and established in the amount of $XX,XXX,XXX. This property tax levy represents a dollar increase of $XXX,XXX and a percentage increase of 1.0 percent from the previous year, excluding the addition of new construction, improvements to property, any increase in state-assessed property, and administrative refunds as shown below:

	Amount
2016 Regular Levy	**XX,XXX,XXX**
Less 2015 Levy	XX,XXX,XXX
Less New Construction	XXX,XXX
Less Refunds	XX,XXX
Total Increase	**XXX,XXX**
Percent Increase	**1.00%**

Section 3. There is levied for 2016 upon all property, both real and personal, within the City of Kirkland, Washington, and within the area subject to tax levies for the principal and interest of all general obligation bond issues, a total voted property tax of $XXX,XXX on the total of assessed valuation for such property.

Section 4. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2015.

Signed in authentication thereof this _____ day of _____, 2015.

_____
MAYOR

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

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
Tom Mikesell, Financial Planning Manager
Neil Kruse, Senior Financial Analyst

Date: November 24, 2015

Subject: Adoption of the 2015 to 2020 Capital Improvement Program

RECOMMENDATION:

City Council approves the attached resolution adopting the 2015-2020 Capital Improvement Program (CIP).

BACKGROUND:

The Council was presented with the Preliminary 2015-2020 CIP at study sessions held on July 21 and August 3. In addition a public hearing was held on September 1, 2015. On November 17, 2015, Council was presented with the changes to the Preliminary 2015-2020 CIP reflecting Council direction and staff recommendations to that point. At that meeting, Council directed staff to finalize the 2015-2020 CIP and bring it forward for Council adoption on December 8, 2015.

Revisions to the funded 2015-2020 CIP since the last Council meeting include:

- Increased **General Parking Lot Improvements** project in the Transportation program from $600,000 to $820,000, funded from REET 1 Reserves, based on Council selection of funding option 3 as presented at the November 17th study session.

- Increased **City Hall Lower Level Demolitions** project in the General Government program from $68,000 to $90,000 to reflect higher costs estimates due to asbestos abatement, funded from Facilities Fund working capital.

- Increased **Annual Street Preservation Program One-Time-Project** in the Transportation program from $1,421,500 to $1,768,500, to recognize additional available resources from prior year project balances previously approved for use.

Revisions to the unfunded 2015-2020 CIP include:

- *Deletion of duplicate project/Housekeeping change* – Staff review revealed that an investment included as an unfunded project is duplicated by amounts in a funded project. The project cost of $3,201,000 for **100th Ave NE/NE 132nd Street Intersection Improvements (TR 0083)** , is already included as part of **100th Ave NE Roadway Improvements (ST 0083 102)** on the funded list. As such, TR 0083 can be removed from the unfunded list.

- *Deletion of outdated projects* – A final review of projects identified a set of projects that are not consistent with the current project selection criteria and level of service methodology for Transportation. These projects include:

  - TR 0084 – 100th Ave NE/NE 124th St Intersection Improvements: $2,230,000;
  - TR 0086 – NE 70th St/132nd St 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;

  Projects no longer required due to the revised Parkplace redevelopment scope:

  - TR 0090 – Lake Washington Blvd/NE 38th Place Intersection Imp: $500,000;
  - TR 0106 – 6th Street/7th Avenue Intersection Improvements: $89,400; and,
  - TR 0108 – NE 85th Street/124th Ave NE Intersection Improvements: $889,000.

  These projects have been deleted from the Transportation unfunded list.

At the November 17th presentation, staff indicated that a final reconciliation of the Transportation Master Plan (TMP) with the Transportation CIP was in progress, with the final adjustments to be brought back as part of final adoption. Reconciliation of the CIP with the TMP has occurred, and it largely involves further explanatory detail about the expanded purpose that is filled by the Transportation CIP. The relationship between the two plans can be generally characterized as fitting into one of the following categories:

- *Annual Programs Years 7-20* – A number of projects in the funded 6 year CIP are annual, ongoing projects that will extend beyond the six years funded in the CIP. Both the TMP and the CIP include these as funded projects in years 1-6. However, the TMP also includes $82,605,000 for these projects in years 7-20. In the past, the CIP has not included these annual projects on the unfunded list, so it was necessary to add them to the unfunded CIP list, increasing the Transportation CIP unfunded total by $82,605,000. It is important to note that funding for these programs in future years is expected to be available from projected sources.

- *Non-motorized placeholder candidate projects* – Both the TMP and unfunded CIP include projects that identify a pool of resources that can be deployed for specific projects to advance the defined purpose of the broader project. These projects include the **On-Street Bicycle Network Program (NM 8888 100)** and the **Sidewalk Completion Program (NM 9999 100)**. As a broad policy document, the TMP only includes the aggregate amounts in each placeholder. The CIP has been modified to show the aggregate amounts in the project lists and provide a separate list of potential candidate projects that are not included in the unfunded totals. This presentation avoids double counting the dollar amounts and recognizes that not all candidate projects will be able to be funded within existing resources.

- *Transportation Improvement Plan (TIP)/External Funding candidates* – In early 2016, the City Council will review the Transportation Improvement Plan (TIP). Distinct from the TMP and CIP, the Transportation Improvement Plan identifies transportation related projects which are, or may become, eligible for federal, state and/or local funding. State grants predominantly require that a project be included in the TIP to be eligible for funding. A number of projects are listed in the unfunded CIP based on their prospective inclusion in the TIP to be presented to Council in 2016, though they are not part of the current TMP. These projects are added to the list of External funding candidate projects that has been discussed above.

- The following table demonstrates the changes in the total Transportation Program from the Preliminary CIP presented on July 21. Changes include the revisions to funded and unfunded projects as presented on November 17, changes to funded projects and deletions of projects from the unfunded list as described above, and the addition of years 7-20 of funded annual programs to the unfunded list.

Preliminary Transportation CIP	**397,981,100**
November 17 Adjustments	34,581,400
Funded changes	567,000
Outdated Unfunded Projects	(15,397,000)
Duplicate Unfunded Project	(3,201,000)
Non-Motorized Placeholder Candidates	(23,993,500)
Annual Programs years 7-20	82,605,000
Housekeeping	100
Final Transportion CIP	**473,143,100**

The overall funded CIP totals $206,228,515 for the six-year period. A summary of the proposed CIP is included as Attachment A. The attached resolution adopts the Final 2015-2020 CIP. The table below summarizes the CIP by project category.

	6-Year Funded CIP	Unfunded Future City Revenues	External/New Revenues	Total CIP
Transportation	102,884,100	182,595,500	187,663,500	473,143,100
Parks	21,914,015	60,575,000	67,000,000	149,489,015
Public Safety	10,902,600	369,100	42,693,700	53,965,400
General Government				
Technology	7,765,700	2,238,700	-	10,004,400
Facilities	16,209,600	-	-	16,209,600
Subtotal	**159,676,015**	**245,778,300**	**297,357,200**	**702,811,515**
Surface Water Mgmt	13,600,900	21,767,000	-	35,367,900
Water/Sewer	32,951,600	43,160,000	21,681,000	97,792,600
Utilities Subtotal	**46,552,500**	**64,927,000**	**21,681,000**	**133,160,500**
Grand Total Proposed CIP	**206,228,515**	**310,705,300**	**319,038,200**	**835,972,015**
Preliminary CIP	**195,682,600**	**251,493,900**	**303,685,700**	**750,862,200**
Difference	**10,545,915**	**59,211,400**	**15,352,500**	**85,109,815**

City of Kirkland
2015-2020 Capital Improvement Program

TRANSPORTATION PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2015	2016	2017	2018	2019	2020	2015-2020 Total	Funding Sources					
										Current Revenue	Steet Levy	Impact Fees	Walkable Kirkland	Reserve	External/Pending Source
ST 0006	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	10,444,000				56,000	
ST 0006 002	Annual Street Preservation Program-One-time Project	200,500	1,768,500						1,768,500					847,000	921,500
ST 0006 003	*Street Levy Street Preservation*		*2,300,000*	*2,300,000*	*2,326,000*	*2,352,000*	*2,379,000*	*2,406,000*	*14,063,000*		*14,063,000*				
ST 0070+#	*120th Ave NE/Totem Lake Plaza Roadway Improvements*			*3,000,000*					*3,000,000*						*3,000,000*
ST 0080	*Annual Striping Program*		*350,000*	*400,000*	*400,000*	*500,000*	*500,000*	*500,000*	*2,650,000*	*2,650,000*					
ST 0083 101	*100th Avenue NE Roadway Design*		*1,065,200*	*2,144,000*					*3,209,200*	*45,000*		*544,200*			*2,620,000*
ST 0083 102	**100th Avenue NE Roadway Improvements**						**5,000,000**	**5,485,000**	**10,485,000**	**607,000**		**1,375,000**	**80,000**	**56,000**	**8,367,000**
ST 0087	**6th Street South Corridor Study**		**150,000**						**150,000**	**150,000**					
ST 0088	**Arterial Streetlight LED Conversion**			**900,000**					**900,000**					**900,000**	
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*				
NM 0006 200	*Street Levy-Pedestrian Safety*		*150,000*	*150,000*	*150,000*	*150,000*	*150,000*	*150,000*	*900,000*		*900,000*				
NM 0006 201	**Neighborhood Safety Program Improvements**		**200,000**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**	**1,200,000**				**1,200,000**		
NM 0007+	*Cross Kirkland Corridor Connection-NE 52nd Street Sidewalk*			*682,000*	*454,900*				*1,136,900*					*100,000*	*1,036,900*
NM 0012	*Crosswalk Upgrade Program*		*70,000*				*50,000*	*50,000*	*170,000*	*170,000*					
NM 0012 001	**NE 116th Street Crosswalk Upgrade**				**200,000**	**230,000**			**430,000**	**394,000**			**36,000**		
NM 0012 002	**NE 124th Street Crosswalk Upgrade**			**80,000**					**80,000**	**-**				**80,000**	
NM 0012 003	**132nd Avenue NE Crosswalk Upgrade**					**250,000**			**250,000**	**250,000**					
NM 0024 301	**King County Eastside Rail Acquisition in North Kirkland**					**300,000**	**300,000**		**600,000**	**600,000**					
NM 0057	*Annual Sidewalk Maintenance Program*		*200,000*	*200,000*			*200,000*	*200,000*	*800,000*	*732,600*				*67,400*	
NM 0084	*South Kirkland TOD/CKC Multi-Modal Connection*	*246,000*	*2,021,400*	*132,600*					*2,154,000*	*25,400*				*924,600*	*1,204,000*
NM 0086 001	**NE 124th St/124th Ave NE Pedestrian Bridge Design**			**750,000**	**750,000**				**1,500,000**	**575,000**		**741,100**	**90,800**	**93,100**	
NM 0086 002	**NE 124th St/124th Ave NE Pedestrian Bridge Construction**				**4,060,000**	**7,300,000**			**11,360,000**	**826,000**		**3,276,800**			**7,257,200**
NM 0087+	*Citywide School Walk Route Enhancements*			*1,000,000*	*864,200*	*869,000*	*450,000*	*400,000*	*3,583,200*	*363,000*	*450,000*		*348,200*	*1,572,000*	*850,000*
NM 0087 001	**North Kirkland/JFK School Walk Route Enhancments**						**500,000**	**500,000**	**1,000,000**	**14,600**	**300,000**		**100,000**		**585,400**
NM 0089+	*Lake Front Pedestrian and Bicycle Improvements*		*106,400*	*893,600*					*1,000,000*			*11,000*			*989,000*
NM 0090+	*Juanita Drive 'Quick Wins'*		*200,800*	*485,800*	*663,400*				*1,350,000*			*62,600*			*1,287,400*
NM 0090 001+	**Juanita Drive Multi-Modal (On-Street) Improvements**							**500,000**	**500,000**	**75,000**		**225,000**		**200,000**	
NM 0092	**Active Transportation Plan Update**				**75,000**				**75,000**	**75,000**					
NM 0095	**124th Avenue NE Sidewalk Improvements**			**420,000**	**630,000**				**1,050,000**	**578,620**		**41,780**	**200,000**	**229,600**	
NM 0098	**Kirkland Way Sidewalk Improvements**					**2,120,000**			**2,120,000**	**420,000**				**500,800**	**1,199,200**
NM 0109	**Citywide Trail Connections (Non-CKC)**							**275,000**	**275,000**			**275,000**			
NM 0109 001	**Finn Hill Connections**					**250,000**			**250,000**			**125,000**	**125,000**		
NM 0109 002	**Lake Front Promenade Design Study**							**75,000**	**75,000**	**75,000**					
NM 0110	**Citywide Accessibility Transition Plan**			**50,000**					**50,000**					**50,000**	
NM 0110 001	**Citywide Accessibility Improvements**					**100,000**	**100,000**	**100,000**	**300,000**	**100,000**			**100,000**	**100,000**	
NM 0113	**Citywide Greenways Networks**							**250,000**	**250,000**	**-**		**125,000**	**-**	**125,000**	
NM 0113 001	**Citywide Greenways Network Project-NE 75th Street**			**250,000**	**250,000**				**500,000**	**50,000**		**407,500**	**-**	**42,500**	
NM 0113 002	**Citywide Greenways Network Project-128th Avenue NE**					**400,000**	**400,000**		**800,000**	**182,000**			**70,000**	**98,000**	**450,000**
NM 0114	**CKC Bridge Connecting to Houghton Shopping Center**		**175,000**						**175,000**					**175,000**	
NM 0115	**CKC Emergent Projects Opportunity Fund**			**100,000**					**100,000**					**100,000**	
NM 0116	**Rose Hill Pedestrian Path**		**100,000**						**100,000**					**100,000**	
PT 0001 000	**Citywide Transit Study**		**-**		**300,000**				**300,000**	**150,000**		**150,000**		**-**	
PT 0001 100	**Sound Transit 3 Project Study**		**250,000**						**250,000**	**-**		**-**		**250,000**	
TR 0079 001#	**NE 85th St/114th Ave Intersection Improvements Phase II**				**1,800,000**				**1,800,000**	**-**				**-**	**1,800,000**
TR 0082+#	*Central Way/Park Place Center Traffic Signal*				*200,000*				*200,000*	*-*				*-*	*200,000*
TR 0099+#	*120th Ave/Totem Lake Way Intersection Improvements*			*2,845,500*					*2,845,500*	*-*				*-*	*2,845,500*
TR 0100 100+#	*6th Street & Central Way Intersection Improvements Phase 2*				*1,866,800*				*1,866,800*	*-*					*1,866,800*
TR 0103+#	*Central Way/4th Street Intersection Improvements*				*31,000*				*31,000*	*-*					*31,000*
TR 0104+#	*6th Street/4th Ave Intersection Improvements*				*580,000*				*580,000*	*-*					*580,000*
TR 0105+#	*Central Way/5th Street Intersection Improvements*				*564,000*				*564,000*	*-*					*564,000*
TR 0109+#	*Totem Lake Plaza/Totem Lake Blvd Intersection Imprv.*			*1,500,000*					*1,500,000*	*-*					*1,500,000*
TR 0110+#	*Totem Lake Plaza/120th Ave NE Intersection Imprv.*			*1,500,000*					*1,500,000*	*-*					*1,500,000*
TR 0116	**Annual Signal Maintenance Program**			**150,000**	**150,000**	**150,000**	**200,000**	**200,000**	**850,000**	**200,000**				**650,000**	
TR 0117	**Citywide Traffic Management Safety Improvements**				**100,000**	**100,000**	**100,000**	**100,000**	**400,000**	**-**				**400,000**	
TR 0117 001	**Flashing Yellow Signal Head Safety Improvements**			**50,000**					**50,000**	**-**				**50,000**	
TR 0117 002	**Vision Zero Safety Improvement**			**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**250,000**	**50,000**				**200,000**	
TR 0117 003	**Neighborhood Traffic Control**			**50,000**		**50,000**		**50,000**	**150,000**	**34,000**				**116,000**	
TR 0118	**General Parking Lot Improvements**			**720,000**	**100,000**				**820,000**	**-**				**820,000**	
TR 0119	**Kirkland Citywide Intelligent Transportation System Study**				**75,000**				**75,000**	**35,000**				**40,000**	
TR 0120	**Kirkland Intelligent Transportation System Phase 3**					**450,000**	**450,000**	**450,000**	**1,350,000**	**81,400**			**50,000**	**85,000**	**1,133,600**
TR 0122	**Totem Lake Intersection Improvements**			**6,000,000**					**6,000,000**	**-**		**3,000,000**			**3,000,000**
Total Funded Transportation Projects		**446,500**	**11,089,300**	**28,835,500**	**18,672,300**	**17,653,000**	**12,861,000**	**13,773,000**	**102,884,100**	**20,444,620**	**15,863,000**	**10,359,980**	**2,400,000**	**9,028,000**	**44,788,500**

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TRANSPORTATION PROJECTS

Unfunded Projects in the Capital Facilities Plan Years 7-20

Project Number	Project Title	Total
ST 0059	124th Ave NE Roadway Improvements (North Section)	10,000,000
ST 0063	120th Avenue NE Roadway Improvements	4,500,000
ST 0072	NE 120th Street Roadway Improvements (West Section)	15,780,600
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 0089	**Juanita Drive Auto Improvements**	**6,600,000**
PT 0002	**Public Transit Speed and Reliability Improvements**	**500,000**
PT 0003	**Public Transit Passenger Environment Improvements**	**500,000**
TR 0091	NE 124th St/124th Ave NE Intersection Improvements	1,598,000
TR 0092	NE 116th St/124th Ave NE N-bound Dual Lft Turn Lanes	1,375,000
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 0125	**Kirkland ITS Implementation Phase 4**	**2,620,000**
NM 0012 999	Crosswalk Upgrade Program	4,100,000
NM 0086-003	**CKC Roadway Crossings**	**3,370,100**
NM 0090-100	**Juanita Drive Bicycle and Pedestrian Improvements**	**10,650,000**
NM 0113 999	**Citywide Greenway Network**	**4,450,000**
NM 8888 100~	**On-street Bicycle Network**	**4,400,000**
NM 9999 100~	**Sidewalk CompletionProgram**	**6,096,800**
Capacity Projects Subtotal		**88,625,500**
ST 0006 ^	Annual Street Preservation Program	26,250,000
ST 0006 003 ^	Street Levy Street Preservation	36,000,000
ST 0080 ^	Annual Striping Program	7,500,000
ST 9999 ^	Regional Inter-Agency Coordination	1,230,000
NM 0006 201 ^	Neighborhood Safety Program Improvements	3,000,000
NM 0057 ^	Annual Sidewalk Maintenance Program	3,000,000
TR 0116 ^	Annual Signal Maintenance Program	3,000,000
TR 0117 ^	Citywide Traffic Management Safety Improvements	1,500,000
TR 0117 002	Vision Zero Safety Improvement	750,000
TR 0117 003	Neighborhood Traffic Control	375,000
Non-Capacity Projects Subtotal		**82,605,000**
Total Transportation Master Plan Projects Yrs 7-20		**171,230,500**

Unfunded Projects in the Capital Facilities Plan Years 7-20 and Transportation Improvement Plan

NM 0024 201	Cross Kirkland Corridor Opportunity Fund	500,000
NM 0031	Crestwoods Park/CKC Corridor Ped/Bike Facility	2,505,000
NM 0080	Juanita-Kingsgate Pedestrian Bridge at I-405	4,500,000
NM 0081	*CKC to Redmond Central Connector*	*1,500,000*
NM 0106	**Citywide CKC Connection**	**360,000**
NM 0107	**CKC to Downtown Surface Connection**	**2,000,000**
Capital Facilities Projects Not in TMP Subtotal		**11,365,000**

Unfunded Transportation Improvement Plan/External Funding Candidates

Project Number	Project Title	Total
ST 0056	132nd Avenue NE Roadway Improvements	25,170,000
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 Improvements	10,000,000
ST 0064	124th Avenue NE Roadway Extension	30,349,000
ST 0073	120th Avenue NE Roadway Extension	16,392,000
ST 0086	Finn Hill Emergency Vehicle Access Connection	900,000
NM 0030	NE 90th Street/I-405 Pedestrian/Bicycle Overpass	3,740,700
NM 0032	93rd Avenue Sidewalk	1,047,900
NM 0043	NE 126th St Nonmotorized Facilities	4,277,200
NM 0046	18th Avenue SW Sidewalk	2,255,000
NM 0050	NE 80th Street Sidewalk	859,700
NM 0054	13th Avenue Sidewalk	446,700
NM 0055	122nd Ave NE Sidewalk	866,700
NM 0058	111th Avenue Non-Motorized/Emergency Access Connection	2,000,000
NM 0062	19th Avenue Sidewalk	814,200
NM 0074	90th Ave NE Sidewalk	353,400
NM 0086	*Cross Kirkland Corridor Non-motorized Improvements*	*65,742,000*
TR 0067	Kirkland Way/CKC Bridge Abutment/Intersection Imprv	6,917,000
TR 0114	Slater Avenue NE Traffic Calming - Phase I	247,000
TR 0123	**Slater Avenue NE (132nd Avenue NE)/NE 124th Street**	**2,124,000**
TR 0124	**116th Avenue NE/NE 124th Street Intersection Improvements**	**1,081,000**
Subtotal Unfunded Transportation Improvement Plan /External Funding Candid		**187,663,500**
Grand Total Unfunded Transportation Projects		**370,259,000**

Potential Non-Motorized Projects Under Placeholders; Not Included in Totals

Project Number	Project Title	Total
~NM 8888 100 On-Street Bicycle Network Candidate Projects:		
NM 0001	116th Ave NE (So. Sect.) Non-Motorz'd Facil-Phase II	3,378,000
NM 0036	NE 100th Street Bike lane	1,644,300
NM 9999 100 Sidewalk Completion Program Candidate Projects:		
NM 0048	NE 60th Street Sidewalk	500,000
NM 0026	NE 90th Street Sidewalk (Phase II)	706,200
NM 0037	130th Avenue NE Sidewalk	833,600
NM 0045	NE 95th Street Sidewalk (Highlands)	571,500
NM 0047	116th Avenue NE Sidewalk (South Rose Hill)	840,000
NM 0049	112th Ave NE Sidewalk	527,600
NM 0061	NE 104th Street Sidewalk	1,085,000
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	840,000
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 0088	NE 124th Street Sidewalk	376,000
NM 0097	132nd NE Sidewalk	732,000
NM 0101	7th Avenue Sidewalk	208,000
NM 0102	NE 120th Street Sidewalk	548,000
NM 0103	120th Avenue NE Sidewalk	556,000
NM 0104	NE 122nd Place/NE 123rd Street Sidewalk	1,294,000
NM 0105	120th Avenue NE Sidewalk	812,000

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^=Future, unfunded portion of projects funded in years 1-6

~= Annual Programs with Candidate projects

City of Kirkland
2015-2020 Capital Improvement Program

SURFACE WATER MANAGEMENT UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2015	2016	2017	2018	2019	2020	2015-2020 Total	Funding Source			
										Current Revenue	Reserve	Debt	External Source
SD 0047	*Annual Replacement of Aging/Failing Infrastructure*		*200,000*		*200,000*	*200,000*	*200,000*	*200,000*	*1,000,000*	*1,000,000*			
SD 0048	*Cochran Springs / Lake Washington Blvd Crossing Enh.*	*520,000*	*971,500*	*478,500*					*1,450,000*	*1,450,000*			
SD 0049+	*Forbes Creek/108th Ave NE Fish Passage Imp*						*230,400*	*179,600*	*410,000*	*410,000*			
SD 0063+	*Everest Creek - Slater Ave at Alexander St*							*360,000*	*360,000*	*360,000*			
SD 0067	*NE 129th Place/Juanita Creek Rockery Repair*	*115,500*	*370,000*						*370,000*	*132,100*			*237,900*
SD 0076	*NE 141st Street/111th Avenue NE Culvert Repair*	*181,500*		*76,100*	*683,900*				*760,000*	*760,000*			
SD 0077	*Goat Hill Storm Drainage Repair*	*153,700*	*168,000*	*672,000*					*840,000*	*840,000*			
SD 0078	*Billy Creek Ravine Stabilization Phase II*	*87,600*	*43,000*	*187,000*					*230,000*	*230,000*			
SD 0081	Neighborhood Drainage Assistance Program (NDA)		50,000		50,000		50,000		150,000		150,000		
SD 0084+	*Market St, Central to 12th Ave*						*224,000*	*696,000*	*920,000*	*920,000*			
SD 0086	**99th Place NE Stormwater Pipe Replacement**		**390,000**						**390,000**	**2,000**	**388,000**		
SD 0087	**Silver Spurs Flood Reduction**				**70,000**				**70,000**	**70,000**			
SD 0088	**Comfort Inn Pond Modifications**			**407,000**	**240,000**				**647,000**	**310,000**			**337,000**
SD 0089	**NE 142nd Street Surface Water Drainage Improvements**				**160,000**				**160,000**	**160,000**			
SD 0090	**Goat Hill Drainage Ditch and Channel Stabilization**					**320,000**			**320,000**	**320,000**			
SD 0091	**Holmes Point Drive Pipe Replacement**		**40,000**	**260,400**	**199,600**				**500,000**	**500,000**			
SD 0092	**Juanita Creek Culvert**				**140,600**	**519,400**			**660,000**	**660,000**			
SD 0093	**Pleasant Bay Apartments Line Replacement**				**106,900**	**203,100**			**310,000**	**310,000**			
SD 0094	**NE 114th Place Stormline Replacement**						**260,000**		**260,000**	**260,000**			
SD 0095	**NE 141st Street Stormwater Pipe Installation**					**170,000**			**170,000**	**170,000**			
SD 0096	**CKC Emergent Projects Surface Water Opportunity Fund**			**100,000**					**100,000**		**100,000**		
SD 0097	**Champagne Creek Stabilization**					**339,500**	**440,500**		**780,000**	**780,000**			
SD 0098	**Champagne Creek Stormwater Retrofit**					**120,000**			**120,000**	**120,000**			
SD 0099	**Goat Hill Drainage Conveyance Capacity**						**259,200**	**370,800**	**630,000**	**630,000**			
SD 0100	**Brookhaven Pond Modifications**						**301,900**	**313,600**	**615,500**	**615,500**			
SD 0105	**Property Acquisition Opportunity Fund**			**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**250,000**		**250,000**		
SD 0106	**CKC Surface Water Drainage at Crestwoods Park Permitting Study**		**40,000**						**40,000**	**40,000**			
SD 0106 001	**CKC Surface Water Drainage at Crestwoods Park Design/Construction**			**300,000**	**700,000**				**1,000,000**		**500,000**		**500,000**
SD 8888	*Annual Streambank Stabilization Program*		*44,200*						*44,200*	*44,200*			
SD 9999	*Annual Surface Water Infrastructure Replacement Program*		*44,200*						*44,200*	*44,200*			
Total Funded Surface Water Management Utility Projects		**1,058,300**	**2,360,900**	**2,531,000**	**2,601,000**	**1,922,000**	**2,016,000**	**2,170,000**	**13,600,900**	**11,138,000**	**1,388,000**	**0**	**1,074,900**

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SURFACE WATER MANAGEMENT UTILITY PROJECTS

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*	*10,000,000*
SD 0050	NE 95th Street/126th Avenue NE Flood Control Measures	55,900
SD 0051"	*NE 95th Street/126th Avenue NE Flood Control Measures*	*1,290,900*
SD 0052	Forbes Creek/Slater Avenue Embankment Stabilization	139,700
SD 0053"	*Forbes Creek/Coors Pond Channel Grade Controls*	*424,200*
SD 0054	Forbes Creek/Cross Kirkland Corridor 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 0058"	*Surface Water Sediment Pond Reclamation (Phase II)*	*851,000*
SD 0061	Everest Park Stream Channel/Riparian Enhancements	1,095,500
SD 0062	Stream Flood Control Measures at Kirkland Post Office	345,400
SD 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 0085 001	**Cross Kirkland Water Quality**	**920,000**
SD 0107	**132nd Square Park Stormwater Retrofit Project**	**4,510,000**
Subtotal Unfunded Surface Water Management Utility Projects		**21,855,400**
Funding Available from Annual Programs for Candidate Projects		***88,400***
Net Unfunded Surface Water Management Utility Projects		**21,767,000**

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City of Kirkland
2015-2020 Capital Improvement Program

WATER/SEWER UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2015	2016	2017	2018	2019	2020	2015-2020 Total	Funding Source			
										Current Revenue	Reserve	Debt	External Source
WA 0102	*104th Ave NE Watermain Replacement*						*525,000*	*161,000*	*686,000*	*686,000*			
WA 0115 001	**Water System Telemetry Upgrade**		**200,000**						*200,000*	*200,000*			
WA 0134	*5th Ave S / 8th St S Watermain Replacement*							*553,000*	*553,000*	*553,000*			
WA 0150	6th Street Watermain Replacement	372,500	148,000						148,000	148,000			
WA 0151	7th Avenue S Watermain Replacement	325,000	53,000						53,000	53,000			
WA 0152	4th Street Watermain Replacement		467,000						467,000	440,000			
WA 0153	**3rd Street Watermain Improvement**			**440,000**	**317,000**				**757,000**	**757,000**			
WA 0154	**4th Street Watermain Replacement Phase 2**			**290,000**	**174,000**				**464,000**	**464,000**			
WA 0155	**120th Avenue NE Watermain Improvement**				**437,000**	**273,000**			**710,000**	**710,000**			
WA 0156	**122nd Avenue NE Watermain Improvement**				**505,600**	**190,400**			**696,000**	**696,000**			
WA 0157	**8th Avenue W Watermain Improvement**					**421,800**	**288,200**		**710,000**	**710,000**			
WA 0158	**NE 112th Street Watermain Improvement**						**365,000**		**365,000**	**365,000**			
WA 0159	**NE 113th Place Watermain Improvement**					**373,000**			**373,000**	**373,000**			
WA 0160	**126th Avenue NE Watermain Improvement**							**990,000**	**990,000**	**990,000**			
WA 0161	**Kirkland Way Watermain Replacement**		**90,000**	**310,000**					**400,000**	**310,000**	**90,000**		
WA 0162	**LWB Watermain Replacement at Cochran Springs**		**260,000**						**260,000**		**260,000**		
WA 0163	**2nd Street South Watermain Replacement**		**290,000**						**290,000**		**290,000**		
WA 8888	*Annual Watermain Replacement Program*		*359,400*						*359,400*		*359,400*		
WA 9999	*Annual Water Pump Station/System Upgrade Pgm*		*359,400*						*359,400*		*359,400*		
SS 0051+	*6th Street S Sewermain Replacement*							*884,000*	*884,000*	*884,000*			
SS 0052+	*108th Avenue NE Sewermain Replacement*				*865,800*	*2,861,800*	*1,624,400*		*5,352,000*	*4,652,800*	*699,200*		
SS 0062+	*NE 108th Street Sewermain Replacement*					*766,000*	*3,677,200*	*1,966,800*	*6,410,000*	*5,708,400*	*701,600*		
SS 0069+	*1st Street Sewermain Replacement*			*958,900*	*2,861,100*				*3,820,000*	*2,420,000*	*1,400,000*		
SS 0070+	*5th Street Sewermain Replacement*			*419,500*	*864,500*				*1,284,000*	*1,284,000*			
SS 0071+	*6th Street Sewermain Replacement*			*287,000*					*287,000*	*287,000*			
SS 0072+	*Kirkland Avenue Sewermain Replacement*							*850,000*	*850,000*	*850,000*			
SS 0073	*Rose Point Sewer Lift Station Replacement*		*1,450,000*	*1,110,000*					*2,560,000*	*2,560,000*			
SS 0078	5th Avenue S Sewermain Replacement	188,900	38,000						38,000	38,000			
SS 0079	*3rd Avenue S & 2nd Street S Sewermain Replacement*		*865,400*	*361,600*					*1,227,000*	*1,227,000*			
SS 0082+	*3rd & Central Way Sanitary Sewer Crossing*			*300,000*					*300,000*	*300,000*			
SS 8888	*Annual Sanitary Pipeline Replacement Program*		*549,400*						*549,400*	*528,800*	*20,600*		
SS 9999	*Annual Sanitary Pump Station/System Upgrade Pgm*		*549,400*						*549,400*	*528,800*	*20,600*		
Total Funded Water/Sewer Utility Projects		**886,400**	**5,679,000**	**4,477,000**	**6,025,000**	**4,886,000**	**6,479,800**	**5,404,800**	**32,951,600**	**28,723,800**	**4,200,800**	**0**	**0**

Notes

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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 0139	6th Street S Watermain Replacement	785,000
WA 0145"	*6th Street South Watermain Replacement*	*585,100*
WA 0146	6th Street/Kirkland Way Watermain Replacement	693,000
WA 0147	106th Avenue NE Watermain Replacement	661,500
WA 0149	***Lake Washington Blvd Watermain Replacement***	***655,000***
SS 0068	124th Avenue NE Sewermain Replacement	1,315,000
SS 0077	West Of Market Sewermain Replacement	21,681,000
SS 0080"	*20th Avenue Sewermain Replacement"*	*812,000*
SS 0083	**111th Avenue NE Sewer Main Rehabilitation**	**725,000**
SS 0084	**Reclaimed Water (Purple Pipe) Opportunity Fund**	**5,000,000**
Subtotal Unfunded Water/Sewer Utility Projects		**66,658,600**
Funding Available from Annual Programs for Candidate Projects		***1,817,600***
Net Unfunded Water/Sewer Utility Projects		**64,841,000**

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City of Kirkland
2015-2020 Capital Improvement Program

PARK PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2015	2016	2017	2018	2019	2020	2015-2020 Total	Funding Source				
										Current Revenue	Park Levy	Reserve	Impact Fees	External Source
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*	*75,000*	*75,000*	*350,000*	*300,000*			*50,000*	
PK 0087 100	*Waverly Beach Park Renovation*	*739,000*	*818,015*						*818,015*		*75,000*	*643,015*		*75,000*
PK 0087 101+	*Waverly Beach Park Renovation Phase 2*						*250,000*	*1,000,000*	*1,250,000*		*873,000*		*377,000*	
PK 0119 002	*Juanita Beach Park Development Phase 2*				*100,000*	*1,208,000*			*1,308,000*	*678,000*			*130,000*	*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*		*125,000*	*75,000*	*75,000*	*75,000*	*75,000*	*75,000*	*500,000*	*450,000*				50,000
PK 0123	**Peter Kirk Pool Liner Replacement**			**125,000**					**125,000**			**125,000**		**0**
PK 0133 100	*Dock & Shoreline Renovations*		*175,000*	*250,000*			*250,000*	*250,000*	*925,000*		*925,000*			
PK 0133 200	*City-School Playfield Partnership*		*850,000*		*500,000*	*500,000*			*1,850,000*		*1,000,000*			850,000
PK 0133 300	*Neighborhood Park Land Acquisition*				*750,000*	*750,000*	*750,000*	*734,000*	*2,984,000*		*2,250,000*		*734,000*	
PK 0133 400	*Edith Moulton Park Renovation*	*200,000*	*600,000*	*200,000*					*800,000*		*600,000*		*200,000*	
PK 0133 401	**Edith Moulton Park Renovation Phase 2**			**1,115,000**					**1,115,000**	**135,000**	**200,000**	**0**	**780,000**	
PK 0134	*132nd Park Playfields Renovation*	*75,000*	*509,600*	*127,400*					*637,000*	*509,600*			*127,400*	
PK 0135 200	**Juanita Heights Park Expansion**			**200,000**					**200,000**			**200,000**		
PK 0138	*Everest Park Restroom/Storage Building Replacement*	*75,000*					*708,000*		*708,000*	*708,000*				
PK 0139 200	**Totem Lake Park Master Plan & Development (Phase I)**	**120,000**	**125,000**	**535,000**	**1,084,000**				**1,744,000**	**660,000**			**584,000**	**500,000**
PK 0139 300	**Totem Lake Park Development Phase 2**					**800,000**	**1,000,000**	**1,000,000**	**2,800,000**				**2,800,000**	
PK 0146	**CKC North Extension Trail Development**					**250,000**	**750,000**		**1,000,000**				**1,000,000**	
PK 0147	**Parks Maintenance Center**					**250,000**	**500,000**	**750,000**	**1,500,000**	**1,425,000**			**75,000**	
Total Funded Park Projects		**1,209,000**	**3,552,615**	**3,677,400**	**2,559,000**	**3,883,000**	**4,358,000**	**3,884,000**	**21,914,015**	**4,865,600**	**7,123,000**	**########**	**6,857,400**	**1,975,000**

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PARK PROJECTS

Unfunded Projects:

Project Number	Project Title	Total
PK 0056 100	**Forbes Lake Park Trail Improvements Phase 2**	**4,000,000**
PK 0095 100	Heritage Park Development - Phase III & IV	2,500,000
PK 0097	Reservoir Park Renovation	500,000
PK 0108	McAuliffe Park Development	7,000,000
PK 0114	Mark Twain Park Renovation	750,000
PK 0114 101"	*Mark Twain Park Renovation (Design)*	*75,000*
PK 0116	*Lee Johnson Field Artificial Turf Installation*	*1,750,000*
PK 0119 200	Juanita Beach Park Development (Phase 3)	10,000,000
PK 0122 100	*Community Recreation Facility Construction*	*67,000,000*
PK 0124"	*Snyder's Corner Park Site Development*	*1,000,000*
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 0131"	*Park and Open Space Acquisition Program*	*3,000,000*
PK 0133 100	*Dock & Shoreline Renovations*	*2,000,000*
PK 0135 100	**Juanita Heights Park Expansion**	**1,000,000**
PK 0136	Kingsgate Park Master Planning and Park Development	1,150,000
PK 0139 101	Totem Lake Park Acquisition	3,000,000
PK 0139 400	**Totem Lake Park Development - Phase 3**	**13,000,000**
PK 0141 000	**South Norway Hill Park Improvements**	**750,000**
PK 0142 000	**Doris Cooper Houghton Beach Park Restroom Replacement**	**850,000**
PK 0143 000	**Marsh Park Restroom Replacement**	**700,000**
PK 0144 000	**Cedar View Park Improvements**	**150,000**
PK 0145 000	**Environmental Education Center**	**2,000,000**
Total Unfunded Parks Projects		**127,575,000**

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City of Kirkland
2015-2020 Capital Improvement Program

PUBLIC SAFETY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2015	2016	2017	2018	2019	2020	2015-2020 Total	Funding Source		
										Reserve	Debt	External Source
FIRE												
PS 0062	*Defibrillator Unit Replacement*							*176,900*	*176,900*	***176,900***		
PS 0066	*Thermal Imaging Cameras*						*76,500*		*76,500*	*76,500*		
PS 0076	*Personal Protective Equipment*						*573,100*		*573,100*	*573,100*		
PS 0078	**Power Cots**		**234,300**						**234,300**	**138,500**		**95,800**
PS 0080	**Emergency Generators**			**60,000**		**60,000**		**60,000**	**180,000**	**180,000**		
PS 2000	*Fire Equipment Replacement*		*26,100*	*46,700*	*19,500*	*55,700*	*20,900*	*25,000*	*193,900*	*193,900*		
POLICE												
PS 1000	*Police Equipment Replacement*		*144,000*	*118,200*	*92,200*	*77,500*	*71,500*	*177,500*	*680,900*	***680,900***		
FACILITIES												
PS 3001	**Fire Station 25 Renovation**				**3,787,000**				**3,787,000**	**3,787,000**		
PS 3002	**Fire Station 24 Property Acquisition**			**2,500,000**					**2,500,000**	**2,500,000**		
PS 3003	**Fire Station 27 Property Acquisition**				**2,500,000**				**2,500,000**	**2,500,000**		
Total Funded Public Safety Projects		**0**	**404,400**	**2,724,900**	**6,398,700**	**193,200**	**742,000**	**439,400**	**10,902,600**	**10,806,800**	**0**	**95,800**

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Public Safety Unfunded Projects:

Project Number	Project Title	Total
FIRE		
PS 0068	Local Emergency/Public Communication AM Radio	119,100
POLICE		
PS 1200	**Police Strategic Plan Implementation**	***250,000***
FACILITIES		
PS 3002 002	**Fire Station 24 Replacement**	**10,133,300**
PS 3004	**Fire Station 21 Expansion & Remodel**	**3,885,400**
PS 3005	**Fire Station 22 Expansion & Remodel**	**5,812,600**
PS 3006	**Fire Station 26 Expansion & Remodel**	**6,763,900**
PS 3007	**Fire Station 27 Replacement**	**16,098,500**
Total Unfunded Public Safety Projects		**43,062,800**

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City of Kirkland
2015-2020 Capital Improvement Program

GENERAL GOVERNMENT PROJECTS - Technology

Funded Projects:

Project Number	Project Title	Prior Year(s)	2015	2016	2017	2018	2019	2020	2015-2020 Total	Funding Source		
										Reserves/ Prior Yr	Debt	External Source
IT 0100	*Network Server Replacements*		*36,000*	*23,800*	*164,500*	*57,000*	*36,000*	*60,000*	*377,300*	*377,300*		
IT 0110	*Network Infrastructure*		*49,000*	*46,600*	*51,100*	*47,600*	*114,000*	*896,600*	*1,204,900*	*1,204,900*		
IT 0120	*Network Storage, Backup & Archiving*		*18,400*	*20,100*	*80,000*	*1,099,400*		*18,400*	*1,236,300*	*1,236,300*		
IT 0130	*Network Phone Systems*		*395,000*					*251,500*	*646,500*	*646,500*		
IT 0140	*Network Security*			*55,000*		*75,000*	*30,000*	*30,000*	*190,000*	*190,000*		
IT 0200	*Geographic Information Systems*		*250,000*	*275,000*	*275,000*	*285,000*	*285,000*	*285,000*	*1,655,000*	*1,655,000*		
IT 0402	*Financial System Replacement*					*150,000*	*-*		*150,000*	*150,000*		
IT 0500	*Copier Replacements*		*72,000*	*15,000*	*39,000*	*30,500*	*34,000*	*34,600*	*225,100*	*225,100*		
IT 0601	Help Desk System Replacement Phase 2		66,000						66,000	*66,000*		
IT 0702	*EAM Maintenance Management System Replacement*	*177,600*	*639,700*	*422,300*	*205,600*				*1,267,600*	*1,267,600*		
IT 0802	*Recreation Registration System Replacement*			*83,000*					*83,000*	*83,000*		
IT 0903	Wireless in Parks Phase 2		200,000						200,000	-		200,000
IT 0904	**Council Chamber Video System**		**464,000**						**464,000**	*464,000*		
Total Funded General Gov. Projects - Technology		**177,600**	**2,190,100**	**940,800**	**815,200**	**1,744,500**	**499,000**	**1,576,100**	**7,765,700**	**7,565,700**	**0**	**200,000**

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Technology Unfunded Projects:

Project Number	Project Title	Total
IT 0201	**GIS Community Information Portal**	**100,000**
IT 0301	**Open Data Solution Implementation**	**229,800**
IT 0302	**Paperless Court Systems**	**217,400**
IT 0303	**Sharepoint and Trim Upgrade**	**176,000**
IT 0402	*Financial System Replacement*	*1,286,300*
IT 0602	*Business Intelligence/Standard Reporting Tool*	*132,200*
IT 0701	Fleet Management Systems Replacement	80,000
IT 0902	*Customer Relationship Management System*	*17,000*
Total Unfunded General Government Projects - Technology		**2,238,700**

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City of Kirkland
2015-2020 Capital Improvement Program

GENERAL GOVERNMENT PROJECTS - Facilities

Funded Projects:

Project Number	Project Title	Prior Year(s)	2015	2016	2017	2018	2019	2020	2015-2020 Total	Funding Source			
										Current Revenue	Reserve	Debt	External Source
GG 0008	*Electrical, Energy Management & Lighting Systems*		*49,400*	*10,000*		*39,000*	*49,000*		*147,400*		*147,400*		
GG 0009	*Mechanical/HVAC Systems Replacements*		*-*		*177,000*	*229,000*	*199,000*	*79,000*	*684,000*		*684,000*		
GG 0010	*Painting, Ceilings, Partition & Window Replacements*		*119,500*	*111,000*	*174,000*	*166,000*	*28,000*	*76,000*	*674,500*		*674,500*		
GG 0011	*Roofing, Gutter, Siding and Deck Replacements*			*32,000*	*379,000*	*142,000*		*75,000*	*628,000*		*628,000*		
GG 0012	*Flooring Replacements*		*91,700*	*21,000*	*73,000*	*69,000*	*41,000*	*210,000*	*505,700*		*505,700*		
GG 0035 100	*City Hall Renovation*	*2,050,000*	*9,700,000*						*9,700,000*		*2,446,738*	*5,753,262*	*1,500,000*
GG 0035 201	**City Hall Furnishings**		**600,000**						**600,000**		**600,000**		
GG 0035 202	**Council Chamber/Lobby Furnishings**		**180,000**						**180,000**		**-**		
GG 0035 300	**City Hall Lower Level Demolition**		**90,000**						**90,000**		**-**		
GG 0037 002	*Maintenance Center Expansion*	*1,500,000*	*3,000,000*						*3,000,000*		*3,000,000*	*-*	*-*
Total Funded General Government Projects - Facilities		**3,550,000**	**13,830,600**	**174,000**	**803,000**	**645,000**	**317,000**	**440,000**	**16,209,600**	**-**	**8,686,338**	**5,753,262**	**1,500,000**

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RESOLUTION R-5176

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE 2015-2020 SIX-YEAR CAPITAL IMPROVEMENT PROGRAM FOR THE CITY OF KIRKLAND.

WHEREAS, during the 2015-2016 Biennial Budget Process the City Council adopted an update to the Six-Year Capital Improvement Program for the years 2013-2018; and

WHEREAS, updates to citywide long-range plans, including the Kirkland 2035 Comprehensive Plan, were completed in 2015; and

WHEREAS, the results of these citywide planning efforts impact the City of Kirkland's future capital infrastructure needs; and

WHEREAS, the City Council delayed the full review of a new Six-Year Capital Improvement Plan to 2015 to provide a better opportunity to balance available resources with needs emerging from these planning efforts; and

WHEREAS, the City Manager together with the department heads for the City of Kirkland have prepared and recommended to the City Council a Six-Year Capital Improvement Program for the years 2015-2020 based on the results from these citywide planning processes.

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

Section 1. The Kirkland City Council adopts and approves the 2015-2020 Six-Year Capital Improvement Program including capital improvement projects as attached and incorporated by this reference.

Section 2. Actual appropriation of funds to carry out each scheduled year's capital improvements shall be made as a part of the 2015-2016 mid-biennial budget adjustments for such years.

Section 3. The Six-Year Capital Improvement Program adopted shall be reviewed and updated biennially to provide an ongoing Six-Year Capital Improvement Program.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
MAYOR

Attest:

_____
City Clerk

Council Meeting: 12/08/2015
Agenda: Unfinished Business
Item #: 10. d.

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
Thang Nguyen, Transportation Engineer
Kathy Brown, Public Works Director

Date: November 19, 2015

Subject: Adopting Transportation Concurrency Revision

RECOMMENDATION:

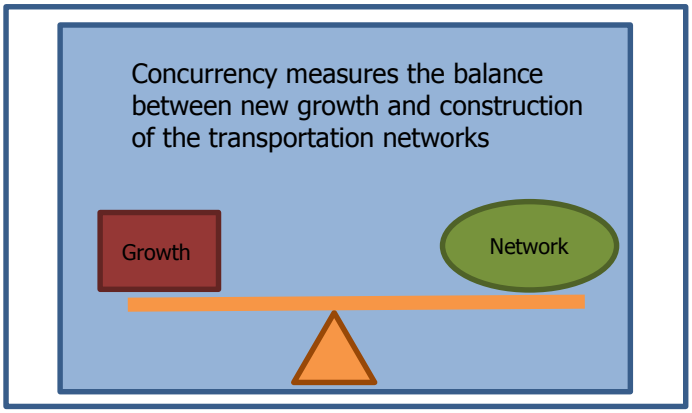
It is recommended that the City Council adopt an ordinance modifying Title 25 - Concurrency, of the Kirkland Municipal Code.

BACKGROUND DISCUSSION:

With the adoption of the 2015 Comprehensive Plan update and its revised Transportation Element, a revised transportation concurrency policy that reflects the goals and policies in the new element is needed. On October 20, 2015, Council received a briefing, accompanied by a draft ordinance, on proposed revisions to the transportation concurrency system. Council was supportive of the course of action that was proposed and directed staff to bring back a final ordinance for adoption.

A summary of key points from the October 20, staff memo is provided below, and the entire memo is included as Attachment A to this memo.

Concurrency is required by the Growth Management Act. The purpose of concurrency is to ensure that land use development and construction of the transportation network are concurrent so that facilities are provided in step with new growth. Improving the City's concurrency system has been a goal since the opportunity for improvement was raised by the Transportation Commission in 2010.



Concurrency is not intended to decide whether or not development projects are "good" or "bad," but rather, whether or not the number of new trips is being permitted at approximately the same rate at which transportation capacity is being added. Furthermore, concurrency will not decide whether or not the capacity being provided is the "right type" of capacity. This is

decided when the 20 year transportation capital project list is created and compared to the land use plan, and the level of service provided by that combination is accepted.

Vehicular level of service at signalized intersections is the basis of the City's current concurrency system. An intersection's performance can be calculated with information from the proposed development and characteristics of that intersection. Performance of intersections is averaged for each of four subareas and compared to a standard[1]. If the standard is met, then the development project passes concurrency. This system requires fairly complicated forecasting before a determination of concurrency can be made.

The proposed system equates the number of new trips expected over the next 20 years with the cost of providing added capacity to the transportation network across all modes of transportation. Added multimodal transportation network capacity is contained in the 20 year transportation capital project list, which is formally adopted by the City Council as a component of the City's Capital Facilities Plan (CFP). Equating the number of new trips to the added capacity in the CFP provides an expression of capacity spending needed per new trip allowed, and establishes dollars spent as a measure of project completion. When the new system begins, the number of trips available will be based on the six year funded Capital Improvement Program (CIP). A webpage will be created where the current trip balance is readily available, along with the results of individual project tests, the appeal process and other information about concurrency.

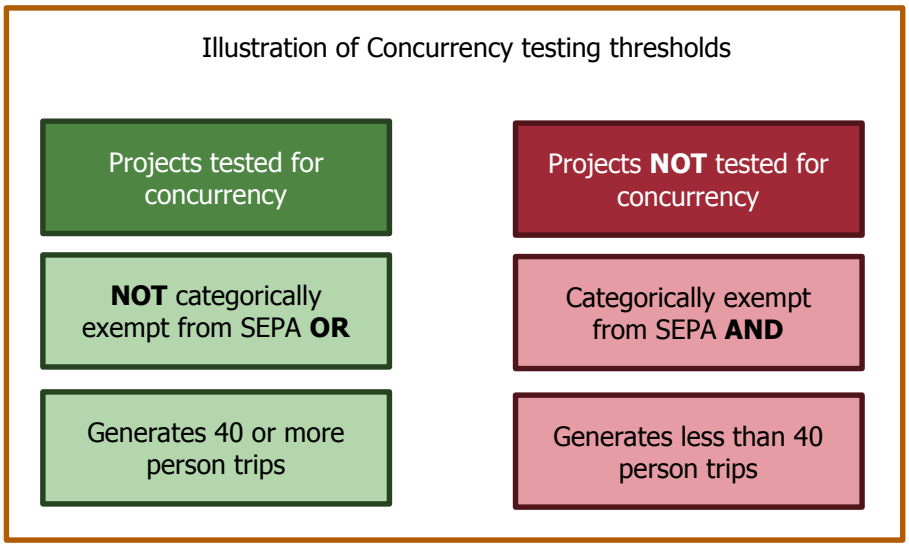
When a developer proposes a new project, the number of person trips that a project will generate can be estimated based on the size and type of land uses proposed, using the same techniques that are used for impact fees. The concurrency test for a project is passed if there are more trips available in the current balance of trips than are estimated to be used by the proposed project. As more projects pass concurrency, the balance of trips will be drawn down.

One of the objectives in the management of concurrency is to make sure that trips are available for new development. In the unlikely event that not enough trips for a specific development are available at the time of the concurrency test, a developer has three options:

1. Scale back the project so that fewer trips are generated.
2. Wait for more projects from the CFP to be funded to allow more trip capacity.
3. Fund a project or projects from the CFP so that the balance of available trips is greater than the number of trips needed by the development.

[1] There are two standards for passing concurrency: 1) a subarea standard that compares conditions with the project to an average of intersections; and, 2) a maximum standard that prohibits any intersection from performing too poorly, regardless of the subarea average.

Currently, not all development projects are subject to concurrency review. With the introduction of a new system, the sizes of projects that must pass concurrency is revised. Note that having a threshold under which some development is not subject to concurrency in effect ensures that development below the threshold can take place on a property even if no trips remain in the available balance for concurrency. Because concurrency works with person trips, it makes sense to move to a person trip-based threshold. Person trips can be estimated given proposed land use type and size.



Currently, projects that are categorically exempt from SEPA are not subject to concurrency. The proposed ordinance modifies this requirement to also include testing of any project that generates more than 40 person trips. This combination would test all projects not categorically exempt from SEPA and all the higher trip generating uses that are categorically exempt from SEPA.

Although no changes in the appeal process are being proposed, in order to bring more consistency to the concurrency test noticing process, staff is recommending that the noticing process for concurrency be separated from SEPA noticing. The noticing for concurrency would be fairly simple; through posting on a webpage dedicated to concurrency. Appellants would have 14 days after the test results are posted to appeal concurrency decisions to the hearing examiner. A listserve will be created so that parties interested in tracking concurrency results would know when information on the website is updated.

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
Thang Nguyen, Transportation Engineer
Kathy Brown, Public Works Director

Date: October 8, 2015

Subject: Transportation Concurrency Revision

RECOMMENDATION:

It is recommended that the City Council receive a briefing and give direction on the transportation concurrency approach outlined in this memo and review the draft ordinance that would modify Title 25 -Concurrency, of the Kirkland Municipal Code.

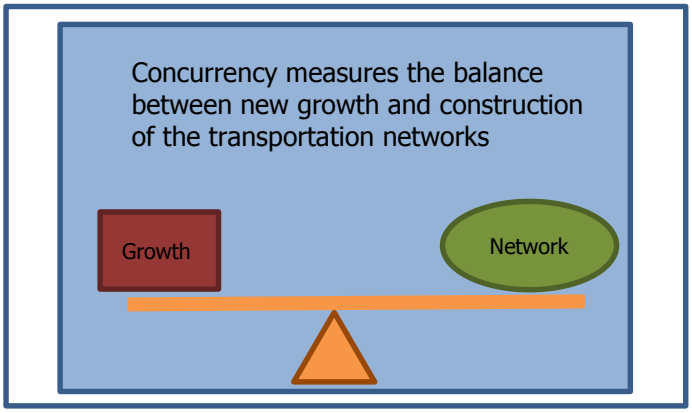
BACKGROUND DISCUSSION:

Introduction

With the adoption of the new Comprehensive Plan and its revised Transportation Element, a revised transportation concurrency policy, that reflects the goals and policies in the new element, is needed. This memo discusses the new concurrency approach in general and gives recommendations for Council consideration around several program details. A proposed ordinance (Attachment 1) codifying the change is included.

Council has received several briefings on a revised Concurrency program in connection with the Transportation Master Plan, the latest of which was on February 17 of this year.

Concurrency is required by the Growth Management Act. The purpose of concurrency is to ensure that land use development and construction of the transportation network are concurrent so that facilities are provided in step with new growth. Improving the City's concurrency system has been a goal since the opportunity for improvement was raised by the Transportation Commission in 2010.



Concurrency is not intended to decide whether or not development projects are "good" or "bad," but rather, whether or not the number of new trips is being added at approximately the same rate at which transportation capacity is being added. Furthermore, concurrency will not

decide whether or not the capacity being provided is the "right type" of capacity. This is decided when the 20 year transportation capital project list is created and compared to the land use plan, and the level of service provided by that combination is accepted.

Overview of the current system
Vehicular level of service at signalized intersections is the basis of the City's current concurrency system. New trips from proposed land use developments are forecasted and modeled onto the transportation network. The number of cars turning right, left or going straight at all signalized intersections is estimated. With that volume forecast and characteristics of the intersection, an intersection's performance can be calculated. Performance of intersections is averaged for each of four subareas and compared to a standard[1]. If the standard is met, then the development project passes concurrency.

Developers of projects that fail concurrency have three general choices: scale back the project impact, construct mitigation, and/or wait for the City to construct projects that add capacity.

A drawback to the current system is the need for fairly complicated forecasting before a determination of concurrency can be made. This means that it is difficult to understand how much capacity is left for new development at any given time. Also, the measure used for intersection performance, called volume to capacity ratio, is not easily understood. Finally, with its sole focus on auto capacity at traffic signals, the current concurrency system does not support the multi-modal nature of the revised Transportation Master Plan.

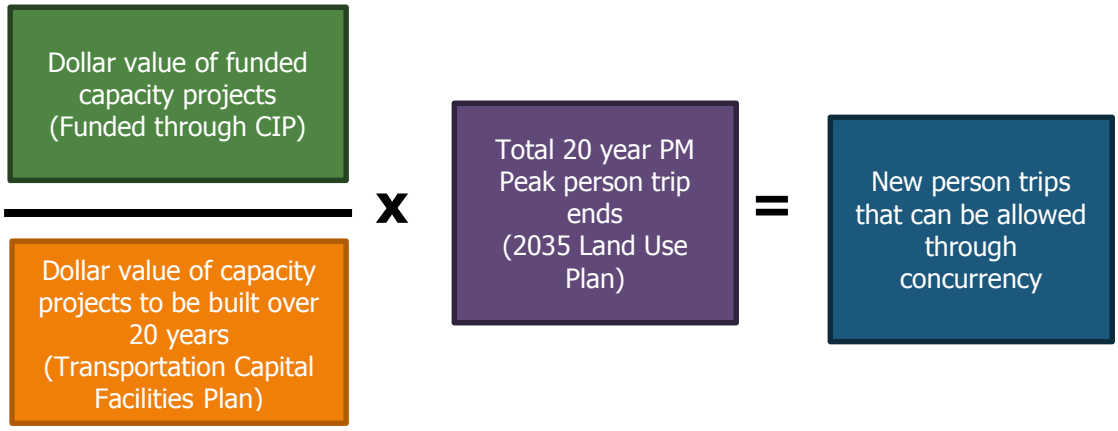
Overview of the proposed system
The future system equates the number of new trips expected over the next 20 years with the cost of providing added capacity to the transportation network across all modes of transportation. Added multimodal transportation network capacity is contained in the 20 year transportation capital project list, which is formally adopted by the City Council as a component of the City's Capital Facilities Plan (CFP). Equating the number of new trips to the added capacity in the CFP provides an expression of capacity spending needed per new trip allowed, and establishes dollars spent as a measure of project completion. Trips are subtracted from the available balance when new development projects are approved and trips are added to the balance when capacity projects are funded. A ledger system can be set up where the number of available trips is readily apparent. A webpage will be created where the current trip balance is readily available, along with the results of individual project tests, the appeal process and other information about concurrency.

One of the advantages of the new system is its simplicity. It's clear to developers, staff and the public how many trips are available for development at any given time. This allows anyone to understand the implications of a development to concurrency, and it streamlines the development review process.

Details of the proposed system
Trips available for new growth
As described above, as construction of the transportation CFP list is accomplished, new growth can be allowed by the concurrency system. The greater the fraction of the CFP that is

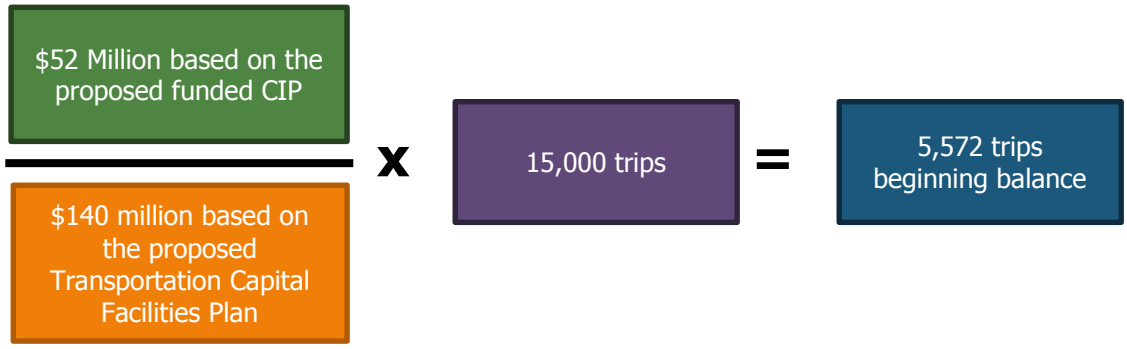
[1] There are two standards for passing concurrency: 1) a subarea standard that compares conditions with the project to an average of intersections; and, 2) a maximum standard that prohibits any intersection from performing too poorly, regardless of the subarea average.

completed, the greater the number of the 15,000 new trips expected over 20 years can be accommodated from new growth at a given point in time. The illustration below shows this relationship.



When the new system begins, the amount in the green box (dollar value of funded projects) will be based on the six year funded Capital Improvement Program (CIP). As more projects are funded in the future, a higher amount of funding will accumulate in the green box and more trips will be allowed.

Considering the transportation capacity project budgets in the proposed 2015-2020 CIP and the proposed CFP, starting January 2016[2], the number of trips that are available will be 5,572 as shown in the blue box (beginning balance):



As more projects are funded through future CIP's the amount in the green box will increase and the number of trips allowed will grow beyond the beginning balance.

How trips are "used up"

When a developer proposes a new project, the number of person trips that a project will generate can be estimated based on the size and type of land uses proposed, using the same techniques that are used for impact fees. Table 1 below from the latest transportation impact fee rate study, shows examples of person trip rates for selected land uses. A more complete list of land uses and person trip rates is shown in Table 4.

[2] These numbers will be finalized when the CIP and CFP are adopted later this year.

The concurrency test for a project is passed if there are more trips available in the current balance of trips than are estimated to be used by the proposed project. As more projects pass concurrency, the balance of trips will be drawn down.

Table 1 Person trip rates for selected land uses.

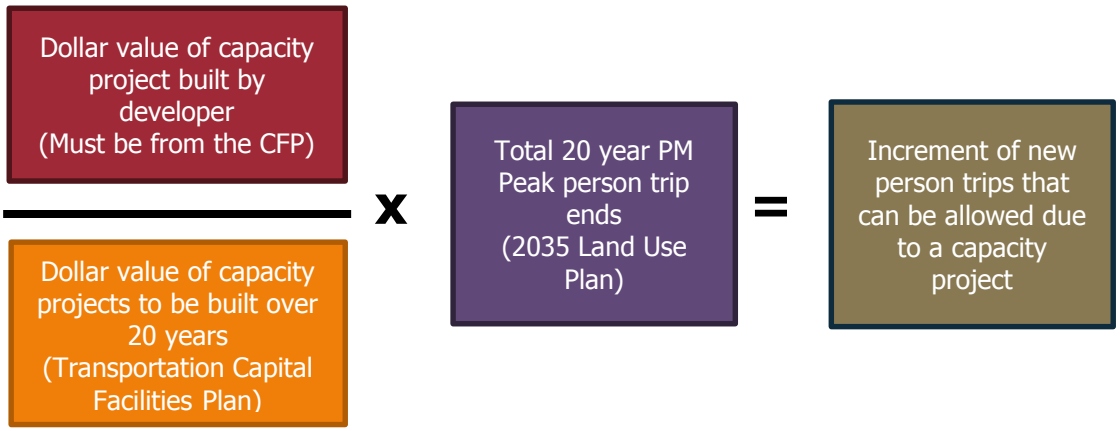
Land Uses	Unit of Measure	ITE Land USE Code	Vehicle Trip Rate	Person Trip Rate
Residential				
Detached Housing	dwelling	210	1.00	1.45
Attached and Stacked Housing	dwelling	220,221,230,233	0.57	0.83
Commercial - Restaurant				
Quality Restaurant	sq ft/GFA	931	7.49	9.14
High-Turnover Restaurant	sq ft/GFA	932	9.85	12.02
Fast Food Restaurant w/o drive thru	sq ft/GFA	933	26.15	31.90
Fast Food Restaurant w drive thru	sq ft/GFA	934	32.65	39.83
Commercial - Restaurant				
Quality Restaurant	sq ft/GFA	931	7.49	9.14
High-Turnover Restaurant	sq ft/GFA	932	9.85	12.02
Fast Food Restaurant w/o drive thru	sq ft/GFA	933	26.15	31.90
Fast Food Restaurant w drive thru	sq ft/GFA	934	32.65	39.83
Industrial				
Light Industry/High Technology	sq ft/GFA	110	0.97	1.06
Industrial Park	sq ft/GFA	130	0.85	0.93
Warehousing/Storage	sq ft/GFA	150	0.32	0.35
Commercial - Office				
General Office Building	sq ft/GFA	710	1.49	1.76
Medical Office/Clinic	sq ft/GFA	720	3.57	4.21
Commercial - Retail				
Shopping Center	sq ft/GLA	820	3.71	4.53

What if all the trips are used up?

One of the objectives in the management of concurrency is to make sure that trips are available for new development. In the unlikely event that not enough trips for a specific development are available at the time of the concurrency test, a developer has three options:

1. Scale back the project so that fewer trips are generated.
2. Wait for more projects from the CFP to be funded to allow more trip capacity.
3. Fund a project or projects from the CFP so that the balance of available trips is greater than the number of trips needed by the development.

If a developer chose Option 3, to fund a particular project from the Transportation Capital Facilities Program, the number of trips added to the available balance (tan box) is equal the value of the project built (red box) divided by the total value of the CFP (gold box) multiplied by the number of trips planned for over 20 years (purple box).



This means that the higher the cost of the project built, the more trips become available. For example, if a developer were to build a lower cost sidewalk project, it would supply fewer trips to the balance than a more expensive road project. Because projects in the CFP are unlikely to generate exactly the number of trips needed for a specific development proposal, it is likely that if a developer were to choose to build a project to supply trips to meet concurrency, such a project would provide more trips than are required for that development. Under the proposed new concurrency approach, the developer would not get a credit for those extra trips that the project provides. Providing credits for trip "surplus" associated with a developer choosing to build a project from the CFP would simply be too complex to track.

Thresholds for development projects that are subject to concurrency.
Currently, not all development projects are subject to concurrency review. With the introduction of a new system, the sizes of projects that must pass concurrency should be revisited; several options are explained below. Note that having a threshold under which some development is not subject to concurrency in effect ensures that development below the threshold can take place on a property even if no trips remain in the available balance for concurrency. Because concurrency works with person trips, it makes sense to move to a person trip-based threshold. Person trips can be estimated given proposed land use type and size. Four options for setting a threshold for concurrency testing are described below.

SEPA Threshold
Currently, projects that are categorically exempt from SEPA are not subject to concurrency. This is in part because the current concurrency system requires fairly complicated calculations like those that would be prepared in a traffic study required for a SEPA evaluation. The Washington Administrative Code allows cities to establish threshold levels within a range of values. Kirkland's thresholds are within these ranges and are shown in Table 2:

Table 2 SEPA Exemption levels

ID	Type of construction	Kirkland's threshold level for categorical exemptions from SEPA	Estimate of person trips for selected land uses at threshold level of development
A	The construction or location of any residential structures	20 or fewer dwelling units. (Subdivisions, more than 9 lots, are not exempt)	Detached, 29
			Attached and stacked, 17
			Senior, 8
B	The construction of an office, school, commercial, recreational, service or storage building and with associated parking facilities	20,000 sq. ft. or fewer & parking for 40 or fewer automobiles	General office, 21
			Shopping Center, 54
			Fast food restaurant w/drive through, 159
			Supermarket, 139
			Church, 8
			Drive in bank, 356
C	The construction of a parking lot designed for forty or fewer automobiles not associated with a structure	40 or fewer automobiles	Not available
D	Any fill or excavation throughout the total lifetime of the fill or excavation and any excavation, fill or grading necessary for an exempt project in (A), (B), or (C).	500 cubic yards or fewer or any excavation, fill, or grading necessary for an exempt project listed in A-C above	Not available

Person trip rates for selected land uses at SEPA categorical exemption threshold levels are shown in the last column of Table 2 above. A more complete list of person trips generated at SEPA categorical exemption thresholds are shown in the blue shaded column of Table 4 titled Person Trips at SEPA categorical exemption size. The SEPA thresholds result in a wide range of person trip rates from 8 for senior housing to 356 trips for a drive-in bank. While it is not likely that a new 12,000 sq. ft. drive in bank would be proposed, it is included to show the range of possible person trip generation.

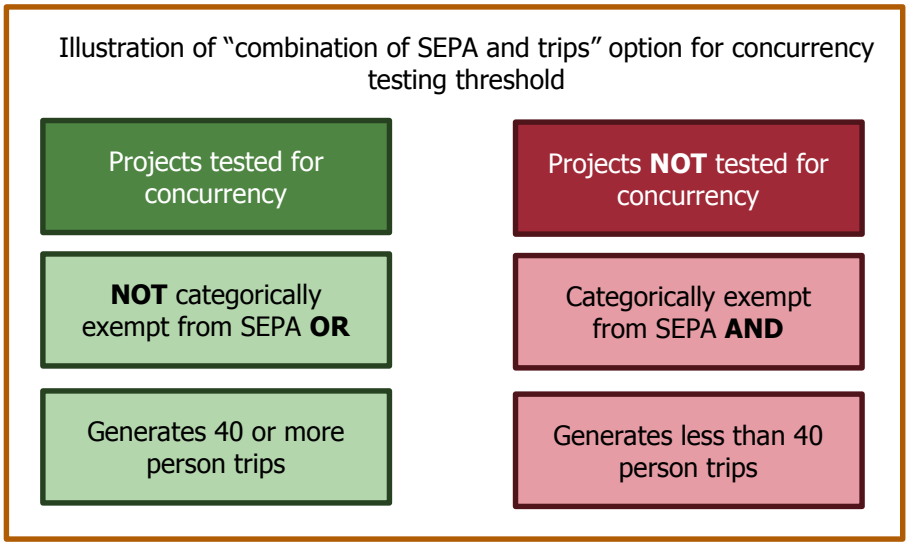
Person trips

In addition to the SEPA threshold for determining developments that are subject to concurrency, a person trip based criteria could also be used. It's reasonable to say that any project proposed to generate more than a certain fraction of the anticipated annual trips should be required to pass a concurrency test. 15,000 new PM peak person trip ends are anticipated over the next 20 years, or an average of 750 person trips per year. A threshold for concurrency testing of 40 person trips, or 5.3% of the anticipated annual trip ends is a reasonable starting point given that any impact of more than 5% is important to track. Table 4 shows the size of various development types that would be generate 40 PM peak person trips in the orange shaded column titled Size of Development producing 40 person trips.

Combination of SEPA and trips

It is logical to conduct concurrency on any project for which a SEPA categorical exemption is not given because projects subject to the higher level of review required for SEPA should also have a corresponding level of scrutiny for concurrency. However, using only the 40 person trip threshold, it is possible that a project would not go through both processes. For example a

48,000 sq. ft. church would generate only 32 PM peak hour person trips placing it outside categorical exemption but generating fewer than 40 person trips. Blending the SEPA threshold and person trip threshold requires any project that is not categorically exempt from SEPA to be tested for concurrency as well. (See illustration at right.) It would also require testing of any project that generates more than 40 person trips. This combination would test all projects not categorically exempt from SEPA and all the higher trip generating uses that are categorically exempt from SEPA, whichever threshold is less would dictate the testing for concurrency. Staff recommends this option for the concurrency threshold and the draft ordinance in Attachment 1 reflects this option.



Test all projects

The last threshold option described here would be to not have a threshold, i.e., test all developments regardless of size. Staff does not recommend this option because it would be a burden to small developments, would not allow any development on properties when there are no trips left in the concurrency balance and because attempting to track each trip is beyond the level of precision needed for concurrency. Table 3 summarizes options for setting the Concurrency threshold.

Table 3 Summary of Concurrency threshold options

Threshold Option	Explanation	Comments
Kirkland's SEPA thresholds	Projects that are categorically exempt from SEPA requirements are exempt from concurrency testing.	For some land uses, relatively many person trips could be generated without going through SEPA and therefore not through Concurrency.
40 person trips	Any project that generates 40 or more PM peak person trips is subject to concurrency testing.	This could result in some projects that are subject to SEPA but not subject to Concurrency.
40 Trip/SEPA combination option[1] –Staff recommendation	All projects that are not categorically exempt under SEPA must be tested for concurrency. Additionally, any project that generates 40 or more PM peak person trips is subject to concurrency testing, even if it is categorically exempt from SEPA.	Slightly more complicated, but tests both 1) any projects that go through the SEPA process and therefore warrant a concurrency test and 2) relatively trip intense projects that are categorically exempt under SEPA.
All projects	All projects are tested for concurrency	Not all projects are significant enough to test for concurrency.

1. Whichever threshold is less would dictate the testing for concurrency

Table 4 Comparison of land use size for developments producing 40 person trips and number of Person trips at SEPA exemption level.

Land Uses	Unit of Measure	Vehicle Trip Rate [1]	Person Trip Rate [1]	Person Trips at SEPA categorical exemption size	Size of Development producing 40 person trips
Residential					
Detached Housing	dwelling	1.00	1.45	29	28
Attached and Stacked Housing	dwelling	0.57	0.83	17	48
Senior Housing	dwelling	0.29	0.41	8	97
Nursing Home	bed	0.22	0.27	11	149
Congregate Care/ Assisted Living	dwelling	0.17	0.21	8	193
Commercial - Services					
Drive-in Bank	sq ft/GFA	24.30	29.65	356	1,349
Walk-in Bank	sq ft/GFA	12.13	14.80	178	2,703
Day Care Center	sq ft/GFA	12.34	15.05	181	2,657
Hotel	room	0.60	0.87	7	46
All Suites Hotel	room	0.40	0.58	5	69
Service Station/Minimart	VFP	13.51	16.48	198	2
Movie Theater	screens	13.64	16.64	17	2
Health Club	sq ft/GFA	3.53	4.31	33	9,288
Racquet Club	sq ft/GFA	1.06	1.29	16	30,931
Marina	Berth	0.19	0.23		173
Commercial - Institutional					
Elementary School/Jr. High School	student	0.15	0.18	5	219
High School	student	0.13	0.16		252
University/College	student	0.17	0.21		193
Church	sq ft/GFA	0.55	0.67	8	59,613
Hospital	sq ft/GFA	0.93	1.13	14	35,255
Commercial - Restaurant					
Quality Restaurant	sq ft/GFA	7.49	9.14	37	4,377
High-Turnover Restaurant	sq ft/GFA	9.85	12.02	48	3,329
Fast Food Restaurant w/o drive thru	sq ft/GFA	26.15	31.90	128	1,254
Fast Food Restaurant w drive thru	sq ft/GFA	32.65	39.83	159	1,004
Industrial					
Light Industry/High Technology	sq ft/GFA	0.97	1.06	13	37,832
Industrial Park	sq ft/GFA	0.85	0.93	11	43,173
Warehousing/Storage	sq ft/GFA	0.32	0.35	4	114,679
Commercial - Retail					
Shopping Center	sq ft/GLA	3.71	4.53	54	8,837
Auto Parts Sales	sq ft/GFA	5.98	7.30	88	5,483
Auto Care Center	sq ft/GLA	3.11	3.79	46	10,542
Car Sales - New/Used	sq ft/GFA	2.62	3.20	38	12,514
Convenience Market	sq ft/GFA	52.41	63.94	767	626
Discount Club	sq ft/GFA	4.18	5.10	61	7,844
Free Standing Discount Store	sq ft/GFA	4.98	6.08	73	6,584
Hardware/Paint Store	sq ft/GFA	4.84	5.90	71	6,774
Home Improvement Superstore	sq ft/GFA	2.33	2.84	34	14,072
Nursery/Garden Center	sq ft/GFA	6.94	8.47	102	4,724
Pharmacy(with Drive Through)	sq ft/GFA	9.91	12.09	145	3,308
Quick Lubrication Vehicle Shop	Service Bay	5.19	6.33		6
Supermarket	sq ft/GFA	9.48	11.57	139	3,459
Tire Store	Service Bay	3.54	4.32	52	9
Miscellaneous Retail	sq ft/GLA	3.71	4.53	54	8,837
Commercial - Office					
General Office Building	sq ft/GFA	1.49	1.76	21	22,751
Medical Office/Clinic	sq ft/GFA	3.57	4.21	34	9,495

VFP= Vehicle Fueling Positions (Maximum number of vehicles that can be fueled simultaneously)

GFA= Gross Floor Area

For uses with Unit of Measure in sq ft, trip rate is given as trips per 1000 sq ft

Note 1. Senior Housing rate is 1/2 of Attached and Stacked Housing rate

Other items

Noticing and Appeals. There is currently a provision in the Kirkland Municipal Code for reconsideration and appeals of concurrency test results. Concurrency test applicants may request a reconsideration of concurrency test results by the Public Works Director. Staff recommends retaining this provision.

Also, either test applicants or "Any individual or other entity who is specifically and directly affected by the proposed development" may appeal concurrency test results to the hearing examiner. Since concurrency is fairly straightforward and since the code leaves only a small number of questions that can be appealed, there have been only two appeals to concurrency findings over the past 18 years. Both the concurrency appeals accompanied SEPA appeals and both were rejected by the hearing examiner. Because concurrency testing now only takes place for projects that are not categorically exempt from SEPA review, noticing is handled with the SEPA noticing process, although not all SEPA Determinations require wide notice. With the threshold option proposed by staff (see above discussion) some projects that are categorically exempt from SEPA may be subject to a concurrency test. Therefore a noticing process for such projects must be established.

Although no changes in the appeal process are being proposed, in order to bring more consistency to the concurrency test noticing process, staff is recommending that the noticing process for concurrency be separated from SEPA noticing. The noticing for concurrency would be fairly simple; through posting on a webpage dedicated to concurrency. Appellants would have 14 days after the test results are posted to appeal concurrency decisions to the hearing examiner. A listserve would be created so that parties interested in tracking concurrency results would know when information on the website is updated. The proposed changes to the code are described in Attachment 1.

Only capacity projects that are on the Transportation Capital Facilities (CFP) Plan can supply new trips for concurrency. As described above, the point of concurrency is to establish balance between construction of the City's 20 yr. transportation network -- projects on the CFP -- and development which produces new trips. Therefore only projects that are on the CFP "count" toward supplying new trips. For example, if a developer needed to build a project in order to supply extra capacity to pass concurrency, only a project from the CFP would supply that capacity. Similarly, projects built by the City from the CIP have to be on the CFP in order for the capacity supplied by those projects to count toward concurrency.

Changes in project costs don't change the number of trips provided by that project. The number of trips provided to the balance of trips available for concurrency by a certain project is proportional to the cost of that project. When coupled with the fact that actual construction cost of a particular capacity project often differ from their planned cost, it's important to have a consistent cost basis for projects over time. This is done by basing the trips provided by a capacity project on its planned cost in the adopted CFP, not the actual construction cost.

Updating the concurrency system. Because of its dependency on the 20 year transportation network and the future land use plan, concurrency should be recalibrated any time these plans are altered. By extension, anytime the CFP needs to be amended, for example to add new projects, or to remove projects, perhaps to reduce the cost of the CFP, concurrency will need to be adjusted to account for these changes. Concurrency doesn't need to be updated when unfunded projects on the CFP are changed to funded CIP status.

Can concurrency "be all used up" by a big development? As introduced above in the discussion about thresholds, by having a non-zero threshold, development projects that are not subject to concurrency are allowed to proceed even if there are no trips available in the trip balance. This in effect gives each property room for some development (below 40 PM peak trip ends and below thresholds for categorical exemption from SEPA) regardless of the status of concurrency.

Special development. If an applicant believes their development will generate fewer trips than the standard rates, they can submit, for consideration by the Public Works Department, documentation that describes how trip generation rates for their development differs from the normal development of that type. This can be done for either Impact Fees or Concurrency, calculations but if it is done for either, the same rate will apply to both Impact Fees and Concurrency.

Definition of Roads. The proposed amended ordinance (Attachment 1) defines Roads for the purpose of KMC Title 25 as "…transportation facilities for pedestrians, bicycles, transit and motor vehicles." The reason for this definition is to allow for a multimodal set of projects to be considered throughout the concurrency process and because the RCW language that supports concurrency uses the term Roads.

Phased development. The existing concurrency ordinance provides a means for phased development to receive approval of concurrency for a master plan development and that provision would remain with the new system.

Questions for Council

Staff will be available at the October 20 Council meeting to answer any questions that may arise. Council may wish to consider the following questions with regard to concurrency:

1. Is there agreement on the proposed concurrency method?
2. Does council agree with the staff recommendation for concurrency testing thresholds and noticing and appeal processes?
3. Are there any outstanding questions on any details of concurrency?

Timing/Outreach

Pending the outcome of the October 20 Council meeting, staff plans to bring a final concurrency ordinance for consideration at Council's December 8, 2015 meeting.

Staff will be briefing the Planning Commission on October 22 and the Transportation Commission on October 28. Also, staff has reached out the development community with a summary of the new concurrency system and an offer to meet either one on one or in group setting. More information on the results of this outreach will be available at the October 20 Council meeting.

ORDINANCE O-4509

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO TRANSPORTATION CONCURRENCY AND AMENDING TITLE 25 OF THE KIRKLAND MUNICIPAL CODE, "CONCURRENCY MANAGEMENT."

WHEREAS, Kirkland's 2035 visioning process identified the desire to keep Kirkland a livable, walkable community where there are many choices for transportation; and

WHEREAS, this vision was embodied in the 2015 Comprehensive Plan update, including in the new Transportation Element by using a multi-modal approach and focusing on moving people on a variety of facilities for all modes; and

WHEREAS, concurrency helps balance the impacts of new development as outlined in the Land Use Element of the 2015 Comprehensive Plan update with construction of the transportation network as described in the Transportation and Capital Facilities Elements of the Comprehensive Plan; and

WHEREAS, Kirkland's Transportation Concurrency system should reflect the goals and policies of the Transportation Element of the 2015 Comprehensive Plan update; and

WHEREAS, in order to reflect those goals and polices, changes to the Transportation Concurrency system are needed such as considering travel by people in all modes and by considering a wide range of transportation improvements that provide capacity; and

WHEREAS, other changes are needed to the Transportation Concurrency system to make it easier for people to understand and simpler to work with.

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

Section 1. Kirkland Municipal Code ("KMC") Section 25.06.020 is amended to read as follows:

25.06.020 Concurrency: Accounted ~~traffic~~ transportation impact. "Accounted transportation ~~traffic~~ impact" means transportation ~~traffic~~ impacts accounted for in the city's concurrency records in a manner that accounts for the impact from the project and allows the impact to be accounted for by any other applicant preparing a transportation ~~traffic~~ analysis for a concurrency application. The amount of accounted transportation ~~traffic~~ impact for a project is documented in the certificate of concurrency.

Section 2. KMC Section 25.06.060 is amended to read as follows:

25.06.060 Building permit.
"Building permit" refers to any permit issued under the International ~~Uniform~~ Building Code. Exempt building permits are set forth in Chapter 25.08 of this title.

Section 3. KMC Section 25.06.070 is amended to read as follows:

25.06.070 Certificate of concurrency.
"Certificate of concurrency" means the statement accompanying the public works department's development standards that are issued with an approved development permit or the public works department's conditions of approval that are issued with an approved building permit. The statement shall state that a certificate of concurrency is issued and indicate:
(1) For sewer and water, the capacity of the concurrency facilities that are available and reserved for the specific uses, densities and intensities as described in the development permit or building permit;
(2) For road facilities, the accounted transportation ~~traffic~~ impact assigned to the development for the specific uses, densities and intensities as described in the development permit or building permit;
(3) Conditions of approval, if applicable;
(4) An effective date; and
(5) An expiration date.

Section 4. KMC Section 25.06.080 is amended to read as follows:

25.06.080 Concurrency:
"Concurrency" means facilities or strategies that achieve the city's level of service standards and that:
(1) For sewer, water and roads, exist at the time development is approved by the public works department; or
(2) For roads:
(a) Are ~~planned~~ funded in the ~~comprehensive plan~~ Transportation Capital Facilities Plan at the time development is approved by the public works department; or
(b) Will be available and complete no later than six years after completion of the development, and the applicant and/or the city provides a financial commitment which is in place at the time the development is approved by the public works department.

Section 5. KMC Section 25.06.100 is amended to read as follows:

25.06.100 Concurrency test:

"Concurrency test" means:
(1) For sewer and water, the comparison of a development's demand to the available capacity of each concurrency facility;
(2) For roads, the comparison of the development's ~~impact on the level of service~~ amount of estimated person trip generation to the amount of person trips available to accommodate new growth. ~~standards of each affected subarea.~~
A concurrency test must be passed for sewer, water and roads, and a notice issued by the public works department in order to obtain a certificate of concurrency.
The concurrency test notice shall be valid for one year.

Section 6. KMC Section 25.06.110 is amended to read as follows:

25.06.110 Development permit.
"Development permit" means a land use permit. Development permits include short plat, preliminary or final rezone/reclassification, zoning permit, master plan, shoreline substantial development permit/conditional use permit, planned unit development, design review or any other permit or approval under the zoning code or subdivision ordinance or shoreline master program. Exempt development permits are set forth in Chapter 25.08 of this title.

Section 7. A new KMC Section 25.06.145 is added to read as follows:

25.06.145 Person trip.
"Person trip" means a measure of trip generation equal to one PM peak hour trip by a person in any mode of transportation.

Section 8. KMC Section 25.06.150 is amended to read as follows:

25.06.150 Planned capacity.
"Planned capacity" means ~~road~~ transportation facilities for pedestrians, bicycles, transit and motor vehicles that do not exist but for which the necessary facility construction, expansion, or modification project is contained in the current capital facilities element of the comprehensive plan. The improvements must be scheduled to be completed within six years and the financial commitment must be in place at the time of approval of the certificate of concurrency to complete the improvements within six years.

Section 9. A new KMC Section 25.06.165 is added to read as follows:

25.06.165 Roads.

"Roads" means transportation facilities for pedestrians, bicycles, transit and motor vehicles.

Section 10. KMC Section 25.08.010 is amended to read as follows:

25.08.010 Exemptions.

The following development permits or building permits are exempt from the requirements of this title:

(1) Accessory dwelling units as defined in the KZC 5.10.017;

(2) Annexations;

(3) Any addition or accessory structure to a residence with no change in use;

(4) Business licenses;

(5) Categorically exempt construction under Sections 24.02.060 and 24.02.065 of Chapter 24.02, SEPA Procedures and Policies, in this code unless such construction is estimated to result in 40 or more person trips in which case such construction is not exempt from road concurrency;

(6) Categorically exempt construction or activities under Sections 24.02.060 and 24.02.065 of Chapter 24.02, SEPA Procedures and Policies, in this code, even though they:

(a) Are undertaken wholly or partly on lands covered by water;

(b) Are undertaken wholly or partly on lands in a high landslide hazard area;

(c) Are undertaken wholly or partly on lands in a seismic hazard area;

(d) Contain structures or facilities with recognized historical significance;

(e) Exceed the limit of landfill or excavation; and/or

(f) Contain an off-premises commercial sign;

(7) Cellular antennas and satellite dishes;

(8) Demolitions;

(9) Driveway, resurfacing, or parking lot paving; provided, that additional vehicular trips are not generated;

(10) Electrical, plumbing, and mechanical permits;

(11) Expansions or phases of development or building permits that were disclosed by the applicant and subject to a concurrency test as part of the original application; provided, that the certificate of concurrency was issued for the expansion or subsequent phase;

(12) Final planned unit development (if a concurrency test was conducted and approved for the corresponding preliminary planned unit development);

(13) Final plats (if a concurrency test was conducted for the corresponding preliminary plat permit);

(14) Final rezone (if a concurrency test was conducted and approved for the corresponding intent to rezone);

(15) Interior renovations or replacement structure with no change in use or increase in floor area;

(16) Interior renovations of a structure for new use(s) with the same or less intensity as the existing use or a previously approved use and with no increase in floor area;
(17) Land surface modification permits;
(18) Lot line adjustments;
(19) Outdoor cafe permits;
(20) Reroofing of structures;
(21) Side sewer permit for single-family residence;
(22) Sign permits and master sign plans;
(23) Street use permits and right-of-way permits;
(24) Street vacations;
(25) Subdivision vacations/alterations;
(26) Subsequent building permit for an approved development permit if a concurrency test was approved for the development permit and there is no change in use, densities, and intensities;
(27) Temporary construction trailers;
(28) Temporary use permits;
(29) Variances;
~~(30) Design review;~~
(~~31~~30) Water service permit for single-family residence; and
(~~32~~31) Any other development permit or building permit which the public works department determines has no impact on the concurrency facility.

Section 11. KMC Section 25.08.020 is deleted.

Section 12. KMC Section 25.10.020 is amended to read as follows:

25.10.020 Procedures**.**
(1) Applications for concurrency shall be submitted on forms provided by the public works department and shall be tested in the order that the public works department determines the application is complete.
(2) The applicant shall be responsible to provide to the public works department a certificate of availability for sewer and water with the concurrency application submittal if the property is serviced by a noncity managed utility.
(3) The applicant shall submit vehicular and person trip generation analysis for and a ~~detailed project~~ description of the development, including location, ~~vehicular circulation~~ and gross floor area by use, with the concurrency application.
(4) A concurrency test shall be performed only for specific property, uses, densities, and intensities based on the information in the completed concurrency application provided by the applicant. The applicant shall specify densities and intensities that are consistent with the uses allowed in Title 23, the zoning code for the property. If the concurrency test is being requested in conjunction with a rezoning, the applicant shall specify densities and intensities that are consistent with

the proposed zoning for the property. Changes to the uses, densities, and intensities that create an additional impact~~s~~ of more than 10 person trips or that result in a total project impact of more than 40 person trips ~~on concurrency facilities~~ shall be subject to an additional concurrency test. Changes to the uses, densities, and intensities that create a reduced impact do not require an additional concurrency test.

(5) The public works official will perform the concurrency test prior to approval of the development permit or building permit.

(6) The public works official will notify the applicant of the test results (approval or denial) in writing and will notify other city departments of the test results and post the results on an area of the public City of Kirkland website designated for such notice within the time period established in the department's administrative procedures for concurrency. The date of the written notification to the applicant shall be the date of issuance of the concurrency test notice.

~~(7) The concurrency test notice shall expire within ninety calendar days of its issuance unless the applicant submits a SEPA environmental checklist and all of its required documentation pursuant to Sections 24.02.055 and 24.02.140 of Chapter 24.02 of this code, together with the site plan, the traffic impact analysis prepared in accordance with the city's traffic impact analysis guidelines and containing the traffic information derived from the concurrency test outcome and the SEPA review fee described in Chapter 5.74 of this code. No extensions may be granted for submitting a complete SEPA environmental checklist and all required documentation.~~

~~(8) If the deadline for submitting a complete SEPA environmental checklist and all required documentation is met as described above in subsection (7) of this section, the concurrency test notice shall be valid for one year from the date of issuance of the concurrency test notice.~~

(~~9~~7) The concurrency test notice shall expire unless a certificate of concurrency is issued or an extension of the notice is granted within one year from the date of issuance of the notice.

(~~10~~8) An applicant must apply for a new concurrency test if the notice expires or an extension is not granted.

(~~11~~9) The public works official may approve an extension of up to one year if:

(a) The applicant submits a letter in writing requesting the extension before the expiration date, can show that he/she is not responsible for the delay in issuing the certificate of concurrency and has acted in good faith to obtain a certificate; and

(b) If the property is serviced by a noncity managed utility, then the applicant must submit a letter from the utility approving the extension before the expiration date.

(~~12~~10) Once the associated development permit or building permit is approved, the public works department will issue a final certificate of concurrency as set forth in Chapter 25.12 of this title.

(~~13~~11) The public works department shall be responsible for accumulating the impacts created by each application and removing any

impacts from the city's concurrency records for an expired concurrency test notice, an expired development permit or building permit, a discontinued certificate of concurrency, or other action resulting in an applicant no longer causing impacts which have been accounted for in the city records.

(~~14~~12) The public works department shall be responsible to coordinate with applicable non-city managed utility districts for maintaining and monitoring of available and planned capacity for non-city managed utilities.

Section 13. KMC Section 25.10.030 is amended to read as follows:

25.10.030 Test.

Development applications that would result in a reduction of level of service below the established level of service standard shall not be approved. For potable water and sanitary sewer, only available capacity will be used in conducting the concurrency test. For roads, available and planned capacity will be used in conducting the concurrency test.

(1) For sewer and water, if the capacity of the concurrency facilities with the development application is equal to or better than the capacity required to maintain the established level of service standard, then the concurrency test is passed.

(2) For roads, the concurrency test consists of ~~two steps~~comparing the existing person trip capacity to the estimated person trip generation of the development being tested. The test is passed if the existing capacity is greater than the estimated person trip generation.

~~(A) The comparison of average volume/capacity ratio for the impacted subarea(s) to the applicable level of service standard; and~~

~~(B) The comparison of the volume/capacity ratio at each appropriate intersection to the applicable level of service standard adopted in the comprehensive plan. The traffic test is passed if both comparisons meet the standard.~~

~~(C) Within the "JFK annexation area," as defined in city of Kirkland Ordinance No. 4229, the concurrency test shall be limited to the analysis set forth in subsection (2)(b) of this section until such time as the city adopts level of service standards for the JFK annexation area.~~

(3) If the concurrency test is not passed for water, sewer or roads, then the applicant may retest for concurrency after doing one or both of the following:

(A) Modify the application to reduce the need for the concurrency facilities that do not exist. Reduction of need can be through reduction of the size of the development, reduction of trips generated by original proposed development, or phasing of the development to match future concurrency facility construction; or

(B) Arrange with the public works department and fund ~~the~~ improvements for ~~the~~ additional capacity. ~~required for the concurrency facilities~~.

(4) If the concurrency test is not passed for water, sewer or roads, then the applicant may request reconsideration of the results of the concurrency test by the public works director in accordance with the provisions of Chapter 25.22.

Section 14. KMC Section 25.10.050 is amended to read as follows:

25.10.050 Public notice of concurrency test.

(1) The public works official shall ~~cause~~ provide notice of issuance of the concurrency test notice ~~to be given in the same manner and at the same time as the SEPA public notice of Section 24.02.085 of this code.~~and the concurrency test decision on an area of the public City of Kirkland website designated for such notice.

(2) The notice shall include the name of the applicant, the city file number, the parcel number(s), the address if ~~and~~ available, a description of the development and the procedures for filing an appeal.

Section 15. KMC Section 25.12.010 is amended to read as follows:

25.12.010 Issuance.

A certificate of concurrency shall be issued at the same time a development permit or building permit is issued; provided, that the applicant holds a valid concurrency test notice, and pays any fee and/or ~~performs~~ meets any condition ~~required by the public works department~~ specified on the concurrency test notice. Each building within an approved phased development shall be issued a certificate of concurrency.

~~The public works department shall issue certificates of concurrency first for the earliest application reviewed and approved. Subsequent certificates will be issued in the order of review and approval. The purpose of this section is to enable applicants who are ready for approval to receive a certificate of concurrency, even if their application was submitted after an earlier applicant.~~ If an applicant's concurrency test notice expires before a certificate of concurrency is issued, then the assigned impacts for that applicant can be reassigned to another applicant. It is the city's intent to treat concurrency applications on a "first-come first-served" basis~~ and to use this section to avoid the delays in approval of development caused by applicants who are unable to complete the review process as a result of their own action~~.

Section 16. KMC Section 25.22.010 is amended to read as follows:

25.22.010 Decisions to be reconsidered.

(1) A decision of the public works official to not approve an application for concurrency may be reconsidered for the following reasons:
(a) A technical error was committed;
(b) Alternative data or a mitigation plan provided by the applicant was rejected; ~~and~~
(c) Unwarranted delay in review allowed capacity to be given to another applicant.
(2) Such decision may not be reconsidered for the following reasons:
(a) The methodology of the concurrency test in the comprehensive plan and in this title is incorrect;
(b) The adopted level of service established in the comprehensive plan is incorrect; ~~and~~
(c) A provision of this title is incorrect or invalid.

Section 17. KMC Section 25.23.030 is amended to read as follows:

25.23.030 Filing of appeal.
(1) ~~The appeal must be filed with the public works official within fourteen calendar days of the date of issuance of a determination of nonsignificance (DNS) for the development or within seven calendar days of the date of publication of a determination of significance (DS) for the development under Title 24 of this code.~~The appeal must be filed with the public works official within fourteen calendar days of the issuance of a concurrency test notice.
(2) The appeal must be in writing and designated as a "notice of appeal," and must contain a brief and concise statement of the matter being appealed, the specific components or aspects of the decision that are being appealed, the basic rationale or contentions on appeal, and a statement demonstrating standing to appeal. The appeal may also contain whatever supplemental information the appellant wishes to include.
(3) The burden of proof shall be on the applicant or agent to show that the decision of the public works official was in error.
(~~3~~4) The notice of appeal shall be accompanied by the appeal and fee established in Chapter 5.74 of the code.

Section 18. 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 19. 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 _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
MAYOR

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4509

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO TRANSPORTATION CONCURRENCY AND AMENDING TITLE 25 OF THE KIRKLAND MUNICIPAL CODE, "CONCURRENCY MANAGEMENT."

SECTION 1. Amends Kirkland Municipal Code (KMC) Section 25.06.020 relating to concurrency by amending the definition of "accounted traffic impact" to mean "accounted transportation impact."

SECTION 2. Amends KMC Section 25.06.060 changing the definition of "building permit" from permits issued under the "Uniform Building Code" to permits issued under the "International Building Code."

SECTION 3. Amends KMC Section 25.06.070 changing the reference from "traffic impact" to "accounted transportation impact."

SECTION 4. Amends KMC Section 25.06.080 changing the reference from roads "planned in the comprehensive plan" to roads "funded in the Transportation Capital Facilities Plan."

SECTION 5. Amends KMC Section 25.06.100 to change "impact on level of service" to "amount of estimated person trip generation to the amount of person trips available to accommodate new growth."

SECTION 6. Amends KMC Section 25.06.110 changing the meaning of "development permit" to include design review.

SECTION 7. Adds a new KMC Section 25.06.145 defining "person trip."

SECTION 8. Amends KMC Section 25.06.150 changing the meaning of "planned capacity" to include "transportation facilities for pedestrians, bicycles, transit and motor vehicles."

SECTION 9. Adds a new KMC Section 25.06.165 defining "roads."

SECTION 10. Amends KMC Section 25.08.010 limiting the application of certain categorical SEPA exemptions in KMC Chapter 24.02 where construction is estimated to result in 40 or more person trips.

SECTION 11. Deletes KMC Section 25.08.020.

SECTION 12. Amends KMC Section 25.10.020 related to concurrency procedures.

SECTION 13. Amends KMC Section 25.10.030 related to concurrency tests.

SECTION 14. Amends KMC Section 25.10.050 related to public notice of concurrency tests.

SECTION 15. Amends KMC Section 25.12.010 related to the issuance of the certificate of concurrency.

SECTION 16. Amends KMC Section 25.22.010 related to decisions to be reconsidered to make minor edits.

SECTION 17. Amends KMC Section 25.23.030 related to filing of an appeal.

SECTION 18. Provides a severability clause for the ordinance.

SECTION 19. 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 _____, 2015.

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 Building Department
123 Fifth Avenue, Kirkland, WA 98033
425.587-3225 - www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Teresa Swan, Senior Planner
Janice Coogan, Senior Planner
Joan Lieberman-Brill, Senior Planner, AICP
Dorian Collins, Senior Planner, AICP
Angela Ruggeri, Senior Planner, AICP
David Barnes, Associate Planner
Dawn Nelson, Planning Supervisor, AICP
Jeremy McMahan, Development Review Manager
Paul Stewart, Deputy Director, AICP
Eric Shields, Director, AICP

Date: November 19, 2015

Subject: Final Adoption: 2013-2015 Comprehensive Plan Update and Related Code and Map Amendments, File CAM13- 00465, #9

I. RECOMMENDATION

Staff recommends that the City Council take action to approve the 2013-2015 Comprehensive Plan update by adopting nine ordinances.

Staff recommends the following order of discussion and adoption of the nine ordinances to facilitate the discussions, motions and possible changes to ordinance exhibits for the Nelson/Cruikshank and Basra Citizen Amendment Requests:

A. Discuss the Nelson/Cruikshank CAR:
   1. Make a motion on Ordinance 4506 Nelson Cruikshank Citizen Amendment Request
   2. Make a motion on Ordinance 4494 Neighborhood Plans
B. Discuss the Basra CAR:
   3. Make a motion on Ordinance 4498 Citizen Amendment Requests
C. Discuss and make motions on:
   4. Ordinance 4493 Element Chapters
   5. Ordinance 4495 Totem Lake Business District Plan and Code Amendments
   6. Ordinance 4496 General Zoning Code and Municipal Code Amendments
   7. Ordinance 4497 General Zoning Map and Land Use Map Amendments
   8. Ordinance 4499 MRM Amendment Proposal
   9. Ordinance 4505 Walen Citizen Amendment Request

Note that all ordinances and associated exhibits within in each ordinance are provided in links rather than as PDFs attached to the packet.

II. NELSON/CRUIKSHANK CITIZEN AMENDMENT REQUEST

The City Council has requested that staff provide additional **density options** on the Nelson/Cruikshank Citizen Amendment Request (CAR). The options are provided on page 3 below:

Based on direction for the City Council at its November 4th study session, the attached Ordinance 4506 includes the following:

1. **Comprehensive Plan Amendments** (Exhibits 1 and 2 of Ordinance 4506 and the same text reflected in the Moss Bay Neighborhood Plan Exhibit 4 of Ordinance O-4494):

   - Changes the land use designation from low density (9 units/acre) to medium density (12 units/acre).
   - Includes accompanying text for the medium density designation and rationale for mitigations of lower building heights and wider setbacks.
   - Deletes the PLA 6C designation.

2. **Zoning Map** – rezones the area from PLA 6C to RM 3.6 (Exhibit 4 of Ordinance 4506).

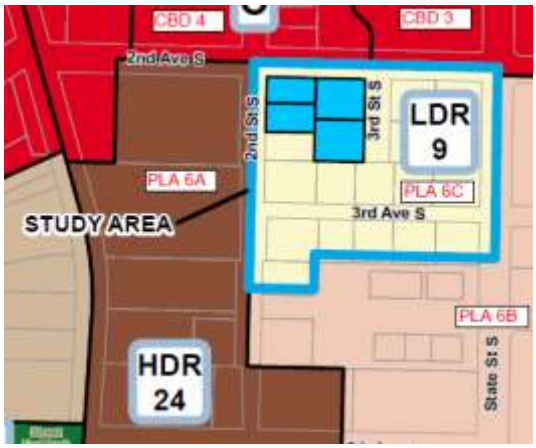
3. **Zoning Code (**Exhibit 3 of Ordinance 4506):

   - Deletes the PLA 6C zoning district.
   - Adds General Regulations to the RM zone establishing the 25' height limit (rather than standard 30'), the 10' front setbacks (with provisions for parking pads behind garages), and wider side yard setbacks for projects with more than 4 units abutting an existing single family home. No changes to regulations for the PLA 6B zone (south of the study area) are included.

At the December 8th Council meeting, staff would suggest Council deliberation of the following options. Staff has identified key issues for discussion under each option. Interested parties have been notified of the ongoing Council deliberations scheduled for December 8th.

Options:

1. Adopt the ordinance as drafted.



2. Modify the ordinance by motion to limit the changes to the four parcels (two owners) who requested the CAR (see blue parcels).

   Staff Comment: This option creates a very small, irregularly shaped medium density zoning district. There are other owners in the study area who did not apply for a CAR, but support the rezone request for their properties. As discussed in Option 4 below, Council may wish to amend current rationale in the Plan for the single family designation.

3. Modify the ordinance to change only the Comprehensive Plan designation and accompanying text for the study area to medium density. Defer consideration of the rezone and specific regulations to a future work program.

   Staff Comment: The draft work program has a considerable number of tasks to be undertaken in 2016. As part of the upcoming work program review, the Council would need to prioritize this project against other projects on the work program. If this alternative is chosen, staff recommends that review of the zoning be prioritized to occur as soon as possible in order to minimize the period of time when the Zoning Map and zoning regulations are not consistent with the Comprehensive Plan.

4. Do not adopt the ordinance and retain existing low density Comprehensive Plan designation and zoning for the study area.

   Staff Comment: There seems to be a lack of certainty among owners as to the long term vision for the study area and that uncertainty may affect investment. If the vision is to retain single family, the existing policy (to "… help preserve the housing stock… for low and fixed income people") should be rewritten to articulate a better long term vision and improved rationale for the low density designation.

Should the City Council decide to **change Ordinance 4506 (and related ordinances) based on one of the options presented above,** the following alternative wording may be used for the motion:

Option 1 Motion:

"I move to adopt Ordinance 4506 as drafted."

Option 2 Motion:

"I move to amend Ordinances 4506 and 4494 to modify the following exhibits:

- Ordinance 4506:
  - Exhibit 1 - redesignate as MDR 12 only the four parcels that were the subject of the initial CAR request;
  - Exhibit 2 - retain the PLA 6C subarea designation and limit the description of the new medium density area to the four parcels noted*;
  - Exhibit 3 - retain the PLA 6C zone;
  - Exhibit 4- rezone only the four parcels as noted to RM 3.6.
- Exhibit 4 of Ordinance 4494 to incorporate the changes noted."

**Note – As noted in Option 4, Council may wish to consider amending the text to articulate an improved rationale for the low density designation.*

Option 3 Motion:

"I move to amend Ordinance 4506 to include Exhibits 1 and 2 that amend the Comprehensive Plan for the study area, but to delete Exhibits 3 and 4 that would amend the text of the Zoning Code and the Zoning Map for the study area. I also move to direct staff to include review of the implementing Zoning Code and Zoning Map for the study area as part of the upcoming Planning Work Program."

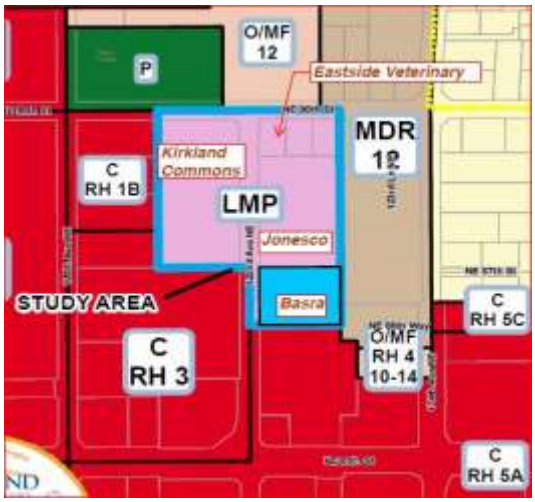
Option 4 Motion:

"I move to reject Ordinance 4506 and to adopt and amend Ordinance 4494 to modify Exhibit 4 of Ordinance 4494 with the following changes to the text of the Moss Bay Neighborhood Plan:

- Section 4.A shall not be amended to reference the designation of the study area as Medium Density
- Section 4.B shall retain Subarea 6C with the following edit:
    - Delete the sentence 'This will help preserve the housing stock of dwelling units close to the Downtown for low- and fixed-income people.' And replace it with the sentence: '…*insert rational for single family designation…*'."

III. BASRA CITIZEN AMENDMENT REQUEST

The City Council requested that staff provide **height options** for the Basra Citizen Amendment Request after receiving an email dated November 12, 2015, from the applicant, Tejvir Basra, requesting that the maximum allowable height of the hotel be 54 feet rather than the 45 feet recommended by the Planning Commission. Below is a map showing the location of the Basra CAR and the content of Mr. Basra's email:



Email from the applicant, Tejvir Basra, requesting height of 54 feet

From: Tejvir Basra [basra.tejvir@gmail.com]
Sent: Thursday, November 12, 2015 10:57 AM
To: Amy Walen; Penny Sweet; Jay Arnold; Shelley Kloba; Toby Nixon; Dave Asher; Doreen Marchione
Subject: BASRA CAR

Council Members,

As you may know, my family has a Citizen Amendment Request for our property at 8626 122nd Ave NE. We appreciate the time and effort that staff, the Planning Commission, and the Council have put into studying and considering our request.

We are requesting a change to the land use and zoning for our parcel in from Industrial to Commercial to allow development of a hotel. We requested a maximum height of 60 feet above average building elevation (ABE) and the staff and Planning Commission have recommended we be allowed to only build up to a maximum height of 45 feet above ABE.

Average building elevation on our site is ~287', so a maximum height of 60' above ABE results in a requested maximum height of ~347'. If we are limited to a maximum height of 45' above ABE then we would be at a maximum height of 332' which would result in our hotel being sandwiched between future developments at the Rose Hill Shopping Center (to the West) and Highlands Kirkland Condos (to the East), which will have a maximum height of 341'. This can be seen in the attachment below, an east/west cross section of the site. We are requesting that the council consider a compromise between our proposal and the Staff/Planning Commission proposal, and allow us to go 54' above ABE which results in a maximum height of 341' which would be the same height as future developments at the Rose Hill Shopping Center and Highlands Kirkland Condos.

With this compromise, we would be able to develop a Hotel that better aligns with our vision for this property and city. We want to offer amenities such as a restaurant, banquet space, meeting space, fitness center, business center, etc. And without the increased height it will be difficult for us to provide such amenities, and will substantially limit our options when it comes to finding a Franchise partner. And additionally, while the hotel will primarily serving people outside of Kirkland who are coming into our city, the amenities can be used by local Kirkland residents as well.

Our family has a strong presence at Seatac International Airport as we are one of the largest airport parking players at the airport. We want to use our resources at the airport to try and market our Hotel in Kirkland as an attractive option for those traveling to the Eastside. It will be easier for us to bring these travelers to Kirkland if we are able to market amenities that the hotel has to offer, which would be substantially diminished if we are held to the 45' above ABE.

Thank you for your consideration and we hope you are open to a compromise between the two existing proposals. Please contact us if you have any questions, thanks again.

Best,
Tejvir

Tejvir Basra
PO Box 2127
Kirkland, WA 98083
p:(425) 822-6000
f: (425) 974-7400
basra.tejvir@gmail.com

For extensive **height analysis** leading up to the Planning Commission's recommendation, follow this link to the Planning Commission's May 14 meeting packet.

The applicant's original request was for 60'. The Planning Commission's recommendation was for 45.' The applicant has requested the City Council now consider 54'.

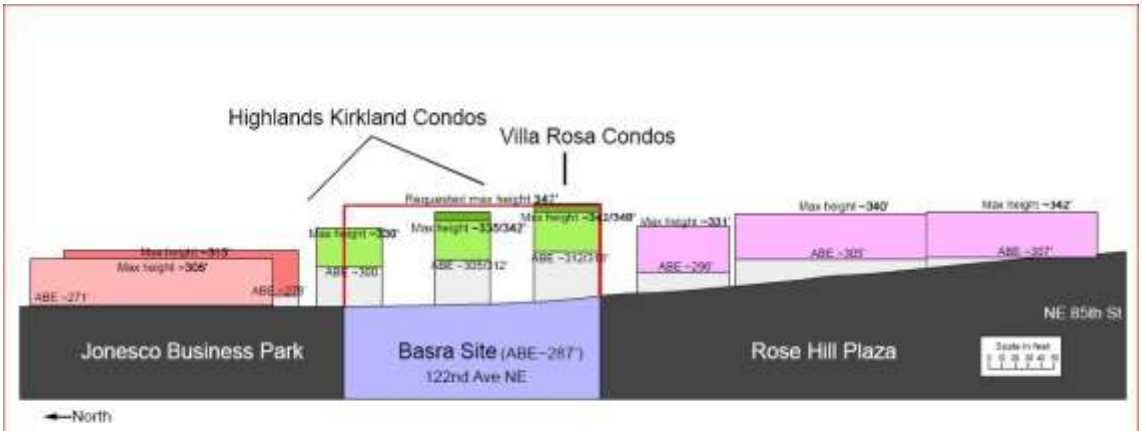
The following chart compares the **various height options** for this proposal and indicates what the resulting height difference would be between the Basra hotel and surrounding development. All height calculations are approximate:

	Subject Property (Commercial) **Basra site**	**North** (Industrial) **Jonesco Business Park**	**South** (Commercial) **Kirkland Plaza**	**East** (Multifamily) **Highlands Kirkland Condo**	**West** (Commercial) **Rose Hill Shopping Center /Petco**
Allowed Height	35 feet above ABE	35 feet above ABE	35 feet above ABE	30 feet above ABE	Maximum 45' above NE 85th St.
Original Request	60 feet above ABE	Hotel would be 41 feet higher than max. height allowed at lowest bld.	Hotel would be 16 feet higher than max. height allowed at lowest bld.	Hotel would be 17 feet higher than max. height allowed at lowest bld.	Hotel would be 6 feet higher than maximum height allowed at Petco site when re-developed
Planning Commission Recommends	45 feet above ABE[1, 2]	Hotel would be 26 feet higher than max. height allowed at lowest bld.	Hotel would be 1 foot higher than max. height allowed at lowest bld.	Hotel would Match max. height allowed at lowest bld.	Hotel would be 9 feet lower than maximum height allowed at Petco site when re-developed
Current Request	54 feet above ABE[3,4]	Hotel would be 35 feet higher than max. height allowed at lowest bld.	Hotel would be 10 feet higher than max. height allowed at lowest bld.	Hotel would be 11 feet higher than max. height allowed at lowest bld.	Hotel would match maximum height allowed at Petco site when re-developed

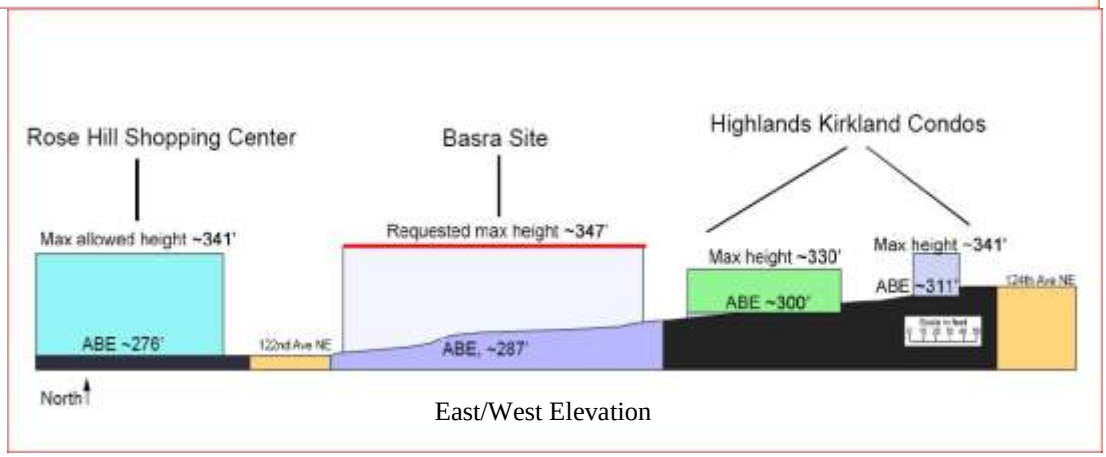
Footnotes:

1. Corresponds to the same height above sea level as allowed on the lowest multifamily building to the east.
2. Would allow a four story hotel above ABE
3. Corresponds to the same height above sea level as allowed for consolidated Conceptual Master Plan development of the entire six acre site.
4. Would allow just one foot short of a five story hotel above ABE

The following North/South and East/West elevations show the Basra original 60 foot above ABE height request (red outline) in context with the maximum permitted heights of surrounding development at feet above sea level. The Planning Commission recommends that the height for a hotel at the Basra site be about the same height as the maximum height allowed for multifamily to the east at the lowest building. This recommendation takes into account the NE 85th Street Subarea Plan and Rose Hill Design Guidelines that emphasize transitions that protect residential uses adjoining commercial development.



North/South Elevation



East/West Elevation

The City Council also inquired about the number of rooms planned for the hotel. The applicant indicates that based on discussion with his architect, there will be about 120 rooms.

Should the City Council decide to **change the Planning Commission's recommendation from a maximum height of 45 feet above ABE, to a maximum height of 54 feet above ABE**, Exhibit 3 to Ordinance 4498 would need to be changed to reflect the revised height, as indicated in the Rose Hill 5A Zoning chart below. In addition, the City Council would need to pass a motion to substitute existing Exhibit 3 in Ordinance O-4498, with an amended Exhibit 3. **The following wording may be used for the motion:**

> "I move to amend Ordinance 4498 by amending Exhibit 3, the Rose Hill 5A use zone chart, to change the height from 45 feet to 54 feet above average building.

New Exhibit 3

Section 53.54 — Zone RH 5A, 5B — USE ZONE CHART

See Spec. Reg. 3.

DIRECTIONS: FIRST, read down to find use... THEN, across for REGULATIONS

Section 53.54	USE	REGULATIONS	Required Review Process	MINIMUMS: Lot Size	MINIMUMS: REQUIRED YARDS (See Ch. 115) Front	Side	Rear	MAXIMUMS: Lot Coverage	Height of Structure	Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
.070	Hotel or Motel		D.R., Chapter 142 KZC	None	10' adjacent to NE 85th St., otherwise 20'	0'	15'	50%	If adjoining an RS or RSX zone, then 30' above average building elevation. Otherwise, 35' above average building elevation.	A	E	1 per each room. See also Spec. Reg. 2	1. May include ancillary meeting and convention facilities. 2. Excludes parking requirements for ancillary meeting and convention facilities. Additional parking requirement for these ancillary uses shall be determined on a case-by-case basis.
.080	Private Lodge or Club										B	1 per each 300 sq. ft. of gross floor area.	
.090	Stacked Dwelling Units See Spec. Reg. 1										A	1.7 per unit	1. Chapter 115 KZC contains regulations regarding home occupations and other accessory uses, facilities and activities associated with this use.
.100	Church										B	1 per every 4 people based on maximum occupancy load of any area of worship. See Spec. Reg. 2.	1. May include accessory living facilities for staff persons. 2. No parking is required for day-care or school ancillary to the use.

3. The maximum height of a hotel or motel is **54** feet above ABE on property abutting the LIT zone.

O-4498 Exhibit 3

(Revised 8/13)

Kirkland Zoning Code 292.33

Should the Council decide to adopt the recommendation of the Planning Commission, Exhibits 1-4 (Basra) of Ordinance 4498 may be adopted as written.

Interested parties have been notified of the ongoing Council deliberations scheduled for December 8th.

IV. FOLLOW-UP REVISIONS SINCE THE CITY COUNCIL STUDY SESSIONS:

A. Transportation Element (Exhibit 9 of Ordinance 4493)

The Transportation Element contains a few minor additions in response to last minute comments from the Washington State Department of Transportation (WSDOT). WSDOT is a GMA review agency and thus may provide comments on amendments to the Comprehensive Plan

- A map has been added to show future LOS on the roadway system.
- A sentence has been added to address transportation facilities by air and water, and on State owned facilities.
- A sentence has been added explaining that any improvements made by WSDOT will be within the statewide multimodal transportation plan.

B. Implementation Strategies Chapter (Exhibit 15 of Ordinance O-4493)

On November 17, 2015, the City Council discussed changes to the new draft Neighborhood Plan policies in the Implementation Strategies Chapter based on comments from KAN. The following are the changes discussed at the meeting and are reflected in Exhibit 15 of O-4493.

1. ***NP.2****: Establish a neighborhood plan update schedule by December 2016. Updates should occur by ~~grouping~~ synchronizing the schedule with adjacent neighborhoods ~~plans around~~ based on shared business districts or other ~~common~~ shared features so that the process is conducted efficiently and common elements are addressed effectively.*

2. ***NP.4****: Develop a ~~standard~~ comprehensive template for future neighborhood plans that provides a framework for policies addressing the possible range of issues ~~neighborhood issue~~ unique to each neighborhood, recognizing that not all template items will be applicable to all neighborhoods. The intent is to make the neighborhood plans concise and streamlined ~~and brief.~~*

C. Totem Lake Business District (Exhibit 1 of Ordinance O-4495)

The City Council requested that two changes be made to the text of the Totem Lake Business District Plan. The changes include:

1. Replacement of the term "greenway" with "green corridor" throughout the

document, to avoid confusion with the use of the term "greenway" in the Transportation Master Plan and

2. Revisions to text within the Eastern Industrial Subarea section of the Plan to summarize conditions for development in the TL 9A and TL 9B zones (Exhibit 19, pages 2-3). All conditions are contained in zoning regulations for these zones.

V. BACKGROUND ON THE COMPREHENSIVE PLAN UPDATE

All amendments may be viewed by following the links in this memorandum by ordinance number, or by following the links provided in the ordinances.

The 2013-2015 update is the culmination of over three years of work with extensive public outreach involving over 200 meetings with residents, neighborhood associations, business groups, and Boards and Commissions who contributed to this process to update the Comprehensive Plan.

The Growth Management Act (GMA) requires the review and, if needed, the revision of comprehensive land use plans and related development regulations addressing a 20-year horizon. The Plan update includes major revisions to all of the mandatory elements required by the GMA. The mandatory Elements Chapters address how to accommodate the City's assigned growth targets for housing and jobs for the horizon year of 2035 while still attaining our vision for the community. The Plan reflects extensive updates to all of the Element Chapters, including rewrites of the Environment, Transportation and Parks, Open Space and Recreation Elements and a major update to the Totem Lake Business District Plan containing Kirkland's designated Urban Center. The revised Comprehensive Plan includes revisions to most of the City's existing neighborhood plans with the exception of those that were recently updated (e.g. Central Houghton, Lakeview, etc.). The Plan also incorporates a new Kingsgate Neighborhood Plan, specific citizen amendment requests and four new City functional plans including, the Transportation Master Plan, Parks, Recreation and Open Space Plan, Surface Water Master Plan and Cross Kirkland Corridor Master Plan.

Also it is worth noting that the Plan Update incorporates the Kingsgate, North Juanita and Finn Hill areas annexed on June 1, 2011. This was a significant annexation that increased the City's population by more than 30,000 new residents and our land area from 11.06 to 18.25 square miles.

The Planning Commission and Houghton Community Council (for those amendments that fall within the Houghton Community Council's disapproval jurisdiction), held a joint public hearing on June 25, 2015. The Planning Commission continued the hearing to July 9, 2015 for deliberation. The Planning Commission held public hearings on July 23, 2015 and August 13, 2015. These hearings were continued to September 10 and September 24 for deliberation on specific topics.

Before recommending approval of all amendments, the Planning Commission and the Houghton Community Council carefully considered all of the information provided and all comments from the public.

Following City Council action, the Houghton Community Council may take final action on the amendments applicable in Houghton at its January 25, 2016 meeting.

The City Council considered all Planning Commission recommendations and public comments on the proposed amendments to the Comprehensive Plan and development regulations at two Council study sessions in October 2015 and a follow-up discussion on one topic in November 2015. Background information, environmental analysis and links to memorandums associated with all of the public meetings are contained in the memorandums prepared for the City Council study sessions. Follow the links below to view the Planning Commission's recommendations presented at each study session.

October 6, 2015 City Council Study Session

- Cover Memo
- Element Chapters and General Zoning Code and Municipal Code Amendments and General Zoning Map and Land Use Map Amendments
- Neighborhood Plans and related zoning amendments
- Citizen Amendment Requests (except Walen and Totem Lake CAR's)
- MRM Request

October 20, 2015 City Council Study Session

- Cover Memo
- MRM Request follow-up
- Nelson /Cruikshank Citizen Amendment Request follow-up
- Totem Lake and Totem Lake and Walen Citizen Amendment Requests and Totem Lake Plan and Planned Action Ordinance

November 4, 2015 City Council Study Session

- Nelson /Cruikshank Citizen Amendment Request follow-up.

VI. KEY CHANGES TO THE COMPREHENSIVE PLAN AND DEVELOPMENT REGULATIONS

The following is a **summary of the key changes by ordinance.** Findings of fact to

support the City Council's adoption of the amendments are incorporated into each ordinance.

1. **Ordinance 4493 Element Chapters**: (Exhibits 1-16)

1. **Introduction** (see Exhibit 1)
   - Update **history and data** about Kirkland
   - Add Kirkland's **history of annexation map**

2. **Vision Statement and Guiding Principles (see Exhibit 2)**
   - New **vision statement** based on extensive public outreach resulting in the "wordle" describing the future of Kirkland. The new Vision Statement notes Kirkland as being a welcoming place to live, work and play; a green, livable and sustainable community; inclusive and diverse; and connected by walking, biking and transit
   - New **guiding principles** based on the vision of a livable, sustainable and connected community

3. **General Elements** (see Exhibit 3)
   - Add required **Vision 2040 Regional Planning Statement**
   - Revise text about **neighborhood and business district plans** to be at least once between every two major Plan Updates and more frequently if needed based on Council priorities

4. **Community Character Element** (see Exhibit 4)
   - Look for opportunities for pedestrian connections, open space, art and public events with the **Cross Kirkland Corridor**
   - Address **impacts of outdoor storage** of large vehicles, boats and junk in SF neighborhood
   - Added **map of historic structures** designated in table of historic structures, sites and objects

5. **Environment Element** (see Exhibit 5)
   Note: chapter has been rewritten and name revised
   - New Introduction and explains the concept of a "**Livable and Sustainable Community**"
   - Maintain current **tree and vegetation** canopy cover while achieving optimal health, safety and sustainability of the urban forest
   - Look at ways to protect and stabilize **soils and geology** using best available science and practices to order to protect life and property
   - Address **built environment** because of important connection between the built and natural environments
   - Focus on **climate change** with a strong emphasis on reducing greenhouse gas emissions. A definition of climate change was also added.

- Added new section on **healthy food community** to encourage local food production, ensure access to healthy food, reduce environmental impacts of food production and plan for food emergencies and shortages.

6. **Land Use Element** (see Exhibit 6)
   - Support land use patterns that promote **public health**
   - Factor availability of **transit** into decisions about future growth
   - Encourage land uses that are complementary with the **Cross Kirkland Corridor** (CKC)
   - Update and clarify definitions and guidance for **commercial and mixed use areas**
   - Emphasize importance of **streets and CKC** as parts of Kirkland's **open space network**

7. **Housing Element** (see Exhibit 7)
   - Establish city's proportionate share of **housing needs** of very low-, low-, and moderate income households
   - Address **homelessness**
   - Support **senior housing needs and fair housing**

8. **Economic Development Element** (see Exhibit 8)
   - Promote **sustainable and resilient economy**
   - Encourage **diverse tax base**
   - Promote access to **job opportunities and goods and services** to community
   - Address **tourism & business retention**
   - Address recruitment efforts toward businesses that **provide living wage jobs**
   - Encourage **positive business climate**
   - Foster **socially and environmentally responsible businesses**
   - Support businesses that provide **access to healthy and locally grown food**
   - Develop the Cross Kirkland Corridor to **attract businesses and housing** as well as a multimodal transportation facility to connect businesses and employees with employment centers
   - Promote **socially responsible practices** in the private, public and non-profit sectors
   - Help facilitate environmental **remediation** of contaminated sites

9. **Transportation Element** (see Exhibit 9)
   Note: chapter has been rewritten based on newly adopted Transportation Master Plan
   - Create a transportation system that supports the City's **land use plan**.
   - Encourage safe and efficient **walking and biking, interconnected system** for all ages and abilities.
   - Support viable and realistic **transit system.**

- Provide for efficient and safe **vehicular circulation** recognizing congestion is present
- Focus on **safety** to reduce fatal and serious injury crashes
- Promote **sustainability** that provides mobility using available funding sources and minimizes environmental impacts
- Being an **active partner** to advance Kirkland's interests with state, regional and neighboring transportation/transit agencies and transportation advocacy groups

Level of service:

- **New level of service approach** for each mode that addresses **completeness** of various aspects of the transportation network to complement the new concurrency system
- Uses term "**level of completion**" in place of "level of service" when referring to the actual measure. The level of completion choices made for each mode are aligned with the proposed 20-year network transportation project list. Time is the basis for evaluating the level of completion. Level of completion measures the rate of project completion over the course of the 20-year period.

10. Park, Recreation and Open Space (see Exhibit 10)

Note: rewritten element based on new PROS Plan.

- **Neighborhood & Community Parks**. Acquire additional parklands necessary to adequately serve the City's current and future population based on designated guidelines for levels of service
- **Waterfront Parks**. Maintain and enhance Kirkland's waterfront parks to connect residents with the water and provide unique recreational experiences
- **Trail Network**. Develop a network of shared-use pedestrian and bicycle trails to enable connections within parks and between parks, nearby neighborhoods, public amenities, and major pedestrian and bicycle routes identified in the Active Transportation Plan
- **Signature Trails**. Develop, enhance and maintain signature greenways and trails that stretch across the community and that connect residents to the City's many parks, natural areas, recreation facilities and other amenities
- **Recreation Facilities**. Develop additional multiuse indoor recreation, aquatic, and community spaces that provide a comprehensive recreation program to Kirkland residents
- **Specialized Facilities.** Establish and operate specialized recreational facilities (e.g. action sports facilities, off leash areas, skate parks, community gardens) to respond to identified public needs, as appropriate
- **Athletics.** Provide a citywide system of sports fields, indoor and outdoor sports courts, gymnasiums, and programs to serve athletic needs of the community, in partnership with the Lake Washington School District, local sports organizations, and other regional providers

- **Conservation & Stewardship.** Preserve significant natural areas to meet outdoor recreation needs, provide opportunities for residents to connect with nature, and meet habitat protection needs
- **Restoration**. Restore and manage City-owned or managed natural areas to protect and enhance their ecological health, sensitive habitats and native species
- **Universal Access & Inclusion**. Strive to reduce barriers to participation and provide universal access to facilities and programs

Level of service:

- **New level of service approach** of "**investment per person"**

11. Utilities (see Exhibit 11)

- Support **equal access** to utility services
- Encourage **undergrounding** when telecommunication facilities are installed
- Encourage **screening utility infrastructure** to blend into surroundings
- Promote **water reuse** and **reclamation**
- Implement City's **Surface Water Master Plan**
- Promote **increasing renewable energy** and encouraging utility providers to make **efficiency improvements** and transition away from **fossil fuels** to address **climate change**
- Coordinate **emergency response** for utility disaster recovery
- Require **siting analysis** for electrical transmission facilities

12. Public Services (see Exhibit 12)

- Establish **emergency management** program
- Change desired **closure of Houghton Transfer Station** from 2016 to 2021
- Promote **increased waste reduction and recycling**
- Support **Lake Washington School District** in planning, siting and development of school facilities
- Address **social equity for underserved population** and **equal access for people with disabilities**

13. Human Services (see Exhibit 13)

- Embrace **diversity** in population and strive for a community **free of discrimination** and with **equal opportunity** for all
- Create a community that has ability to meet members' **basic physical, economic and social needs** and have opportunity to enhance their **quality of life**
- Encourage **partnerships** between city, schools, human services providers and others to meet needs of children and families
- Encourage human services facilities to **locate near commercial centers, and transit and non-motorized facilities** and provide **barrier free programs**

14. Capital Facilities (see Exhibit 14)

- Support **sustainable development practices** for design and construction of public facilities
- Establish new **Transportation LOS** for completion of a planned network based on **multimodal network**
- Establish new **Park LOS** of **dollar amount spent per person**

15. Implementation Strategies (see Exhibit 15)

- Update **one-time projects** to implement the Draft Elements
- Delete **ongoing activities** since they are part of existing programs or projects
- Revised text for **neighborhood and business district plans** to be updated at least once between every two major Plan Update cycle and more frequently if needed based on City Council priorities

16. Appendices (see Exhibit 16-18)

- Delete **Appendix A, Level of Service Methodology.** Information about this subject will be provided on the City's web site (Exhibit 16)
- Revise **Appendix B, Glossary**, to reflect changes to the Element Chapters and the Neighborhood Plans (Exhibit 17)
- Delete **Appendix C, Design Principles - Residential Development.,** This information will be provided on the City's web site in same location as other design guidelines (Exhibit 18)

2. **Ordinance 4494 Neighborhood Plans**: (Exhibits 1-15)

All of the existing neighborhood plans, except Lakeview, Central Houghton, Market and Market Street Corridor, are **updated with new and corrected information to reflect new developments, changed conditions, completed city improvements and updated city policies**. In many ways the neighborhood plans have been simplified. In some cases, sections are consolidated or reorganized for be more concise. The revised plans reflect public comments from neighborhood residents received at meetings in 2014-2015. The **four plans that have no text revisions are current and thus do not require any changes**.

Each plan has the following seven new **standardized neighborhood plan maps**:

- Land Use Map
- Wetlands, Streams and Lakes Map
- Geologically Hazardous Areas Map
- Street Classifications Map
- Pedestrian System Map
- Bicycle System Map
- Urban Design Features Map

Some of the existing maps in some of the plans are deleted, including the park and open space map and the neighborhood boundary map (already reflected in the land use map).

1. **Lakeview:** (see Exhibit 1)
   No changes, except maps

2. **Central Houghton** (see Exhibit 2)
   No changes, except maps

3. **Bridle Trails** (see Exhibit 3)
   Text has been revised to encourage the Park and Ride site to be a potential candidate as a transit oriented development if the opportunity arises, and that the City and State should work closely with the community to develop design guidelines and development standards for the site.

4. **Moss Bay** (see Exhibit 4)
   Text has been revised to reflect the MRM request and the Nelson/Cruikshank Citizen Amendment Request (CAR). For the MRM request, the text for the East Core Frame has been revised to delete the word "limited" in reference to residential; text for Design District 5 is amended to allow six stories; and a figure for Downtown Height and Design Districts is revised to show six stories for the MRM site.

   For the Nelson/Cruikshank CAR, the Land Use Map reflects the entire area of Planned Area 6C, a low density residential land use designation is proposed to be changed as discussed above. In addition, the Downtown maps have been redone using GIS.

5. **Everest** (see Exhibit 5)
   Revised to plan for a public process to study the future of the Everest/Houghton neighborhood commercial center.

6. **North Rose Hill** (see Exhibit 6)
   Text has been revised to reflect the Walen CAR, including the Land Use Map and related text to reflect the rezone. The Basra and Griffis CARs have also been incorporated into the Land Use Map to reflect those rezones. Additionally, the Light Manufacturing Park designation has been eliminated and replaced with the Industrial designation to bring it into consistency with the remainder of industrial designations Citywide.

7. **The NE 85th Street Corridor** (see Exhibit 7)
   The Land Use Map, similar to the North Rose Hill Plan map, has been revised to reflect the Basra and Griffis CAR rezones. Additionally, text has been revised to reflect the Griffis CAR.

8. **South Rose Hill** (see Exhibit 8)
   Plan changes include emphasis on focusing vehicular traffic onto arterial and collector streets to avoid cut-through traffic on local streets, providing safe bicycle and pedestrian access in the neighborhood, on the NE 60th ST overpass over I-405 and connections to the CKC and North Rose Hill neighborhoods. Minor edits to text describing the stream, wetlands, and moderate and seismic hazard areas.

9. **Juanita** (see Exhibit 9)
   Plan has been significantly reorganized and consolidated and includes the annexation area of North Juanita. The boundary between North and South Juanita has been eliminated. The plan has also been revised to reflect the Newland CAR, including the Land Use Map and text relating to development of the study area.

10. **Market** (see Exhibit 10)
    No changes, except maps

11. **Market Street Corridor** (see Exhibit 11)
    No changes, except maps

12. **Norkirk** (see Exhibit 12)
    Plan maintains the industrial area land use designation and economic emphasis that was the subject of seven Citizen Amendment requests.

13. **Highlands (**see Exhibit 13)
    Plan eliminates a goal and a policy to establish new multifamily residential design standards in the Highlands Neighborhood, since multifamily design regulations apply only in business districts, and are not anticipated in the remainder of Kirkland where multifamily is allowed.

14. **Kingsgate (**see Exhibit 14**)**
    The Kingsgate Neighborhood Plan has a new map-based approach with brief policies that reference the corresponding, more detailed goals and polices in the city-wide Element Chapters rather than restating the goals and policies. The objective of the new plan outline is to shorten the length of the neighborhood plans and make them more concise and easier to update. The new plan addresses the following eight topics around 16 policies.

    a. Overview
    b. Neighborhood Vision
    c. Historic Context
    d. Land Use: Residential and Commercial
    e. Natural Environment
    f. Park and Open Space
    g. Transportation: Roads, Pedestrian & Bicycle System

h. Urban Design
i. The new Kingsgate Plan contains the seven standardized maps listed above for the revised existing plans.

15. Zoning Code Chapter 40 Industrial Zones (see Exhibit 15)
Amendments related to Norkirk and Moss Bay Neighborhood Plan and Norkirk LIT Citizen Amendment Request.

- **Moss Bay**: For **PLA 6G tables, removed multifamily residential and assisted living facilities** as permitted uses. The uses were added through a Citizen Amendment Request several years ago to allow for more development options. Office use (Google) has since been built on the site so the uses should no longer be listed in the development regulation table. The Moss Bay Neighborhood Plan has also been amended.

- **Norkirk**:

  - **Eliminated vehicle sales uses** allowed in the Norkirk industrial zone. The Norkirk Neighborhood plan and zoning were amended several years ago at the behest of the Green Car Company to allow very limited sales of alternate fuel vehicles only in the Norkirk LIT zone. The green car company has come and gone, and it seems highly unlikely that another car company would fit the limited circumstances where the use is allowed in this zone (primarily alternative fuel vehicles, only on 7th Avenue or 8th Street, no outdoor sales/storage/displays, limited signage, limited test drives).

  - **Limited the location of outdoor animals runs for veterinary clinics and kennels** that are adjacent to low density zones as far as possible from the zone boundary to reduce noise impacts associated with outdoor animal runs. This requirement only applies to Norkirk LIT since it is the only LIT area that has an adjacent low density residential area.

3. **Ordinance 4495 Totem Lake Business District Plan** (replacing Totem Lake Neighborhood Plan) and Code Amendments (see Exhibits 1-3)

1. Comprehensive Plan (see Exhibit 1)

A. General Revisions: new and corrected information to reflect new developments, changed conditions, completed City improvements, updated city policies and seven new standardized neighborhood plan maps and several unique maps as noted below:

- Totem Lake Business District and Urban Center Boundaries
- Totem Lake Possible New Connections
- Totem Lake Housing Incentive Areas

- Totem Lake Business District and Urban Center Subareas
- Subarea and Inset Maps

B. Specific Revisions: reflect agency and public comments received throughout the update process, and changes related to Planning Commission recommendations on five Citizen Amendment Requests in Totem Lake:

- Changes to **incorporate requirements from the PSRC** checklist for Regional Growth Centers (including the inclusion of mode split goals) and the **Growing Transit Communities Compact;**
- Change in **name** from Totem Lake Neighborhood to Totem Lake Business District;
- Changes to **boundaries:**
  - Revision to neighborhood boundaries to add the Kingsgate Park and Ride and multifamily residential area to the south (now part of the Juanita Neighborhood);
  - Changes to the Urban Center boundary to include the Kingsgate Park and Ride and the Lake Washington Institute of Technology, and to remove the Heronfield wetlands and industrial areas east of 128th Lane NE from the Urban Center. The revised boundaries result in a slight reduction in the size of the Urban Center from 860 acres to 842 acres;
- Revised format of the Totem Lake Plan to identify five subareas, and to move policies from "topic" sections (such as Economic Development) to subarea discussion where appropriate;
- Changes to Housing Incentive Area policies and geographic boundaries;
- New policies and text to provide for potential future implementation of a Transfer of Development Rights (TDR) program in Totem Lake;
- Expanded policies and text in support of Transit-Oriented-Development (TOD) at the Kingsgate Park and Ride site;
- Addition of policies in support of the Totem Lake Park Master Plan, PROS plan and the Cross Kirkland Corridor (CKC);
- Changes to transportation policies to be consistent with changes to the Transportation Master Plan;
- Changes to the Parmac area (south of NE 116th Street, west of I-405) to:
  - Remove limits on the development of new industrial uses and the expansion of structures for industrial use;
  - Add provisions for a Master Plan for a mixed use community (minimum ten acres) adjacent to the CKC;
  - Limit residential use to the western boundary of the district, unless proposed under the Master Plan described above;
- Changes to policies for Eastern Industrial District (north of NE 124th Street, east of 124th Avenue NE) to incorporate preliminary direction on four CARs: Totem Commercial Center, Morris, Rairdon and Astronics which:

  - Change land use to allow mixed use (commercial on ground floor) in addition to commercial and light industrial uses north of NE 124th Street, west of 128th Lane NE, south of the CKC. This also results in change to the Land Use Map from Industrial to Commercial (Totem Commercial Center CAR);
  - Change land use from commercial/light industrial to multifamily residential for one parcel north of NE 126th Place, east of 132nd Avenue NE (Morris CAR);
  - Change land use for a parcel west of 132nd Avenue NE, north of NE 126th Place and directly south of single family to allow a retail establishment containing vehicle sales, service and/or storage (in addition to multifamily residential use), when development is coordinated and consolidated with the parcel to the south. The policies address additional public review of non-residential proposals, mitigation plans where impacts to critical areas are proposed, an expanded buffer from adjacent single family area, and restrictions on lighting and noise (Rairdon CAR);
  - Support additional height in the industrial area at the city's easternmost border, at the base of the slope. Policies address mitigation plans where impacts to critical areas are proposed (Astronics CAR).
- Change in land use from High Density Residential (TL 1B) to Institutional (TL 3D) for one parcel owned by Evergreen Health (Evergreen Health CAR).

2. Zoning Code and Municipal Code (see Exhibit 2)

Changes implement the policy changes summarized above. A number of additional changes codify interpretations and implement changes directed by the City Council during the Totem Lake code amendment process in 2012:

- Changes to **remove Floor Area Ratio (FAR) limits** in TL 1A, TL 1B and TL 5 to eliminate this potential barrier to redevelopment;
- Changes to **allow vehicle sales and service in TL 9A and TL 9B** subject to standards related to consolidation and environmental considerations *(Rairdon CAR)*;
- Changes to **allow increased building height from 45' to 80' and to allow residential use in mixed use developments within TL 7** on NE 124th Street, south of the CKC and west of NE 128th Street. Creation of a new subarea, "TL 7A," for this area, with remainder of TL 7 zone to be in a new "TL 7B" zone *(Totem Commercial Center CAR)* (Exhibit 2, page 20);
- Change to **allow increased building height from 65' to 80' in the TL 8 zone**;

- Changes to **allow additional height in a limited area on Willows Road within TL 7**, east of the Eastside Rail Corridor and west of the Redmond Spur (Kirkland City limits) *(Astronics CAR)*;
- Changes to **allow multifamily use within a limited area of TL 7**, north of NE 126th Place *(Morris CAR)*;
- **Limits on free-standing mini-storage** use within the commercial areas of the Urban Center;
- Addition of a new use listing and standards for **"mixed use concept" in Parmac**. Standards would require adjacency to the CKC, minimum acreage (ten acres), buffers and access directed away from industrial traffic;
- **Limits on free-standing School and Day-Care Center uses** in light industrial areas of TL 7 (TL 7B);
- **Expansion of Restaurant or Tavern permitted use** within the 405 Corporate Center (TL 10A);
- **Expansion of "Vehicle or boat repair, services, washing or rental"** and **"Restaurant or Tavern"** uses within TL 10B;
- Addition of special regulation in light industrial zones where residential use is allowed (TL 10D/10E), and in areas where land is rezoned to residential from industrial (RMA 3.6) to **put future residents "on notice" of possible impacts from adjacency to industrial uses**;
- **Miscellaneous other changes** to codify interpretations.
- Revised name of Design Guidelines for the Totem Lake Neighborhood to Totem Lake Business District in Section 3.30.040 of the Municipal Code.

3. Zoning Map (see Exhibit 3)

These changes are generally related to the Citizen Amendment Requests. Two additional proposed changes implement policy direction for the Kingsgate Park and Ride, and rezone one property where an owner brought a desired change to the attention of the Planning Commission, outside of the CAR process. Revisions to the Zoning Map in addition to those that are related to CARs include:

- Change in the land use designation from **Office to Transit-Oriented-Development** (TOD) for the **Kingsgate Park and Ride**;
- Rezone one parcel (**Parker** medical office property) from **TL 2 (Commercial) to TL 1A (Office Mixed Use)**. The parcel is now in the same zone as the Totem Lake Mall, but is not part of the redevelopment project. At the request of a property owner, the zoning for the property is changed to the abutting TL 1A zone

4. Ordinance 4496 General Zoning Code and Municipal Code Amendments (see Exhibits 1-6)

1. **Kirkland Zoning Code (KZC) Section 10.20** (see Exhibit 1)
   Amended to authorize the Planning Director to make minor administrative corrections to the Zoning Map.

2. **KZC Section 10.35.3** (see Exhibit 2)
   Amended to codify the interpretation of zoning boundaries in Lake Washington consistent with case law and other jurisdictions in the state.

3. **KZC Chapter 142** (see Exhibit 3)
   Amended reference to the Design Principles - Residential Development that are deleted from Appendix C (will be available on the City's web page with the other design principles).

4. **Kirkland Municipal Code (KMC) 3.30.040** (see Exhibit 4)
   Amended reference to the Design Principles - Residential Development that are deleted from Appendix C (will be available on the City's web page with the other design principles).

5. **Rose Hill Business District Design Guidelines** (see Exhibit 5)
   Amended reference in the Municipal Code to reflect the change in policy numbers in the NE 85th Street Subarea Plan and also a few minor editing changes to the guidelines.

6. **Design Guidelines for Residential Development** (see Exhibit 6)
   Reformatted for the web and also a few minor editing changes including changing the name from "principles" to "guidelines".

5. **Ordinance 4497 General Zoning Map and Land Use Map Amendments** (see Exhibits 1-3)

1. **Rezones** (see Exhibit 1)
   Rezone **95 parcels in the annexation area** on both maps. These consists of **small parks, open spaces, and storm-water ponds and surface water basins** that are also open spaces. The rezones are from Single Family Residential (RSA) to Park/Public (P).

2. **Legends** (see Exhibit 2)
   - Revise the **legends** on both the Zoning Map and Land Use Map to **add the word "mixed use"** after the zoning/land use categories of **commercial**, **industrial** and **office.** Each term reflects the predominate use in the zone. However a mix of uses are allowed in these zones, including residential in the commercial zones, retail in the office zones, and office in the industrial zones.
   - Revise the Zoning Map legend to reflect the following:

- Remove "**FC**" (freeway commercial) and "**Light Manufacturing Park**" zones in the legend of the Zoning Map. These zones no longer exist.
- Remove "**Completed Planned Unit Development**" from the legend on the Zoning Map." The PUD designation is removed once the project is completed.
- Change "Houghton Annexation" to "**Houghton Community Municipal Corporation**" in the legend on the Zoning Map as it was not an annexation but a consolidation.
- Add the "**Totem Urban Center boundary**" and delete the "**Totem Center boundary**" on the legend of both maps to match the amendments to the Totem Lake Business District plan.

3. **Suffixes** (see Exhibit 3)
   Remove **suffixes on the Zoning Map** on eight properties that reference policies with development standards in the Comprehensive Plan applicable to the site. The properties have been developed so that suffixes are no longer needed.

6. **Ordinance 4498 Citizen Amendment Requests** (see Exhibits 1-29)

1. **Basra** (see Exhibits 1, 2, 3 and 4)
   Changed land use and rezoned the Basra parcel only, from Industrial (LIT) to Commercial (RH 5A) to allow development of a hotel. Increased the height for hotel or motel uses on the Basra parcel. Changed the land use designation in the remainder of the study area from Light Manufacturing Park to Light Industrial Technology.

2. **Griffis** (see Exhibits 5, 6, 7, 8, 9 and 10)
   Changed land use and rezoned the study area from Low Density Residential 6 du/acre (RSX 7.2) to Office Mixed Use (RH 8). Amended the NE 85th Street Subarea Plan and RH 8 zoning to allow RH 8 uses in the rezoned area only if development is consolidated with lots adjoining NE 85th Street, otherwise limit development to low density residential uses, as are allowed in the RSX 7.2 zone; allow isolated parcels to be developed independently with an office; and limit height to 30′ above Average Building Elevation within 30 feet of the RSX zone, equivalent to the height limit in the low density zone.

   Additional zoning conditions require affordable housing with development of four or more units in rezoned area or when combined with parcels adjoining NE 85th Street. Amended the KZC Design Guidelines to require development that is combined with parcels adjoining NE 85th Street or in the rezoned area, be reviewed by the Design Review Board rather than administratively.

3. **Newland** (see Exhibits 11 and 12)

Changed land use and rezoned three parcels within the study area from low density single family six dwelling units per acre (LDR 6*)/RSX 7.2 to medium density residential (MDR 12)/RM 3.6. Deleted text in the Juanita Neighborhood Plan that allowed clustered housing symbolized on the land use map with an asterisk.

4. **Waddell** (see Exhibit 13)
   Amended the zoning regulations to remove common recreational open space requirements for the Planned Area 5C zone.

5. **Evergreen Health:** (see Exhibits 14 and 15)
   Changed the land use and rezoned one parcel from High Density Residential (TL 1B) to Institutional (TL 3D).

6. **Totem Commercial Center:** (Exhibits 16, 17 and 18)
   Changed TL 7 zoning to allow residential use in mixed use development west of 128th Lane NE, with minimum standards for ground floor commercial use. Increased maximum building height from 45 feet to 80 feet for all uses, and minimum aggregation requirements for mixed-use development.

7. **Rairdon**: (Exhibits 19, 20, 21 and 22)
   Expanded the permitted uses within the TL 9A and TL 9B zones to allow one new commercial use, "A retail establishment providing vehicle or boat sales, repair, services, storage or washing". Revised standards for TL 9A and 9B in the Totem Lake Business District Plan and changed the zoning to allow the use in TL 9B only if site development includes consolidation and coordination with development in TL 9A. Vehicle access limited to NE 126th Place. Development reviewed through a public process. Additional conditions address environmental conditions and commercial impacts, such as the requirement for an expanded buffer (greater than 100 feet) from the parcel's north property line, specific direction for environmental mitigation plans, and restrictions on lighting and outdoor loudspeaker systems.

8. **Morris:** (see Exhibits 23, 24, 25, 26 and 27)
   Rezoned the Morris property from TL 7 to RMA 3.6, with the standard height limit in the RMA zone (35'). Added multifamily as a permitted use within the TL 7 zone for the two parcels at the western edge of the study area, on 132nd Avenue NE. Revised regulations to address potential conflicts with industrial uses.

9. **Astronics:** (see Exhibits 28 and 29)
   Changed TL 7 zoning to increase the maximum building height from 45 feet to 65 feet for the Astronics property, with provisions to allow for an additional 10 feet for rooftop appurtenances, and revised policies and regulations to address environmental conditions.

7. **Ordinance 4499 MRM Amendment Proposal** (Exhibit 1)

Changed CBD 5 zoning to allow both the additional residential use and the additional height of one story on the MRM property subject to specific development standards and required public benefits.

8. **Ordinance 4505 Walen Citizen Amendment Request** (Exhibits 1, 2, 3 and 4)

Changed NRH 5 zoning to allow vehicle sales and storage. Rezoned the westerly 200' of the Ridgewood Village condominium property surrounding the Walen property from RM 1.8 to NRH 5. Revised North Rose Hill Neighborhood Plan policies and added new NRH 5 zoning regulations to address impacts from outdoor storage, exterior lighting and outdoor speakers.

9. **Ordinance 4506 Nelson Cruikshank Citizen Amendment Request** (Exhibits 1, 2, 3 and 4)

As drafted, Ordinance 4506 includes the following provisions. Changed land use and rezoned the study area from low density residential at nine dwelling units per acre (PLA 6C) to medium density residential at 12 units per acre (RM 3.6). Limited the maximum height in the study area to 25'. Established the required front setbacks for the study area at 10' with the exception of certain garages that must be setback 20' to provide a parking pad. Established side setbacks at 5' minimum and 10' for developments containing more than four units abutting an existing single family home. Minor corresponding changes made to the CBD 3 and CBD 4 zones to the north to reflect the rezone.

VII. PUBLIC COMMENTS

Copies of comments received during the Comprehensive Plan Update process are provided in a binder in the Council Study room. If you wish to have a binder for your personal use, email Teresa Swan at tswan@kirklandwa.gov.

VIII. ENVIRONMENTAL REVIEW:

The Final Environmental Impact Statement (EIS) for the Comprehensive Plan Update will be issued on November 24, 2015. The Final EIS responds to one public comment received on the Draft EIS, issued on June 24, 2015. The comment was from Joanne Hedou of Edible Kirkland concerning food security in the community. The new Environment Element contains a food goal and policies that address food security. The Final EIS also provides corrections and clarifications to the environmental analysis contained in the Draft EIS. The Final EIS carries forward all three of the growth alternatives that were evaluated in the Draft EIS without changes.

The Kirkland Planning Commission made a recommendation to consider Growth Alternative 2 (Totem Lake/Downtown Focus) as the preferred growth alternative. The Kirkland Planning Commission also made recommendations and revisions on the MRM Request and the Citizen Amendment Requests since publication of the Draft EIS. The Final EIS updates the Draft EIS analysis to reflect these final recommendations.

The proposed Comprehensive Plan Update is within the range of alternatives studied in the EIS.

cc: CAM13-00465 #9
Planning Commission
Houghton Community Council
Kirkland Neighborhood Associations
Kirkland Alliance of Neighborhoods
Kirkland Chamber of Commerce
Kirkland 2035 listserv

ORDINANCE O-4506

AN ORDINANCE OF THE CITY OF KIRKLAND FOR THE NELSON/CRUIKSHANK CITIZEN AMENDMENT REQUEST, RELATING TO COMPREHENSIVE PLANNING, LAND USE AND ZONING, AND AMENDING THE COMPREHENSIVE PLAN ORDINANCE 3481, AS AMENDED, THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AND THE KIRKLAND ZONING MAP, ORDINANCE 3710, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

WHEREAS, the Growth Management Act (GMA), specifically RCW 36.70A.130, mandates that the City of Kirkland take legislative action to review, and if needed, revise its Comprehensive Plan, Zoning Code and official Zoning Map to ensure continued compliance with GMA (also knowns as "periodic review"); and

WHEREAS, the City has met the periodic review and update requirements under the GMA, RCW 36.70A.130; including a process for early and continuous public participation; and

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission for certain amendments to the Comprehensive Plan, the Zoning Code, and the Zoning Map, all related to the Nelson/Cruikshank Citizen Amendment Request (CAR) proposal, as set forth in the report and recommendation of the Planning Commission dated September 10, 2015, and bearing Kirkland Planning and Building Department File No. CAM13-00465; and

WHEREAS, prior to making the recommendation the Planning Commission, following notice as required by RCW 35A.63.070, held a public hearing on June 25, 2015, to receive comments on the Citizen Amendment Request proposal; and

WHEREAS, the Planning Commission continued the public hearing to July 9, 2015, to receive comments, consider and deliberate upon the comments received at the hearings; and

WHEREAS, a public open house was held before the public hearing on June 25, 2015, and

WHEREAS, the City Council held public meetings on October 6, 2015, October 20, 2015, and November 4, 2015, to consider the proposed amendments, the recommendation from the Planning Commission and public comments, and

WHEREAS, pursuant to SEPA, a scoped Environmental Impact Statement addressing the CAR was issued by the Responsible Official and has accompanied the legislative proposal through the entire consideration process; and

WHEREAS, in public meetings the City Council considered the environmental documents received from the Responsible Official, together with the report and recommendation of the Planning Commission on the CAR; and

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

Section 1. The findings of fact included in Ordinance 4493, Section 1 are incorporated by reference.

Section 2. Nelson/Cruikshank Citizen Amendment Request - Comprehensive Plan Map and Figure, and Zoning Code Text and Map amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Code, Ordinance 3719, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 1-4 attached to this Ordinance and incorporated by reference.

Exhibit 1: Comprehensive Plan Land Use Map
Exhibit 2: Moss Bay Neighborhood Plan
Exhibit 3: Zoning Code Definitions; Low Density Residential Zone; Medium Density Residential Zone; CBD 3 Zone and CBD 4 Zone regulations
Exhibit 4: Zoning Map

Section 3. Official Zoning Map Change: The Director of the Planning and Building Department is directed to amend the official City of Kirkland Zoning Map to conform to this Ordinance, indicating the date of passage.

Section 4. 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 5. This Ordinance shall be in full force and effect five days from and after its passage by the City Council and publication pursuant to Kirkland Municipal Code Section 1.08.017, in the summary form attached to the original of this Ordinance and by this reference approved by the City Council, as required by law.

Section 6. A complete copy of this Ordinance 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 _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
Mayor

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4506

AN ORDINANCE OF THE CITY OF KIRKLAND FOR THE NELSON/CRUIKSHANK CITIZEN AMENDMENT REQUEST, RELATING TO COMPREHENSIVE PLANNING, LAND USE AND ZONING, AND AMENDING THE COMPREHENSIVE PLAN ORDINANCE 3481, AS AMENDED, THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AND THE KIRKLAND ZONING MAP, ORDINANCE 3710, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

SECTION 1. Adopts findings of fact in Section 1 of Ordinance 4493 by reference.

SECTION 2. Amends Comprehensive Plan figure and text and Zoning Code text and map.

SECTION 3. Directs the Director of the Planning and Building Department to amend the official Kirkland Zoning Map.

SECTION 4. Provides a severability clause for the Ordinance.

SECTION 5. Authorizes the 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.

SECTION 6. Directs the City Clerk to certify and forward a complete certified copy of this Ordinance to the King County Department of Assessments.

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 _____, 2015.

I certify that the foregoing is a summary of Ordinance 4506 approved by the Kirkland City Council for summary publication.

_____
City Clerk

ORDINANCE O-4494

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, COMPREHENSIVE PLANNING AND LAND USE AND AMENDING THE NEIGHBORHOOD PLAN CHAPTERS OF THE COMPREHENSIVE PLAN ORDINANCE 3481, AS AMENDED, AND CHAPTER 40 OF THE ZONING CODE, ORDINANCE 3719, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

WHEREAS, the Growth Management Act (GMA), specifically RCW 36.70A.130, mandates that the City of Kirkland take legislative action to review, and if needed, revise its Comprehensive Plan and Zoning Code to ensure continued compliance with GMA (also knowns as "periodic review"); and

WHEREAS, the City has met the periodic review and update requirements under the GMA, RCW 36.70A.130; including a process for early and continuous public participation; and

WHEREAS, the Planning Commission and Houghton Community Council, following notice as required by RCW 35A.63.070, held a joint hearing on June 25, 2015, and the Planning Commission held additional public hearings on July 23, 2015, and August 13, 2015, on the amendment proposals and considered the comments received at the hearings; and

WHEREAS, public open houses were held before the public hearings on June 25, 2015, July 23, 2015 and August 13, 2015; and

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission and the Houghton Community Council for certain amendments to the Comprehensive Plan, all related to the Neighborhood Plans, and Chapter 40 of the Zoning Code, as set forth in the report and recommendation of the Planning Commission dated September 10, 2015, and bearing Kirkland Planning and Building Department File No. CAM13-00465; and

WHEREAS, the City Council held a study session on October 6, 2015, to consider the proposed amendments, the recommendation from the Planning Commission and public comments; and

WHEREAS, pursuant to the State Environmental Policy Act (SEPA), there has accompanied the legislative proposal and recommendation through the entire consideration process, a scoped Environmental Impact Statement, issued by the Responsible Official; and

WHEREAS, in public meeting the City Council considered the environmental documents received from the Responsible Official, together with the recommendation from the Houghton Community

Council and the report and recommendation of the Planning Commission.

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

Section 1. The findings of fact included in Ordinance 4493, Section 1 are incorporated by reference.

Section 2. Comprehensive Plan Text, Figures and Tables and Zoning Text amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Code, Ordinance 3719, as amended, are further amended as set forth in the following Exhibits 1-15 attached to this Ordinance and incorporated by reference.

Exhibit 1: Lakeview Neighborhood Plan
Exhibit 2: Central Houghton Neighborhood Plan
Exhibit 3: Bridle Trails Neighborhood Plan
Exhibit 4: Moss Bay Neighborhood Plan
Exhibit 5: Everest Neighborhood Plan
Exhibit 6: North Rose Hill Subarea Plan
Exhibit 7: NE 85th Street Subarea Plan
Exhibit 8: South Rose Hill Neighborhood Plan
Exhibit 9: Juanita Neighborhood Plan
Exhibit 10: Market Neighborhood Plan
Exhibit 11: Market Street Corridor Plan
Exhibit 12: Norkirk Neighborhood Plan
Exhibit 13: Highlands Neighborhood Plan
Exhibit 14: Kingsgate Neighborhood Plan
Exhibit 15: Zoning Code Chapter 40 Industrial Zones

Section 3. 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 4. To the extent that the subject matter of this Ordinance is subject to the disapproval jurisdiction of the Houghton Community Council as created by Ordinance 2001, the Ordinance shall become effective within the Houghton community either upon approval of the Houghton Community Council, or upon failure of the Community Council to disapprove this Ordinance within 60 days of its passage.

Section 5. Except as provided in Section 4, this Ordinance shall be in full force and effect five days from and after its passage by the 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.

Section 6. A complete copy of this Ordinance 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 _____, 2015.

Signed in authentication thereof this ____ day of _____ 2015.

_____
Mayor

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4494

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, COMPREHENSIVE PLANNING AND LAND USE AND AMENDING THE NEIGHBORHOOD PLAN CHAPTERS OF THE COMPREHENSIVE PLAN ORDINANCE 3481, AS AMENDED, AND CHAPTER 40 OF THE ZONING CODE, ORDINANCE 3719, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

SECTION 1. Adopts findings of fact in Section 1 of Ordinance 4493 by reference.

SECTION 2. Amends Neighborhood Plan Chapters of the Comprehensive Plan and Zoning Code Chapter 40 relating to Industrial Zones.

SECTION 3. Provides a severability clause for the Ordinance.

SECTION 4. Establishes that this Ordinance, to the extent it is subject to disapproval jurisdiction, will be effective within the disapproval jurisdiction of the Houghton Community Council Municipal Corporation upon approval by the Houghton Community Council or the failure of said Community Council to disapprove this Ordinance within 60 days of the date of the passage of this Ordinance.

SECTION 5. Authorizes the 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.

SECTION 6. Directs the City Clerk to certify and forward a complete certified copy of this Ordinance to the King County Department of Assessments.

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 _____, 2015.

I certify that the foregoing is a summary of Ordinance 4494 approved by the Kirkland City Council for summary publication.

_____
City Clerk

ORDINANCE 4498

AN ORDINANCE OF THE CITY OF KIRKLAND FOR THE CITIZEN AMENDMENT REQUEST PROPOSALS, RELATING TO COMPREHENSIVE PLANNING, LAND USE AND ZONING, AND AMENDING THE COMPREHENSIVE PLAN ORDINANCE 3481, AS AMENDED, THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AND THE KIRKLAND ZONING MAP, ORDINANCE 3710, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

WHEREAS, the Growth Management Act (GMA), specifically RCW 36.70A.130, mandates that the City of Kirkland take legislative action to review, and if needed, revise its Comprehensive Plan, Zoning Code and official Zoning Map to ensure continued compliance with GMA (also knowns as "periodic review"); and

WHEREAS, the City has met the periodic review and update requirements under the GMA, RCW 36.70A.130; including a process for early and continuous public participation; and

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission for certain amendments to the Comprehensive Plan, the Zoning Code, and the Zoning Map, all related to the Citizen Amendment Request (CAR) proposals, as set forth in the reports and recommendations of the Planning Commission dated September 10, 2015, and September 24, 2015, and bearing Kirkland Planning and Building Department File No. CAM13-00465; and

WHEREAS, prior to making the recommendations the Planning Commission, following notice as required by RCW 35A.63.070, held public hearings on June 25, 2015, July 23, 2015, and August 13, 2015, to receive comments on the Citizen Amendment Request proposals; and

WHEREAS, the Planning Commission continued the public hearings to September 10, 2015, and September 24, 2015, to receive comments on the Totem Commercial Center CAR and to consider and deliberate upon the comments received at the hearings; and

WHEREAS, public open houses were held before the public hearings on June 25, 2015, July 23, 2015, and August 13, 2015; and

WHEREAS, the City Council held study sessions on October 6, 2015, and October 20, 2015, to consider the proposed amendments, the recommendations from the Planning Commission and public comments, and

WHEREAS, pursuant to SEPA, a scoped Environmental Impact Statement addressing the CARS was issued by the Responsible Official and has accompanied the legislative proposal through the entire consideration process; and

WHEREAS, in public meetings the City Council considered the environmental documents received from the Responsible Official, together with the reports and recommendations of the Planning Commission on the CAR's; and

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

Section 1. The findings of fact included in Ordinance 4493, Section 1 are incorporated by reference.

Section 2. Basra Citizen Amendment Request - Comprehensive Plan Figure and Text, and Zoning Code Map and Text amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Code, Ordinance 3719, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 1-4 attached to this Ordinance and incorporated by reference.

Exhibit 1: Comprehensive Plan text amendment eliminating Light Manufacturing Park
Exhibit 2: Comprehensive Plan Land Use Map
Exhibit 3: Zoning Code RH 5A regulations
Exhibit 4: Zoning Map

Section 3. Griffis Citizen Amendment Request - Comprehensive Plan Figure and Text, and Zoning Code Map and Text amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Code, Ordinance 3719, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 5-10 attached to this Ordinance and incorporated by reference.

Exhibit 5: NE 85th Street Subarea Plan
Exhibit 6: Comprehensive Plan Land Use Map
Exhibit 7: Zoning Code RH 8 Zone regulations
Exhibit 8: Zoning Code Design Review regulations
Exhibit 9: Zoning Code Affordable Housing Incentives – Multifamily regulations
Exhibit 10: Zoning Map

Section 4. Newland Citizen Amendment Request - Comprehensive Plan Figure and Zoning Map amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 11-12 attached to this Ordinance and incorporated by reference.

Exhibit 11: Comprehensive Plan Land Use Map
Exhibit 12: Zoning Map

Section 5. Waddell Citizen Amendment Request - Zoning Code text amended: The Zoning Code, Ordinance 3719, as amended, is further amended as set forth in the following Exhibit 13 attached to this Ordinance and incorporated by reference.

Exhibit 13: Zoning Code Common Recreational Space Requirements for Certain Residential Uses regulations

Section 6. Evergreen Healthcare Citizen Amendment Request - Comprehensive Plan Figure, and Zoning Map amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 14-15 attached to this Ordinance and incorporated by reference.

Exhibit 14: Comprehensive Plan Land Use Map
Exhibit 15: Zoning Map

Section 7. Totem Commercial Center Citizen Amendment Request - Comprehensive Plan Figure, and Zoning Code Map and Text amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Code, Ordinance 3719, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 16-18 attached to this Ordinance and incorporated by reference.

Exhibit 16: Comprehensive Plan Land Use Map
Exhibit 17: Zoning Code TL 7 Zone regulations
Exhibit 18: Zoning Map

Section 8. Rairdon Citizen Amendment Request - Comprehensive Plan Figure and Text, and Zoning Code Map and Text amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Code, Ordinance 3719, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 19-22 attached to this Ordinance and incorporated by reference.

Exhibit 19: Totem Lake Business District Plan
Exhibit 20: Comprehensive Plan Land Use Map
Exhibit 21: Zoning Code TL 9A Zone and TL 9B Zone regulations
Exhibit 22: Zoning Map

Section 9. Morris Citizen Amendment Request - Comprehensive Plan Figure, and Zoning Code Map and Text amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Code, Ordinance 3719, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 23-26 attached to this Ordinance and incorporated by reference.

Exhibit 23: Comprehensive Plan Land Use Map
Exhibit 24: Totem Lake Business District Plan
Exhibit 25: Zoning Code TL 7 Zone regulations
Exhibit 26 Medium Density Residential Zone regulations
Exhibit 27: Zoning Map

Section 10. Astronics Citizen Amendment Request - Comprehensive Plan Text, and Zoning Code Text amended: The

Comprehensive Plan, Ordinance 3481, as amended, and Zoning Code, Ordinance 3719, as amended, are further amended as set forth in the following Exhibits 27-28 attached to this Ordinance and incorporated by reference.

Exhibit 28: Totem Lake Business District Plan
Exhibit 29: Zoning Code TL 7 Zone regulations

Section 11. Official Zoning Map Change: The Director of the Planning and Building Department is directed to amend the official City of Kirkland Zoning Map to conform to this Ordinance, indicating the date of passage.

Section 12. 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 13. This Ordinance shall be in full force and effect five days from and after its passage by the City Council and publication pursuant to Kirkland Municipal Code Section 1.08.017, in the summary form attached to the original of this Ordinance and by this reference approved by the City Council, as required by law.

Section 14. A complete copy of this Ordinance 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 _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
Mayor

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4498

AN ORDINANCE OF THE CITY OF KIRKLAND FOR THE CITIZEN AMENDMENT REQUEST PROPOSALS, RELATING TO COMPREHENSIVE PLANNING, LAND USE AND ZONING, AND AMENDING THE COMPREHENSIVE PLAN ORDINANCE 3481, AS AMENDED, THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AND THE KIRKLAND ZONING MAP, ORDINANCE 3710, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

SECTION 1. Adopts findings of fact in Section 1 of Ordinance 4493 by reference.

SECTION 2. Basra Citizen Amendment Request amends Comprehensive Plan figure and text and Zoning Code text and map.

SECTION 3. Griffis Citizen Amendment Request amends Comprehensive Plan figure and text and Zoning Code text and map.

SECTION 4. Newland Citizen Amendment Request amends Comprehensive Plan figure and Zoning map.

SECTION 5. Waddell Citizen Amendment Request amends Zoning Code text.

SECTION 6. Evergreen Healthcare Citizen Amendment Request amends Comprehensive Plan figure and Zoning map.

SECTION 7. Totem Commercial Center Citizen Amendment Request amends Comprehensive Plan figure and Zoning Code text and map.

SECTION 8. Rairdon Citizen Amendment Request amends Comprehensive Plan figure and text and Zoning Code text and map.

SECTION 9. Morris Citizen Amendment Request amends Comprehensive Plan figure and Zoning Code text and map.

SECTION 10. Astronics Citizen Amendment Request amends Comprehensive Plan text and Zoning Code text.

SECTION 11. Nelson/Cruikshank Citizen Amendment Request amends Comprehensive Plan figure and Zoning Code text and map.

SECTION 12. Directs the Director of the Planning and Building Department to amend the official Kirkland Zoning Map.

SECTION 13. Provides a severability clause for the Ordinance.

SECTION 14. Authorizes the 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.

SECTION 15. Directs the City Clerk to certify and forward a complete certified copy of this Ordinance to the King County Department of Assessments.

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 _____, 2015.

I certify that the foregoing is a summary of Ordinance 4498 approved by the Kirkland City Council for summary publication.

_____
City Clerk

ORDINANCE O-4493

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO COMPREHENSIVE PLANNING AND LAND USE AND AMENDING THE INTRODUCTION, VISION STATEMENT AND GUIDING PRINCIPLES, GENERAL AND IMPLEMENTATION STRATEGIES CHAPTERS, GENERAL ELEMENTS AND APPENDICES OF THE COMPREHENSIVE PLAN, ORDINANCE 3481, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT, AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

WHEREAS, the Growth Management Act (GMA), specifically RCW 36.70A.130, mandates that the City of Kirkland takes legislative action to review, and if needed, revise its Comprehensive Plan to ensure continued compliance with GMA (also knowns as "periodic review"); and

WHEREAS, the City has met its periodic review and update requirement under the GMA, RCW 36.70A.130.

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

Section 1. Findings of Fact.

A. Based on the analysis and findings of fact and the proposed amendments recommended by the Planning Commission and the Houghton Community Council, where applicable, the City Council finds that the review of the Comprehensive Plan, identification of needed amendments and the public participation process which was followed comply with the Growth Management Act, RCW 36.70A.

B. The Comprehensive Plan is consistent with the King County Countywide Planning Policies, the Puget Sound Regional Council Multicounty Planning Policies and the Growth Management Act.

C. The City, in reviewing and revising the Comprehensive Plan established procedures and schedules for early and continuous public participation pursuant to RCW 36.70A.130(2).

D. The City established and followed an extensive and broadly disseminated public outreach program called "Kirkland 2035 – Your Voice, Your Vision, Your Future" with over 2000 people participating in more than 200 public meetings, events, workshops, open houses and hearings between 2013 and 2015. Throughout the process, the City conducted a variety of public outreach activities to solicit and consider public comments on the community's goals and values and on all proposed amendments to the Comprehensive Plan and development regulations; consistent with RCW 36.70A.130, 36.70A.035 and 36.70A.140.

E. Throughout the public participation process, the City provided email listserv announcements, conducted web based surveys, prepared informational materials, posted information on web pages, and developed issue papers on the review and revision of the Comprehensive Plan.

F. The City analyzed housing and employment capacities in its Development Capacity Analysis issued February 6, 2014, in accordance with RCW 36.70A.215, and determined that it can meet its housing and employment targets as allocated by the King County Growth Management Planning Council, and that no inconsistences exist between the goals and policies in the amendments to the Comprehensive Plan and the actual and projected growth patterns examined in the analysis.

G. The City reviewed the Growth Management Act, VISION 2040, Transportation 2040, Department of Commerce Periodic Update Checklist for Cities, and the King County Countywide Planning Policies to identify revisions needed to the Comprehensive Plan to be consistent with Growth Management Act, and has made the revisions.

H. The amendments to the Comprehensive Plan were transmitted to the Washington State Department of Commerce on June 22, 2015, at least 60 days prior to adoption, and on June 24, 2015, the amendments were sent to the Puget Sound Regional Council and surrounding jurisdictions, and notice of the availability of the amendments was provided to federal, state, local agencies and jurisdictions, tribes, and interested organizations and parties.

I. Pursuant to the State Environmental Policy Act (SEPA), there has accompanied the legislative proposal and recommendation throughout the entire consideration process, a scoped Draft Environmental Impact Statement (DEIS) issued on June 24, 2015. The DEIS analyzed the 2035 growth targets for housing and employment along with the amendments to the Comprehensive Plan. Copies of the DEIS were provided to the Department of Ecology and surrounding jurisdictions, and notice of availability was provided to federal, state and local agencies, tribes, services, utilities and transit, community organizations, newspapers and nearby jurisdictions. The Responsible SEPA Official held a hearing on the DEIS on July 9, 2015, and established a 30-day public comment period. The Final Environmental Impact Statement was issued on November 24, 2015.

J. The Comprehensive Plan Update is within the range of alternatives studied in the Environmental Impact Statement.

Section 2. Additional Findings of Fact.

A. The Planning Commission and Houghton Community Council held 26 study sessions open to the public on the Introduction, Vision Statement and Guiding Principles, General, and Implementation Strategies chapters, General Elements and Appendices of the

Comprehensive Plan to review proposed amendments and consider public comments.

B. Public open houses on the review and revision of the Comprehensive Plan were held before the public hearings on June 25, 2015 and August 13, 2015.

C. The Planning Commission held a joint public hearing on the Transportation Element with the Houghton Community Council and the Transportation Commission on June 25, 2015, to receive public comments, and deliberated on the element on August 13, 2015. On June 25, 2015, the Planning Commission held a joint public hearing with the Houghton Community Council to receive public comments on the remaining chapters and deliberated on July 9, 2015. On August 13, 2015, the Planning Commission held a public hearing on the Capital Facilities Plan (CFP) of the Capital Facilities Element to receive public comments and deliberated on the revisions. The Houghton Community Council waived its review and courtesy hearing on the CFP.

D. The City Council has received a recommendation from the Kirkland Planning Commission and the Houghton Community Council for certain amendments to the Comprehensive Plan as set forth in the transmittal memo and recommendation from the Planning Commission dated September 24, 2015, bearing Kirkland Planning and Building Department File No. CAM13-00465.

E. The City Council held a study session on October 6, 2015, to consider the proposed amendments, the recommendation from the Planning Commission and Houghton Community Council and public comments.

F. Pursuant to the State Environmental Policy Act (SEPA), a scoped Draft Environmental Impact Statement addressing the Comprehensive Plan was issued by the Responsible Official and has accompanied the legislative proposal and recommendation through the entire consideration process.

G. In a public meeting the City Council considered the scoped Environmental Impact Statement received from the Responsible Official, together with the transmittal memo from the Planning Commission and recommendation of the Planning Commission and the Houghton Community Council and public comments received throughout the process.

Section 3. Adoption of Comprehensive Plan Text, Figures and Tables amended: The Comprehensive Plan, Ordinance 3481, as amended, is further amended as set forth in the following Exhibits 1-18 attached to this Ordinance and incorporated by reference.

Exhibit 1: Introduction
Exhibit 2: Vision Statement and Guiding Principles
Exhibit 3: General Element
Exhibit 4: Community Character Element

Exhibit 5: Environment Element
Exhibit 6: Land Use Element
Exhibit 7: Housing Element
Exhibit 8: Economic Development Element
Exhibit 9: Transportation Element
Exhibit 10: Parks, Recreation and Open Space Element
Exhibit 11: Utilities Element
Exhibit 12: Public Services Element
Exhibit 13: Human Services Element
Exhibit 14: Capital Facilities Element
Exhibit 15: Implementation Strategies
Exhibit 16: Appendix A: Level of Service Methodology (deleted)
Exhibit 17: Appendix B: Glossary
Exhibit 18: Appendix C: Design Principles –Residential Development (deleted)

Section 4. 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 5. To the extent that the subject matter of this Ordinance is subject to the disapproval jurisdiction of the Houghton Community Council as created by Ordinance 2001, the Ordinance shall become effective within the Houghton community either upon approval of the Houghton Community Council, or upon failure of the Community Council to disapprove this Ordinance within 60 days of its passage.

Section 6. Except as provided in Section 5, this Ordinance shall be in full force and effect five days from and after its passage by the 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.

Section 7. A complete copy of this Ordinance 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 _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
MAYOR

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4493

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO COMPREHENSIVE PLANNING AND LAND USE AND AMENDING THE INTRODUCTION, VISION STATEMENT AND GUIDING PRINCIPLES, GENERAL AND IMPLEMENTATION STRATEGIES CHAPTERS, GENERAL ELEMENTS AND APPENDICES OF THE COMPREHENSIVE PLAN, ORDINANCE 3481, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT, AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

SECTION 1. Establishes findings of fact for the periodic review and update of the Comprehensive Plan.

SECTION 2. Establishes findings of fact for the amendments to the Introduction, Vision Statement and Guiding Principles, General, and Implementation Strategies chapters, General Elements and Appendices of the Comprehensive Plan.

SECTION 3. Amends certain Chapters and Elements and Appendices of the Comprehensive Plan.

SECTION 4. Provides a severability clause for the Ordinance.

SECTION 5. Establishes that this Ordinance, to the extent it is subject to disapproval jurisdiction, will be effective within the disapproval jurisdiction of the Houghton Community Council Municipal Corporation upon approval by the Houghton Community Council or the failure of said Community Council to disapprove this Ordinance within 60 days of the date of the passage of this Ordinance.

SECTION 6. Authorizes the 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.

SECTION 7. Directs the City Clerk to certify and forward a complete certified copy of this Ordinance to the King County Department of Assessments.

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 _____, 2015.

I certify that the foregoing is a summary of Ordinance 4493 approved by the Kirkland City Council for summary publication.

_____

City Clerk

ORDINANCE O-4495

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO COMPREHENSIVE PLANNING, LAND USE, ZONING AND DESIGN REVIEW, AND AMENDING THE TOTEM LAKE NEIGHBORHOOD PLAN, TO BE TITLED THE TOTEM LAKE BUSINESS DISTRICT PLAN, OF THE COMPREHENSIVE PLAN, ORDINANCE 3481, AS AMENDED, AND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 3.30, "DESIGN REVIEW BOARD," SECTION 3.30.040, "DESIGN GUIDELINES ADOPTED BY REFERENCE," AND AMENDING CHAPTERS 10, 20, 55, 92, 95, 105, 110, 115, 142 AND 180 OF THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AND THE KIRKLAND ZONING MAP, ORDINANCE 3710, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

WHEREAS, the Growth Management Act (GMA), specifically RCW 36.70A.130, mandates that the City of Kirkland take legislative action to review, and if needed, revise its Comprehensive Plan, and development regulations to ensure continued compliance with GMA (also knowns as "periodic review"); and

WHEREAS, the City has met the periodic review and update requirements under the GMA, RCW 36.70A.130; including a process for early and continuous public participation; and

WHEREAS, the amended Totem Lake Business District Plan satisfies the requirements for center plans for Regional Growth Centers established by the Puget Sound Regional Council, and the objectives for Urban Centers set forth in the 2012 King County Countywide Planning Policies; and

WHEREAS, the Planning Commission, following notice as required by RCW 35A.63.070, held a public hearing on August 13, 2015, on the Totem Lake Business District Plan and considered the comments received at the hearing; and

WHEREAS, a public open house was held before the public hearing on August 13, 2015; and

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission for certain amendments to the Comprehensive Plan, the Municipal Code, the Zoning Code, and the Zoning Map, all related to the Totem Lake Business District Plan, as set forth in the reports and recommendations of the Planning Commission dated September 10, 2015, and bearing Kirkland Planning and Building Department File No. CAM13-00465; and

WHEREAS, the City Council held a study session on October 20, 2015, to consider the proposed amendments, the recommendation from the Planning Commission and public comments; and

WHEREAS, pursuant to the State Environmental Policy Act (SEPA), there has accompanied the legislative proposal and recommendation through the entire consideration process, a scoped Environmental Impact Statement, issued by the Responsible Official; and

WHEREAS, in public meeting the City Council considered the environmental documents received from the Responsible Official, together with the report and recommendation of the Planning Commission.

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

Section 1. The findings of fact included in Ordinance 4493, Section 1 are incorporated by reference.

Section 2. Comprehensive Plan Text and Figures, Municipal Code and Zoning Code Text and Map amended: The Comprehensive Plan, Ordinance 3481, as amended, and Municipal Code, as amended, and Zoning Code, Ordinance 3719, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 1-3 attached to this Ordinance and incorporated by reference.

Exhibit 1: New Totem Lake Business District Plan replacing Totem Lake Neighborhood Plan

Exhibit 2: Zoning Code Chapters 10, 20, 55, 92, 95, 105, 110, 115, 142 and 180 and Municipal Code Section 3.30.040(3) Design Guidelines for Totem Lake Business District

Exhibit 3 : Zoning Map

Section 3. The Director of the Department of Planning and Community Development is directed to amend the official City of Kirkland Zoning Map to conform to this Ordinance, indicating the date of passage.

Section 4. 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 5. This Ordinance shall be in full force and effect five days from and after its passage by the City Council and publication pursuant to Kirkland Municipal Code Section 1.08.017, in the summary form attached to the original of this Ordinance and by this reference approved by the City Council, as required by law.

Section 6. A complete copy of this Ordinance 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 _____, 2015.

Signed in authentication thereof this ___ day of _____, 2015.

_____
Mayor

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4495

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO COMPREHENSIVE PLANNING, LAND USE, ZONING AND DESIGN REVIEW, AND AMENDING THE TOTEM LAKE NEIGHBORHOOD PLAN, TO BE TITLED THE TOTEM LAKE BUSINESS DISTRICT PLAN, OF THE COMPREHENSIVE PLAN, ORDINANCE 3481, AS AMENDED, AND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 3.30, "DESIGN REVIEW BOARD," SECTION 3.30.040, "DESIGN GUIDELINES ADOPTED BY REFERENCE," AND AMENDING CHAPTERS 10, 20, 55, 92, 95, 105, 110, 115, 142 AND 180 OF THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AND THE KIRKLAND ZONING MAP, ORDINANCE 3710, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

SECTION 1. Adopts findings of fact in Section 1 of Ordinance 4493 by reference.

SECTION 2. Amends certain Comprehensive Plan text and figures, Municipal Code text, and Zoning Code text and map.

SECTION 3. Directs the Director of the Planning and Building Department to amend the official Kirkland Zoning Map.

SECTION 4. Provides a severability clause for the ordinance.

SECTION 5. Authorizes the 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.

SECTION 6. Directs the City Clerk to certify and forward a complete certified copy of this Ordinance to the King County Department of Assessments.

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 _____, 2015.

I certify that the foregoing is a summary of Ordinance 4495 approved by the Kirkland City Council for summary publication.

_____
City Clerk

ORDINANCE 4496

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, COMPREHENSIVE PLANNING, LAND USE, AND DESIGN REVIEW AND AMENDING CHAPTERS 10 AND 142 OF THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED; AND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 3.30, "DESIGN REVIEW BOARD," SECTION 3.30.040, "DESIGN GUIDELINES ADOPTED BY REFERENCE," AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. CAM13-00465.

WHEREAS, the Growth Management Act (GMA), specifically RCW 36.70A.130, mandates that the City of Kirkland take legislative action to review, and if needed, revise its Comprehensive Plan and development regulations to ensure continued compliance with GMA (also knowns as "periodic review"); and

WHEREAS, the Kirkland Zoning Code and Kirkland Municipal Code contain development regulations which implement the Comprehensive Plan; and

WHEREAS, the City has met the periodic review and update requirements under the GMA, RCW 36.70A.130; including a process for early and continuous public participation; and

WHEREAS, the Planning Commission and Houghton Community Council, following notice as required by RCW 35A.63.070, held a joint public hearing on June 25, 2015, and the Planning Commission held an additional public hearing on August 13, 2015, and considered the comments received at the hearings; and

WHEREAS, public open houses were held before the public hearings on June 25, 2015, and August 13, 2015; and

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission for certain amendments to the Kirkland Zoning Code, and Kirkland Municipal Code, as set forth in the report and recommendation of the Planning Commission dated September 24, 2015, and bearing Kirkland Planning and Building Department File No. CAM13-00465; and

WHEREAS, the City Council held a study session on October 6, 2015, to consider the proposed amendments, the recommendation from the Planning Commission and public comments; and

WHEREAS, pursuant to the State Environmental Policy Act (SEPA), there has accompanied the legislative proposal and recommendation through the entire consideration process, a scoped Environmental Impact Statement, issued by the Responsible Official; and

WHEREAS, in public meeting the City Council considered the environmental documents received from the Responsible Official, together with the recommendation from the Houghton Community Council and the report and recommendation of the Planning Commission.

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

Section 1. The findings of fact included in Ordinance 4493, Section 1 are incorporated by reference.

Section 2. The Kirkland Zoning Code, Ordinance 3719, as amended, is further amended as set forth in the following Exhibits 1 - 3 attached to this Ordinance and incorporated by reference.

Exhibit 1: Zoning Code Section 10.20 Map Incorporation, Corrections and Amendments
Exhibit 2: Zoning Code Section 10.35 Lake WA Zoning Boundary Interpretation
Exhibit 3. Zoning Code Section 142.25 Administrative Design Review and Section 142.35 Design Board Review (D.B.R.) Process

Section 3. Chapter 3.30, Section 3.30.040, of the Kirkland Municipal Code, is amended as set forth in the following Exhibits 4 - 6 attached to this Ordinance and incorporated by reference.

Exhibit 4: Kirkland Municipal Code New Section 3.30.040(6) Design Guidelines Adopted by Reference – "Design Guidelines for Residential Development"
Exhibit 5: Kirkland Municipal Code Section 3.30.040(2) Design Guidelines for Rose Hill Business District
Exhibit 6 Kirkland Municipal Code Section 3.30.040(6) Design Guidelines for Residential Development

Section 4. 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 5. To the extent that the subject matter of this Ordinance is subject to the disapproval jurisdiction of the Houghton Community Council as created by Ordinance 2001, the Ordinance shall become effective within the Houghton community either upon approval of the Houghton Community Council, or upon failure of the Community Council to disapprove this Ordinance within 60 days of its passage.

Section 6. Except as provided in Section 5, this Ordinance shall be in full force and effect five days from and after its passage by the Kirkland City Council and publication, pursuant to Kirkland Municipal Code 1.08.017, in the summary form attached to the original of this

Ordinance and by this reference approved by the City Council, as required by law.

Section 7. A complete copy of this Ordinance 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 _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
Mayor

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4496

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, COMPREHENSIVE PLANNING, LAND USE, AND DESIGN REVIEW AND AMENDING CHAPTERS 10 AND 142 OF THE KIRKLAND ZONING CODE, ORDINANCE 3719 AS AMENDED; AND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 3.30, "DESIGN REVIEW BOARD," SECTION 3.30.040, "DESIGN GUIDELINES ADOPTED BY REFERENCE," AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. CAM13-00465.

SECTION 1. Adopts findings of fact in Section 1 of Ordinance 4493 by reference.

SECTION 2. Amends Chapters 10 and 142 of the Kirkland Zoning Code.

SECTION 3. Amends Chapter 3.30 of the Kirkland Municipal Code, Section 3.30.040, relating to Design Review Guidelines.

SECTION 4. Provides a severability clause for the Ordinance.

SECTION 5. Establishes that this Ordinance, to the extent it is subject to disapproval jurisdiction, will be effective within the disapproval jurisdiction of the Houghton Community Council Municipal Corporation upon approval by the Houghton Community Council or the failure of said Community Council to disapprove this Ordinance within 60 days of the date of the passage of this Ordinance.

SECTION 6. Authorizes the 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.

SECTION 7. Directs the City Clerk to certify and forward a complete certified copy of this Ordinance to the King County Department of Assessments.

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 _____, 2015.

I certify that the foregoing is a summary of Ordinance 4496 approved by the Kirkland City Council for summary publication.

_____
City Clerk

ORDINANCE O-4497

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE AND AMENDING THE CITY OF KIRKLAND ZONING MAP, ORDINANCE 3710 AS AMENDED, AND CITY OF KIRKLAND LAND USE MAP, ORDINANCE 3481, AS AMENDED, TO CONFORM TO THE COMPREHENSIVE PLAN AND AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT, AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

WHEREAS, the Growth Management Act (GMA), specifically RCW 36.70A.130, mandates that the City of Kirkland take legislative action to review, and if needed, revise its Comprehensive Plan development regulations to ensure continued compliance with GMA (also knowns as "periodic review"); and

WHEREAS, the Land Use Map and Zoning Map implement the Comprehensive Plan; and

WHEREAS, the City has met the periodic review and update requirements under the GMA, RCW 36.70A.130; including a process for early and continuous public participation; and

WHEREAS, the Planning Commission, following notice as required by RCW 35A.63.070, held a public hearing on August 13, 2015, on the amendment proposals and considered the comments received at the hearings; and

WHEREAS, a public open house was held before the public hearing on August 13, 2015; and

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission for certain amendments to the Kirkland Land Use Map and Kirkland Zoning Map, as set forth in the report and recommendation of the Planning Commission dated September 24, 2015, and bearing Kirkland Planning and Building Department File No. CAM13-00465; and

WHEREAS, the City Council held a study session on October 6, 2015, to consider the proposed amendments, the recommendation from the Planning Commission and public comments; and

WHEREAS, pursuant to the State Environmental Policy Act (SEPA), there has accompanied the legislative proposal and recommendation through the entire consideration process a scoped Environmental Impact Statement, issued by the Responsible Official ;and

WHEREAS, in 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

WHEREAS, the Land Use Map and Zoning Map will be updated so zoning and land use boundaries correspond to minor corrections to property boundaries.

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

Section 1. The findings of fact included in Ordinance 4493, Section 1 are incorporated by reference.

Section 2. Land Use Map Amended: The City of Kirkland Land Use Map as adopted by Ordinance 3481, as amended, is further amended, as set forth in the following Exhibits 1 – 2 attached to this Ordinance and incorporated by reference.

Exhibit 1: Map of 95 City owned parcel redesignations
Exhibit 2: Legend

Section 3. Zoning Map Amended: The official City of Kirkland Zoning Map as adopted by Ordinance 3710, as amended, is further amended, as set forth in the following Exhibits 1 - 3 attached to this Ordinance and incorporated by reference.

Exhibit 1: Map of 95 City owned parcel rezones
Exhibit 2: Legend
Exhibit 3: Maps showing eight suffix removal locations

Section 4. Official Zoning Map Change: The Director of the Planning and Building Department is directed to amend the official City of Kirkland Zoning Map to conform to this Ordinance, indicating the date passage. RELATING TO ZONING AND LAND USE AND AMENDING THE CITY OF KIRKLAND ZONING MAP, ORDINANCE 3710 AS AMENDED, AND CITY OF KIRKLAND LAND USE MAP, ORDINANCE 3481, AS AMENDED, TO CONFORM TO THE COMPREHENSIVE PLAN AND AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT, AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

Section 5. Severability: 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 6. To the extent that the subject matter of this Ordinance is subject to the disapproval jurisdiction of the Houghton Community Council as created by Ordinance 2001, the Ordinance shall become effective within the Houghton community either upon approval of the Houghton Community Council, or upon failure of the Community Council to disapprove this Ordinance within 60 days of its passage.

Section 7. Effective Date: Except as provided in Section 6, this Ordinance shall be in full force and effect five days from and after its passage by the City Council and publication, pursuant to Kirkland

Municipal Code 1.08.017 in the summary form attached to the original of this Ordinance and by this reference approved by the City Council as required by law.

Section 8. Ordinance Copy: A complete copy of this Ordinance 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 _____, 2015.

Signed in authentication thereof this ___ day of _____, 2015.

_____
Mayor

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4497

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE AND AMENDING THE CITY OF KIRKLAND ZONING MAP, ORDINANCE 3710 AS AMENDED, AND CITY OF KIRKLAND LAND USE MAP, ORDINANCE 3481, AS AMENDED, TO CONFORM TO THE COMPREHENSIVE PLAN AND AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT, AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

SECTION 1. Adopts findings of fact in Section 1 of Ordinance 4493 by reference.

SECTION 2. Amends Kirkland Land Use Map legend and redesignates 95 City owned properties.

SECTION 3. Amends Kirkland Zoning Map legend, removes eight suffixes, and rezones 95 City owned properties.

SECTION 4. Directs the Director of the Planning and Building Department to amend the official Kirkland Zoning Map.

SECTION 5. Provides a severability clause for the ordinance.

SECTION 6. Establishes that this ordinance, to the extent it is subject to disapproval jurisdiction, will be effective within the disapproval jurisdiction of the Houghton Community Council Municipal Corporation upon approval by the Houghton Community Council or the failure of said Community Council to disapprove this ordinance within 60 days of the date of the passage of this ordinance.

SECTION 7. Authorizes the 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.

SECTION 8. Directs the City Clerk to certify and forward a complete certified copy of this ordinance to the King County Department of Assessments.

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 _____, 2015.

I certify that the foregoing is a summary of Ordinance 4497 approved by the Kirkland City Council for summary publication.

_____

City Clerk

ORDINANCE O-4499

AN ORDINANCE OF THE CITY OF KIRKLAND FOR THE MRM AMENDMENT REQUEST, RELATING TO COMPREHENSIVE PLANNING, LAND USE AND ZONING, AND AMENDING THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. ZON11-00006 AND FILE NO. CAM13-00465.

WHEREAS, the Growth Management Act (GMA), specifically RCW 36.70A.130, mandates that the City of Kirkland take legislative action to review, and if needed, revise its Zoning Code to ensure continued compliance with GMA (also knowns as "periodic review"); and

WHEREAS, the City has met the periodic review and update requirements under the GMA, RCW 36.70A.130; including a process for early and continuous public participation; and

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission for certain amendments to the Zoning Code, all related to the MRM proposal, as set forth in the report and recommendation of the Planning Commission dated September 10, 2015, and bearing Kirkland Planning and Building Department File No. ZON11-00006 and File No. CAM13-00465; and

WHEREAS, prior to making the recommendation the Planning Commission, following notice as required by RCW 35A.63.070, held a public hearing on June 25, 2015, to receive comments on the MRM proposal; and

WHEREAS, a public open house was held before the public hearing on June 25, 2015, and

WHEREAS, the City Council held study sessions on October 6, 2015, and October 20, 2015, to consider the proposed amendment, the recommendation from the Planning Commission and public comments, and

WHEREAS, pursuant to the State Environmental Policy Act (SEPA), a Supplemental Environmental Impact Statement and Addendum addressing the MRM Amendment Request and a scoped Environmental Impact Statement addressing the Comprehensive Plan were issued by the Responsible Official and have accompanied the MRM proposal through the entire consideration process; and

WHEREAS, in public meeting, the City Council considered the environmental documents received from the Responsible Official, together with the reports and recommendation of the Planning Commission on the MRM proposal; and

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

Section 1. The findings of fact included in Ordinance 4493, Section 1 are incorporated by reference.

Section 2. MRM Request - Zoning Code text amended: The Zoning Code, Ordinance 3719, as amended, is further amended as set forth in Exhibit 1 attached to this Ordinance and incorporated by reference.

Exhibit 1: Zoning Code CBD 5 regulations

Section 3. 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 4. This Ordinance shall be in full force and effect five days from and after its passage by the City Council and publication pursuant to Kirkland Municipal Code Section 1.08.017, in the summary form attached to the original of this Ordinance and by this reference approved by the City Council, as required by law.

Section 5. A complete copy of this Ordinance 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 _____, 2015.

Signed in authentication thereof this _____ day of _____, 2015.

_____
Mayor

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4499

AN ORDINANCE OF THE CITY OF KIRKLAND FOR THE MRM AMENDMENT REQUEST, RELATING TO COMPREHENSIVE PLANNING, LAND USE AND ZONING, AND AMENDING THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

SECTION 1. Adopts findings of fact in Section 1 of Ordinance 4493 by reference.

SECTION 2. Amends Zoning Code text.

SECTION 3. Provides a severability clause for the Ordinance.

SECTION 4. Authorizes the 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.

SECTION 5. Directs the City Clerk to certify and forward a complete certified copy of this Ordinance to the King County Department of Assessments.

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 _____, 2015.

I certify that the foregoing is a summary of Ordinance 4499 approved by the Kirkland City Council for summary publication.

_____
City Clerk

ORDINANCE O-4505

AN ORDINANCE OF THE CITY OF KIRKLAND FOR THE WALEN CITIZEN AMENDMENT REQUEST, RELATING TO COMPREHENSIVE PLANNING, LAND USE AND ZONING, AND AMENDING THE COMPREHENSIVE PLAN ORDINANCE 3481, AS AMENDED, THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AND THE KIRKLAND ZONING MAP, ORDINANCE 3710, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

WHEREAS, the Growth Management Act (GMA), specifically RCW 36.70A.130, mandates that the City of Kirkland take legislative action to review, and if needed, revise its Comprehensive Plan, Zoning Code and official Zoning Map to ensure continued compliance with GMA (also knowns as "periodic review"); and

WHEREAS, the City has met the periodic review and update requirements under the GMA, RCW 36.70A.130; including a process for early and continuous public participation; and

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission for certain amendments to the Comprehensive Plan, the Zoning Code, and the Zoning Map, all related to the Walen Citizen Amendment Request (CAR) proposal, as set forth in the report and recommendation of the Planning Commission dated September 10, 2015, and bearing Kirkland Planning and Building Department File No. CAM13-00465; and

WHEREAS, prior to making the recommendation the Planning Commission, following notice as required by RCW 35A.63.070, held a public hearing on July 23, 2015, to receive comments on the Citizen Amendment Request proposals; and

WHEREAS, the Planning Commission continued the public hearing to September 10, 2015, to consider and deliberate upon the comments received at the hearing; and

WHEREAS, a public open house was held before the public hearing on July 23, 2015, and

WHEREAS, the City Council held a study session on October 20, 2015, to consider the proposed amendments, the recommendation from the Planning Commission and public comments, and

WHEREAS, pursuant to SEPA, a scoped Environmental Impact Statement addressing the CAR was issued by the Responsible Official and has accompanied the legislative proposal through the entire consideration process; and

WHEREAS, in public meetings the City Council considered the environmental documents received from the Responsible Official, together with the reports and recommendations of the Planning Commission on the CAR; and

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

Section 1. The findings of fact included in Ordinance 4493, Section 1 are incorporated by reference.

Section 2. Walen Citizen Amendment Request - Comprehensive Plan Figure and Text, and Zoning Code Map and Text amended: The Comprehensive Plan, Ordinance 3481, as amended, and Zoning Code, Ordinance 3719, as amended, and Zoning Map, Ordinance 3710, as amended, are further amended as set forth in the following Exhibits 33-36 attached to this Ordinance and incorporated by reference.

Exhibit 1: North Rose Hill Neighborhood Plan
Exhibit 2: Comprehensive Plan Land Use Map
Exhibit 3: Zoning Code NRHBD 5 Zone regulations
Exhibit 4: Zoning Map

Section 3. Official Zoning Map Change: The Director of the Planning and Building Department is directed to amend the official City of Kirkland Zoning Map to conform to this Ordinance, indicating the date of passage.

Section 4. 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 5. This Ordinance shall be in full force and effect five days from and after its passage by the City Council and publication pursuant to Kirkland Municipal Code Section 1.08.017, in the summary form attached to the original of this Ordinance and by this reference approved by the City Council, as required by law.

Section 6. A complete copy of this Ordinance 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 _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
MAYOR

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4505

AN ORDINANCE OF THE CITY OF KIRKLAND FOR THE WALEN CITIZEN AMENDMENT REQUEST, RELATING TO COMPREHENSIVE PLANNING, LAND USE AND ZONING, AND AMENDING THE COMPREHENSIVE PLAN ORDINANCE 3481, AS AMENDED, THE KIRKLAND ZONING CODE, ORDINANCE 3719, AS AMENDED, AND THE KIRKLAND ZONING MAP, ORDINANCE 3710, AS AMENDED, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM13-00465.

SECTION 1. Adopts findings of fact in Section 1 of Ordinance 4493 by reference.

SECTION 2. Amends Comprehensive Plan figure and text and Zoning Code text and map.

SECTION 3. Directs the Director of the Planning and Building Department to amend the official Kirkland Zoning Map.

SECTION 4. Provides a severability clause for the Ordinance.

SECTION 5. Authorizes the 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.

SECTION 6. Directs the City Clerk to certify and forward a complete certified copy of this Ordinance to the King County Department of Assessments.

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 _____, 2015.

I certify that the foregoing is a summary of Ordinance 4505 approved by the Kirkland City Council for summary publication.

_____
City Clerk

Council Meeting: 12/08/2015
Agenda: Unfinished Business
Item #: 10. f.

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: Marilynne Beard, Deputy City Manager

Date: November 22, 2015

Subject: KIRKLAND 2035 WRAP UP

RECOMMENDATION:

City Council receives a recap of Kirkland 2035 initiative and presentation of final tasks and future follow-up.

BACKGROUND DISCUSSION:

With the adoption of the Comprehensive Plan and all of the related master plans and studies, the Kirkland 2035 initiative will have completed most of the work plan spanning the past two and one half years. At the December 8th meeting staff will present:

- A summary of activities and the evolution of this citywide effort
- Lessons learned
- Pending work items still needing completion
- Planned wrap-up activities
- Follow-up communications needed to continue the community's involvement in the implementation of the plans and projects.

Council Meeting: 12/08/2015
Agenda: New Business
Item #: 11. a.

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 Burkhalter, Development Engineering Supervisor
Rob Jammerman, Development Engineering Manager
Kathy Brown, Public Works Director

Date: December 8, 2015

Subject: TEMPORARY LICENSE AGREEMENT FOR USE OF PETER KIRK PARK BY KPP DEVELOPMENT LLC (KIRKLAND URBAN DEVELOPMENT)

RECOMMENDATION:

It is recommended that City Council review the information and resolution authorizing the City Manager to sign a Temporary License Agreement substantially in the form attached to the resolution. The Draft Temporary License Agreement allows for the construction of public water and sewer utility lines which will be permanently placed in the easterly edge of Peter Kirk Park. In addition, the Draft Temporary License Agreement allows for temporary vehicular access for the customers of QFC, KPP's major tenant remaining during construction, along the easterly edge of Peter Kirk Park, and some limited construction access as approved by the Public Works Director. After receiving input and direction from the Council, staff will bring back the resolution and finalized Temporary License Agreement for final action at the January 5, 2016 Council meeting.

BACKGROUND DISCUSSION:

In August 2015, KPP Development LLC (KPP) approached City staff about the possibility of utilizing the eastern 15 feet of Peter Kirk Park for permanent public utility relocation and a temporary access driveway for QFC until June 30, 2018. In return, KPP proposes to improve the Park to interface more seamlessly with the new development by providing new trees and plantings, path connections, and benches (Exhibit D of the Draft Temporary License Agreement). KPP's request was driven by QFC lease requirements and design constraints related to the Kirkland Urban parking garage. The Kirkland Urban parking garage is a two-story underground structure encompassing the entire Parkplace site.

Staff developed a plan to engage stakeholders for input concerning the proposed Temporary License Agreement and met with the Kirkland Park Board; the Planning and Economic Development Committee; the Public Works, Parks and Human Services Committee; and City Parks and Planning Department staff. The stakeholders had the following process recommendations before bringing the proposal to the City Council:

- Have KPP attend the Moss Bay, Everest and Norkirk Neighborhood Meetings to provide an overview of the Parkplace Project (Project) including phasing and construction plans.

- Obtain an appraisal of the value of the temporary vehicular access and the value of permanently having the encumbrance of public water and sewer utilities on park property to serve the Project.

- Get a more detailed Park Restoration Plan addressing:
  i) Value of the new improvements
  ii) New and existing trees
  iii) New and existing irrigation
  iv) Landscaping
  v) Benches
  vi) Lighting
- Provide additional plans and details for the temporary vehicular access.
- Have turning movements at Central Way evaluated for the temporary driveway.
- Address park user safety during construction.
- Address Peter Kirk Community Center use and accessibility during construction and with the final design.

The following outlines how the comments and recommendations of the Park Board, Committees and City Staff were addressed:

- Neighborhood Meetings: KPP attended Neighborhood Meetings for the Moss Bay, Everest and Norkirk Neighborhoods, presenting an overview of their project describing the amenities, construction and phasing. The presentations were received with much interest with respect to traffic and parking, but with few questions related to the relocation of public utilities in the Park and the temporary vehicular access. The questions raised were primarily concerned with the duration of the temporary use with some questions about the proposed park restoration.

- Valuation of the Temporary Access and Public Utility Easement: With Public Works staff's approval, KPP hired S. Murray Brackett, MAI, Senior Managing Director, Valbridge Property Advisors to provide an appraisal of the value of the use of Peter Kirk Park for the temporary vehicular access and the permanent encumbrance of having the public water and sewer utilities on Park property to serve the Project.

- Mr. Brackett's appraisal is attached to this memo (Attachment A) and values the uses at $200,000 for the permanent encumbrance of the public water and sewer utilities and $56,029 for the temporary vehicular access use.

- Park Restoration Plan: The Park Restoration Plan will be approved through the permitting process taking into consideration the comments and recommendations provided by the Neighborhoods, Committees, Park Board and City staff. The most current Plan is shown on Exhibit D to the Temporary License Agreement. The estimated cost of the proposed Plan is $379,792 (Attachment B).

- Plans and Details for the Temporary Access: The plans and details for the temporary vehicular access will be approved through the permitting process taking into consideration the comments and recommendations provided by the Neighborhoods, Committees, Park Board and City Staff. The most current Plan is attached (Attachment C).

- Temporary Vehicular Access Intersection Safety Evaluation: The intersection of the temporary vehicular access and Central Way was evaluated by Heffron Transportation, Inc., KPP's traffic consultant. The intersection was evaluated for turning conflicts and the results of that evaluation are summarized in the attached Traffic Memo (Attachment D). Due to the proximity of the median island and crosswalk at 4th Street directly west of the temporary driveway, the memo recommends turning movements be restricted to right-in- and right-out, and left turns from Central Way for west bound vehicles. Left turns from the access onto Central Way will be restricted with c-curb (see Attachment C).

- Park User Safety: A Mobilization Plan will be approved through the permitting process showing how pedestrians and park users will be protected during the various phases of construction. The most current Plan is attached (Attachment E).

- Peter Kirk Community Center Use and Accessibility; Construction Phase: Due to the proximity of the Peter Kirk Community Center to the Park and adjacent construction, the Park Board felt the important issues of decreased walkability and access should be addressed. The Park Board recommended that all paths, temporary and permanent, be asphalt or concrete (no gravel). A Temporary Park Restoration Plan will be approved through the permitting process to address these concerns. The most current Plan is attached (Attachment F).

SUMMARY:

The comments and recommendations brought forth by the Park Board, Council Committees, Neighborhood Groups, and City Staff are being addressed by KPP. The main item remaining is the final value of the Temporary License Agreement for KPP versus the value of the new improvements to Peter Kirk Park. According to KPP's appraisal, the new Park improvements are valued at $379,792 and the appraised value of the permanent encumbrance of the public water and sewer utilities to serve the Project and the temporary vehicular access as outlined in the Temporary License Agreement is $256,029. The City still has some questions about certain elements of the appraisal and continues to negotiate with KPP what additional payment KPP should make to the City for the Agreement beyond the restoration and Park improvements. These negotiations will be concluded before the end of the year and the final amount will be included in the Agreement that will be approved by the Council on January 5, 2016

Attachments:

Attachment A – Appraisal

Attachment B – Cost Estimate for KPP Park Restoration Plan

Attachment C – Plans and Details for Temporary Access

Attachment D – Heffron Transportation, Inc. - Traffic Memo

Attachment E – Mobilization Plan

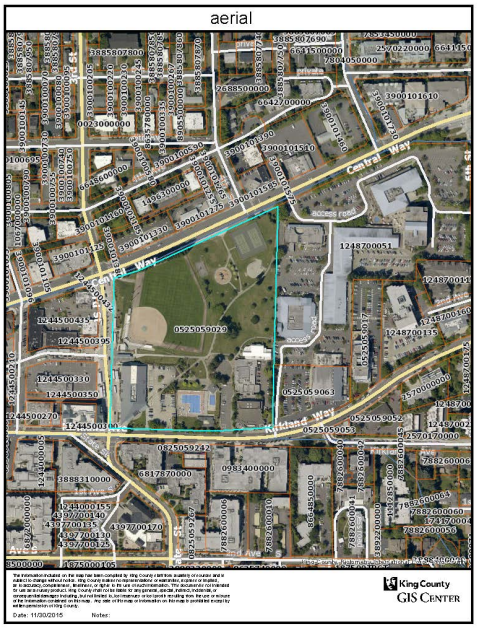
Attachment F – Temporary Park Restoration Plan

ATTACHMENT A

Valbridge
PROPERTY ADVISORS

Appraisal Report

Peter Kirk Park Easement Site
South Side of Central Way
Kirkland, WA



FOR
Mr. William Leedom
Talon Private Capital
720 Olive Way, Suite 1020
Seattle, WA 98101

Valbridge Property Advisors |
Allen Brackett Shedd

18728 Bothell Way NE, Suite B
Bothell, WA 98011
425-450-4040
425-892-2457 fax
valbridge.com

Valbridge Job No.: 15-0354

Valbridge
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253-274-0099 phone
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valbridge.com

December 2, 2015

Mr. William Leedom
Talon Private Capital
720 Olive Way, Suite 1020
Seattle, WA 98101

RE: APPRAISAL OF PROPOSED ROAD EASEMENT OVER A PORTION OF THE PETER KIRK PARK PROPERTY IN KIRKLAND, WASHINGTON (Our File #15-0354)

Dear Mr. Leedom:

In response to your request, we have completed an appraisal of the Peter Kirk Park property located in downtown Kirkland, Washington. The purpose of this report is to provide an opinion of market value for the property, relative to a proposed easement acquisition for road and utility purposes. The acquisition relates to the Client's development project at Kirkland Parkplace, which will require the use of an alternative ingress/egress to facilitate construction. The proposed acquisition will include an easement for subsurface utilities, as well as a temporary roadway easement, the effects of which are discussed in the following report.

The subject property is comprised of a single tax parcel. The property is currently improved with municipal facilities including a park, situated along the south side of Central Way. The proposed easements will impact an area in the northeasterly portion of the property, abutting the Kirkland Parkplace ownership. This Appraisal reflects only the underlying land, as discussed in the *Scope* section of the report.

This *Appraisal Report* was prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). Descriptions of properties used for comparison are included in this report, as well as our analyses and conclusions. The value conclusions herein are given subject to the specific assumptions and limiting conditions stated immediately following this transmittal letter.

Based on our investigation and analysis of all relevant data, it is our opinion the market value of the property, as of November 20, 2015, is:

"Before" Condition	$43,490,320
"After" Condition	($43,292,220)
Permanent Utility Easement, (rnd)	**$200,000**
Temporary Construction Easement, (rnd)	**$56,029**
	($2,334.54/mo)

Acknowledgement is hereby given to Diane K.W. Quinn, Research Associate, for assistance in the research and preparation of this report. If you have further questions not answered in the accompanying report, please do not hesitate to call.

Sincerely,

VALBRIDGE PROPERTY ADVISORS | ALLEN BRACKETT SHEDD

S. Murray Brackett, MAI

kr
Enclosures

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ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report was made after personal inspection of the property identified in this report. The conclusions in the report have been arrived at and are predicated upon the following conditions:

a) No responsibility is assumed for matters, which are legal in nature, nor is any opinion rendered on title of land appraised. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
b) Unless otherwise noted, the property has been appraised as though free and clear of all liens, encumbrances, encroachments, and trespasses.
c) All maps, areas, and other data furnished your appraiser have been assumed to be correct; however, no warranty is given for its accuracy. If any error or omissions are found to exist, the appraiser reserves the right to modify the conclusions. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
d) It is assumed there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
e) It is assumed all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
f) The appraiser has no interest, present or contemplated, in the subject properties or parties involved.
g) Neither the employment to make the appraisal nor the compensation is contingent upon the amount of the valuation report.
h) To the best of the appraiser's knowledge and belief, all statements and information in this report are true and correct, and no important facts have been withheld or overlooked.
i) Possession of this report, a copy, or any part thereof, does not carry with it the right of publication, nor shall the report or any part thereof be conveyed to the public through advertising, public relations, news, sales, or other media valuation conclusions, identity of the appraiser, or firm, and any reference made to the Appraisal Institute or any professional designation.
j) There shall be no obligation required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless satisfactory arrangements are made in advance.
k) This appraisal has been made in accordance with rules of professional ethics of the Appraisal Institute.
l) The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Allen Brackett Shedd. Neither Valbridge Property Advisors, Inc., nor any of its affiliates, has been engaged to provide this report. Valbridge Property Advisors, Inc., does not provide valuation services and has taken no part in the preparation of this report.
m) No one other than the appraiser prepared the analysis, conclusions, and opinions concerning real estate that are set forth in the appraisal report.
n) Statements or conclusion offered by the appraiser are based solely upon visual examination of exposed areas of the property. Areas of the structure and/or property, which are not exposed to the naked eye, cannot be inspected; and no conclusions, representations, or statements offered by the appraiser are intended to relate to areas not exposed to view. No obligation is assumed to discover hidden defects.

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o) Unless otherwise stated in this report, the existence of pollution and/or hazardous waste material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials or pollution may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

p) Statements, representations, or conclusions offered by the appraiser do not constitute an express or implied warranty of any kind.

q) Neither appraiser nor Allen Brackett Shedd shall be liable for any direct, special, incidental, or consequential damages whatever, whether arising in tort, negligence, or contract, nor for any loss, claim, expense, or damage caused by or arising out of its inspection of a property and/or structure.

r) The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

s) With regard to prospective value opinions, future changes in market conditions necessitate an assumption that the appraiser cannot be held responsible for unforeseeable events that alter market conditions prior to the effective date of the appraisal or date of value.

t) This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.

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EXECUTIVE SUMMARY

Project:	Peter Kirk Park Property – Proposed 2-year temporary easement for road purposes along with a permanent utility easement.
Location:	South side of Central Way in Kirkland, Washington.
Site Size:	12.48 acres, according Assessor information.
Proposed Acquisition:	Permanent Utility Easement – 9,905 sf Temporary Road Easement - 9,188 sf
Improvements:	The property is improved with park related improvements at this time. These are not considered in this report.
Utilities:	Utilities available include power, natural gas, telephone, public water, and sanitary sewer.
Zoning:	Park/Open Space (P), City of Kirkland. For purposes of this analysis the property is effectively assumed a zoning classification of CBD-1B (see zoning discussion)
Highest & Best Use:	Mixed Use
Conclusion:	Permanent Acquisition: $200,000 2-Year Temporary Easement: $56,029
Date of Valuation:	November 20, 2015
Appraiser:	S. Murray Brackett, MAI
File:	15-0354Rev

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SUBJECT PROPERTY PHOTOGRAPHS

Northeast corner of subject, looking west along Central Way

At the northeast corner, looking south along proposed easement area

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SUBJECT PROPERTY PHOTOGRAPHS

Northeast corner looking at adjacent Park Place property

East side of subject, looking north along proposed easement area near QFC

15-0354 Copyright © 2015

SUBJECT PROPERTY PHOTOGRAPHS

South side of subject, looking west along Kirkland Way

Looking southeasterly at the northwest corner of the site, from across Central Way

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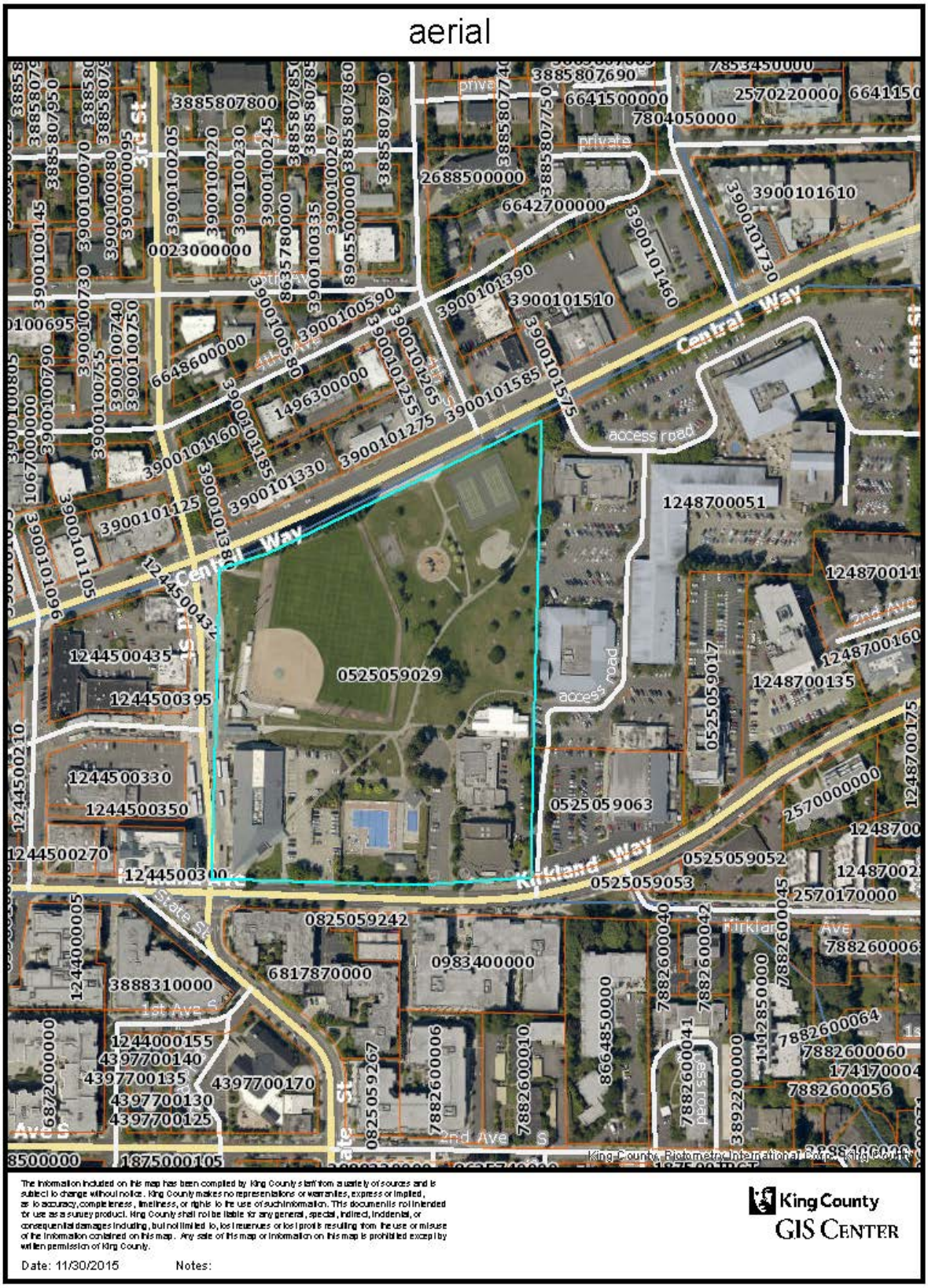

Aerial View

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PART I - INTRODUCTION

Identification of the Subject Property

The subject of this appraisal is the Peter Kirk park property in Kirkland, Washington. The site contains a total of 12.48 acres of land and is currently improved with various park-related improvements, as well as municipal facilities. The appraisal is being conducted to assist in the potential acquisition of easements to accommodate redevelopment of an adjacent ownership.

Legal Description

No Legal Description was provided. The subject property is legally described according to King County Assessor Account number 052505-9029.

History and Ownership

The property is owned by the City of Kirkland. No ownership changes have occurred within the past three years, to the best of our knowledge.

Intended Use and Users

The function of this appraisal is to provide an opinion of value to assist in negotiations for proposed easement acquisitions by the Client. Intended users of the report include the Client and its representatives.

Date of Inspection/Valuation

The subject property was previously inspected on November 20, 2015 from the abutting sidewalk. The appraiser has not prepared appraisal/consulting services regarding the property within the past three years. The effective date of value of this assignment is November 20, 2015.

Purpose of the Appraisal

The purpose of this appraisal is to provide an opinion of the market value of the subject property, relative to the proposed acquisition of two easements, including a permanent subsurface easement and a 2-year temporary roadway easement. For purposes of this report, market value is defined as [1]

> *The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this*

[1] From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 59.

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definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *buyer and seller are typically motivated;*
2. *both parties are well-informed or well-advised and acting in what they consider their best interests;*
3. *a reasonable time is allowed for exposure in the open market;*
4. *payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
5. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

Property Rights Appraised

This appraisal sets forth an opinion regarding a fee simple interest (subject to existing easements and encumbrances). Fee simple interest is defined as:[2]

> *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

The proposed acquisition will take the form of an easement, which is generally defined as follows.

An easement is defined as follows: [3]

> *An interest in real property that transfers use, but not ownership, of a portion of an owner's property.*

This definition may be expanded as:

> *…the right to perform a specific action on a particular parcel of property, or portion thereof, by the grantees who do not hold the underlying fee.*[4]

The easement will be described subsequently.

Scope of the Appraisal

The scope of this appraisal includes consideration of all three approaches to value, including the Cost Approach, the Income Approach, and the Sales Comparison Approach. The project involves a relatively minor proposed easement acquisition on the east side of the property.

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[2] From *The Appraisal of Real Estate*, Fourteenth Edition, 2013,Appraisal Institute, page 5
[3]From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 74.
[4]From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 75.

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The proposed acquisitions may impact existing park improvements such as sidewalks. Based on the agreed scope of the assignment, we are evaluating only the land, with respect to a road easement. It is assumed that the Client will return the property in essentially similar condition upon termination of the temporary easement.

If additional relevant information or guidance is provided in the future, we reserve the right to revise our conclusions.

In valuing the subject, the applicable approach is the Sales Comparison Approach. Data was collected on comparable sales. In appraising the subject property, the appraisers did the following:

- Researched Metroscan, CoStar, and Commercial Brokers databases
- Researched Valbridge Property Advisors | Allen Brackett Shedd's existing database
- Confirmed all sales with buyers, sellers, their agents, Costar, and/or public records
- Inspected all comparable sales
- Inspected the subject property - streetside
- Reviewed all documents as cited throughout this report
- Discussed project issues with City of Kirkland Personnel

Larger Parcel Issue. The larger parcel determination considers the highest and best use, ownership, and physical relationship of the subject to other surrounding properties in order to render an opinion as to what overall property must be evaluated to fully evaluate the proposed acquisition. The subject property for this appraisal is comprised of a single site owned by the City. While the City owns property in the vicinity, we do not believe the larger parcel for this analysis extends beyond the defined tax parcel.

Extraordinary Assumptions/Hypothetical Conditions

An Extraordinary Assumption is an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraisers opinions or conclusions.

A Hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. It is noted that the use of a Hypothetical Condition may affect the results of an assignment.

— Hazardous Waste

We are not aware of any potential hazardous materials at the subject parcel. For purposes of this assignment, our analysis reflects an assumption that the subject

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property is free of such contamination. This report assumes the absence of any and all hazardous waste on the subject property.

Improvements

As noted previously we are evaluating only the land in this assignment. Thus, the site is assumed to be vacant.

Proposed Project

As this assignment reflects a proposed acquisition, an analysis of the property requires the invocation of a Hypothetical Condition that the project acquisition has, in fact, occurred as proposed.

Zoning

As will be discussed, the property is owned by the City of Kirkland and zoned P based on its ownership and current Public Use. For analysis purposes, we have assumed that the property is available for development as a typical, privately owned site would be. In speaking with Eric Shields, with the Kirkland Planning Department, it was determined that the most likely zoning if evaluated for surplus use would be CBD-1B. Thus, this report reflects the Hypothetical Condition that the property is zoned CBD-1B.

Personal Property

There is no personal property included in our analysis.

Exposure and Marketing Periods

The exposure and marketing periods are defined as those periods of time, before and after the date of value (respectively), which are necessary to achieve the value conclusion reported. The subject consists of commercial property (assumed) in a desirable Eastside location. The market in this vicinity was impacted by the general downturn in the economy, however, is considered to have largely recovered in the immediate vicinity. Exposure and marketing periods of 6 to 9 months are considered reasonable for the subject, if offered for sale at the appraised value (land only).

Regional Description

A specific analysis of the subject market is discussed below, with a complete *Regional Description* available upon request.

Area/Neighborhood Description

The subject is located in the center of downtown Kirkland. Uses in the immediate area include a mix of office, mixed use, retail and park/public services. The Kirkland CBD, has developed around the intersection of Central Way and Lake Washington Boulevard (also

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known as Lake Street in the CBD), both of which are major thoroughfares. Lake Washington Boulevard connects Kirkland with Highway 520 and Bellevue to the south. Central Way connects the area with Interstate 405 (I-405) one-half mile east and the Juanita area lies northwest of the subject, and is reached via Market Street from the west end of Central Way.

In terms of land use, the CBD neighborhood is Kirkland's most complex area. The area contains a wide variety of land uses, including downtown retail businesses and office, a freeway interchange, industrial activities, offices, well-established single-family areas, large-scale multifamily development, a baseball facility, state-of-the-art library, performing arts facility, and a post office. It has a strong identity from its physical setting along the lakefront, distinctive topography sloping down from the north and east to the downtown core area creating views and diversity, and the scale of existing development. This is the historical center of the city incorporated in 1905. It is heavily pedestrian-oriented, as it was developed prior to parking requirements of modern times. Restaurants, delicatessens, and specialty retail shops, including fine apparel, gift shops, art galleries, import shops, marinas, and the like, constitute the use mix.

While the neighborhood is dominated by the commercial activities associated with Kirkland's downtown, there are considerable opportunities for residential development. This transition has been reflected over the last several years by the development of numerous mixed-use structures and multifamily projects to the east and southeast along Kirkland Way. Outside of the immediate downtown area, uses quickly transition to single-family residential.

Market Analysis

The subject is zoned for Public use; however, we have discussed the issue with the Kirkland Planning department. Pursuant to our hypothetical condition, the subject property's potential zoning, were it vacant and available, would be CBD-1B. As such, a review of the multifamily market was conducted, including a review of data from the publications of Dupré + Scott Advisors. This information demonstrates some of the current trends in the multifamily residential marketplace.

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Vacancy & Rents - Kirkland
Multifamily Units - Current

	All	Studio	1 Bed	2/1 Bath	2/2 Bath	3/2 Bath
King - Eastside						
Market Vacancy (%)	3.9%	4.6%	3.6%	3.7%	3.9%	4.5%
Actual Rent ($)	$1,674	$1,309	$1,468	$1,561	$1,869	$2,164
Actual Rent/NRSF	$1.85	$2.56	$2.05	$1.75	$1.73	$1.66
Kirkland						
Market Vacancy (%)	5.8%	6.9%	4.9%	4.4%	6.7%	9.3%
Actual Rent ($)	$1,986	$1,547	$1,674	$1,846	$2,333	$1,974
Actual Rent/NRSF	$2.21	$2.67	$2.35	$2.03	$2.13	$2.19

Source: Dupre & Scott Advisors, September 2015

One can see that vacancy rates are at a historical low, though Kirkland lags behind the "Eastside" which includes Bellevue and Redmond. Rates stand currently at between 4.4% and 9.3% depending upon unit size. Actual rents in every category exceed the Eastside average and are also reflected in the net rentable rent received per square foot.

In terms of market activity and construction the following chart shows the past 4-year trend:

Absorption - Eastside
Multifamily Units

	3/2011	3/2012	3/2013	3/2014	3/2015
Existing Product	37,308	37,680	38,835	39,255	40,390
New Units Opened	132	253	278	748	846
Total	37,440	37,933	39,113	40,003	41,236

Source: Dupre & Scott Advisors, September 2015

It is also interesting to note that Dupré & Scott projects an additional 2,128 units to be delivered to the overall Eastside market by September 2015.

The multifamily residential market, particularly apartments, remains strong in the close-in markets. As can be seen above, rents have been rising, and vacancies have been decreasing. The strength in this market segment is perceived to remain strong based on our interview of some market participants, as well as locally published reports reporting on this segment.

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Condominium Sales Statistics

MLS Area 560 - Kirkland

	2011	2012	2013	2014	YTD 2015	% Change 2011-2015	Avg. Annual % change
Avg. Sales Price							
Resale Condo-	$331,224	$372,811	$406,604	$477,845	$460,041	38.89%	7.78%
New Construction Condo-	$640,172	$863,863	$791,897	$811,699	$1,255,340	96.09%	19.22%
Avg. Days on Market							
Resale Condo-	76	79	33	38	32	-57.89%	-11.58%
New Construction Condo-	173	297	159	135	99	-42.77%	-8.55%
Total Sales							
Resale Condo-	301	350	407	434	418	38.87%	7.77%
New Construction Condo-	20	10	17	21	10	-50.00%	-10.00%

Source: NWMLS. Statistical data is year end data for each calendar year; YTD through October 2015

Average sales prices as well as volume of sales activity in the resale market has been trending up between 7% to 8% over the past four years. Simultaneously the average market time has been falling to just 32 days this year. The chart also indicates that average sales prices of new construction condominiums has risen markedly, nearly 20% on average over the recent time period, though the volume of activity appears to be slowing.

The multifamily residential market, particularly apartments, remains strong in the close-in markets. As can be seen above, rents have been rising, and vacancies have been decreasing. The condominium market is also very active, providing an entry level into ownership for many, due to rising single family home prices. The strength in this market segment is perceived to remain strong based on our interview of some market participants, as well as locally published reports reporting on this segment.

The subject property abuts Kirkland Park Place to the east. This existing 1.7-million-square-foot mall/commercial/retail complex has applied for a major redevelopment project. The new plan calls for a mixed-use, pedestrian oriented development containing roughly 300 residential units, 225,000 square feet of commercial space demised as follows; 155,000 square feet of general retail, including a relocated and enlarged 54,000-square-foot QFC, 3,000 square feet of restaurant space and 48,000 square feet of other retail; 40,000 square feet for a movie theatre; and 30,000 square feet for a health club. Some of this will be retained/remodeled from current improvements. The project required zoning text amendments to allow additional residential (including an affordable housing requirement); incentives for a movie theater; and a bank drive thru facility. It will also benefit from direct access to the public park, or subject property.

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AgC	Alderwood gravelly sandy loam, 8 to 15 percent slopes	
AgD	Alderwood gravelly sandy loam, 15 to 30 percent slopes	
AmC	Arents, Alderwood material, 6 to 15 percent slopes	
Ng	Newberg silt loam	
Totals for Area of Interest		

Soils Map

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PART II – FACTUAL DATA

Description of the Subject Property

Site

The subject property consists of a single tax parcel, within the downtown area of Kirkland, Washington. According to the Assessor information, the site carries the physical address of 406 Kirkland Avenue. The site enjoys excellent access within the downtown Kirkland area and is surrounded by commercial and mixed use development.

Topography

The subject is generally level throughout.

Access

Central Way abuts the property on the north side, providing excellent access to a well-travelled commercial arterial with multiple travel lanes and a center turn lane. Third Street provides access to the west and Kirkland Avenue provides frontage and access along the south side.

Central Way extends easterly, becoming 85th Street, providing access to I-405 and Redmond, further to the east. The subject is considered to have excellent access locally.

Sensitive Areas and 100-Year Floodplain

According to FEMA mapping (FIRM -0356), a portion the subject is encumbered by the 100-year flood hazard area. The site is classified as Zone AH, an area which can have flood depths of 1 to 3 feet, usually in a ponding fashion. It appears to be primarily in the northeastern portion of the site, thinning as it moves south, and lies relative to the existing ballfields and play areas. We refer the reader to the enclosed mapping.

Soils

We have not received any specific studies regarding the subject property's soil content, but have reviewed the United States Department of Agricultural Web Soil Survey with respect to the subject property soils. This survey indicates two main soil types exist at the subject; Newberg Silt Loam (Ng) across the middle of the site, and Arents (AmC) surrounding to the south and west. Newberg soils are formed in floodplains, are well drained, with slopes of 0% to 2% and experience occasional flooding. The Arents soil is formed on till plains and is moderately well drained with slopes of 6% to 15% and little chance of flooding. We refer the reader to the enclosed mapping of the various soils locations on the subject site.

Timber

There is no merchantable timber situated on the subject property.

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FEMA Map

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Mineral

We have no information regarding the presence of marketable mineral reserves on the property, nor did the owner identify such. Thus, no mineral value is reflected in our conclusions.

Utilities

All public utilities are currently available to the subject including power, phone, water, cable, sanitary sewer, and natural gas.

Zoning

The subject property is currently zoned (P) by the City of Kirkland. For analysis purposes, however, we have considered the property to be zoned CBD-1B, the most likely zoning if offered for surplus. The CBD-1B zone is a mixed use downtown zoning classification. The following dimensional limitations are noted:

CBD-1B

Minimum Lot Area (sf)	None
Maximum Height	55'
Setbacks	
Front	0'
Side	0'
Rear	0'
Maximum FAR	N/Av
Maximum Lot Coverage	100%

Permitted uses retail establishments, banking and financial services, hotel/motel, entertainment or recreation, office, stacked or attached residential, schools, public parks and residential suites.

Easements and Encumbrances

We have not been provided with a Title Report. From our inspection it appears that the property is currently used as park area, with a sidewalk over a portion of the site. As noted previously, the park improvements are assumed to be replaced upon termination of the easement and thus are not quantified here. We have no information regarding the potential utilities on site.

Assessed Value and Real Estate Taxes

The subject property, as defined for this assignment is publicly owned and has no assessed value or taxes at this time.

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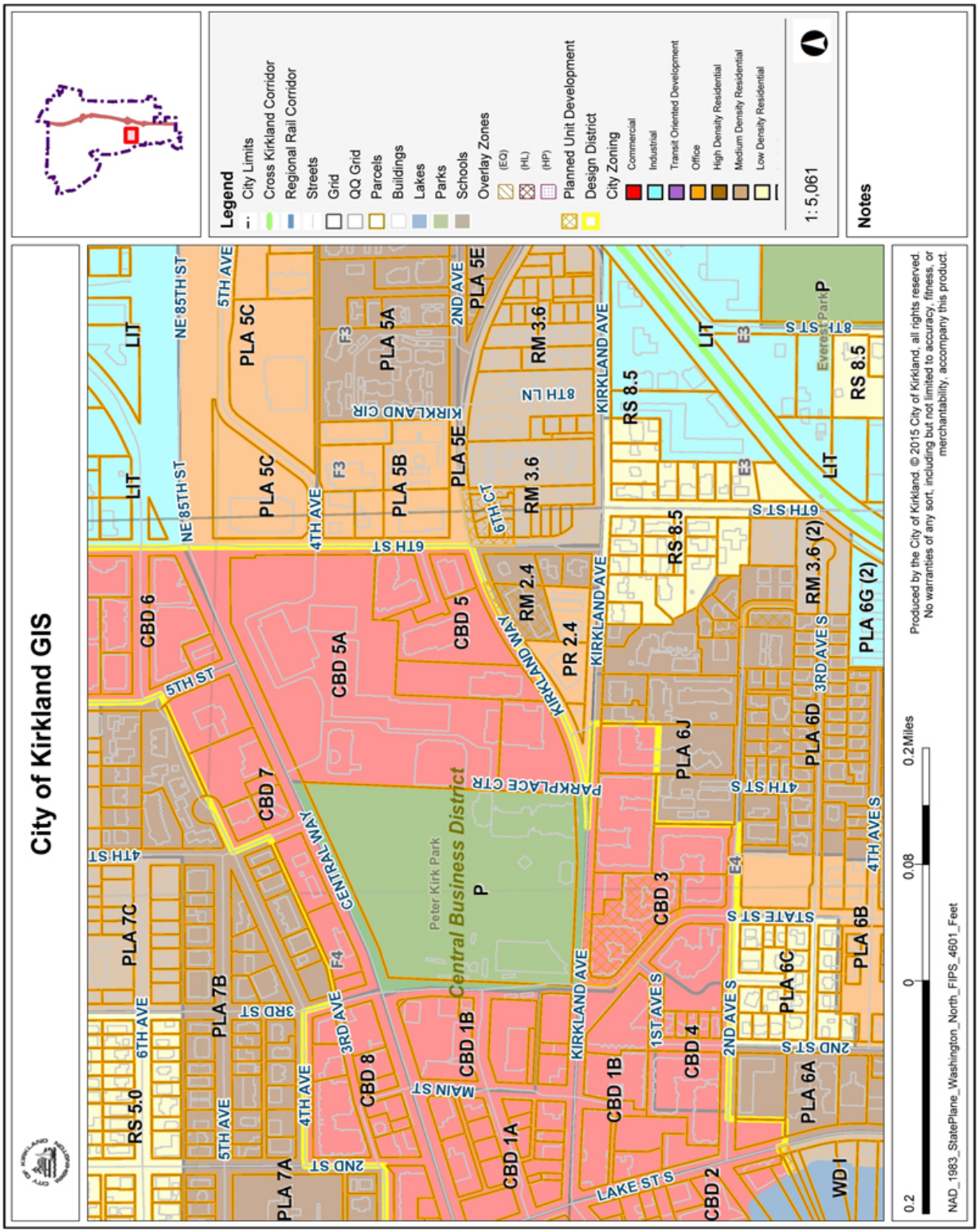

Zoning Map

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Description of Improvements

The subject property is currently improved with numerous park and municipal structures. These are excluded from this analysis as discussed previously.

Site Improvements

The subject property has extensive site improvements; however, these are not considered in our analysis.

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PART III – HIGHEST AND BEST USE

Highest and best use is defined as: [5]

> *The reasonably probable use of property that results in the highest value..... To be reasonably probable, a use must meet certain conditions.*

A determination of highest and best use is guided by the following parameters: 1) physically possible; 2) legally permissible; 3) financially feasible; and 4) maximally productive. Highest and best use is analyzed both on an as vacant and as improved basis.

Physically possible uses require an analysis of both the improvements (existing or proposed), as well as the underlying land. Size, topography, shape, access, soil conditions, wetlands, and utilities are all factors that can affect the development potential of a given site. With regard to the improvements, obviously it must be physically possible to construct a building before it can be considered the highest and best use.

Legally permitted uses are those which fall within current zoning laws and are permitted by all agencies having jurisdiction. These may include federal, state, and local laws; zoning, as mentioned; private and deed restrictions; as well as the possibility for zoning changes and variances.

The *financially feasible* category analyzes those uses that are physically possible, legally permitted, and which provide an adequate investor return. For income properties, this return is measured monetarily, while non-income-producing properties provide a somewhat less tangible measure of return. Risk is a primary determinant in the assessment of adequate return.

Finally, the uses satisfying all of the above criteria can be analyzed. The one use providing the highest return is considered maximally productive, and thus, the highest and best use.

[5] From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 332

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As If Vacant

Physically Possible. Physically, the subject consists of 12.48 acres of land situated within the city limits of Kirkland. The site size is large and as a single development project, would be a significant acquisition. Recent developments in the immediate vicinity vary between roughly 10,000 square feet and roughly 1 acre in size. The subject has an irregular shape, and slopes are very mild across the property. Access is another physical characteristic affecting the highest and best use, and the subject is considered to have excellent legal and developed access from public roads on three sides. Finally, all utilities are available to service development of the site.

Legally Permissible. The subject is currently under City of Kirkland jurisdiction and is zoned for Public uses. In accordance with our Hypothetical Condition, we are evaluating the property based on CBD-1B zoning, which permits mixed use development. There is no specific FAR or unit limit; however, the height and design requirements dictate maximum development potential. Surrounding properties with similar zoning either have or are proposing mixed use projects roughly 5 stories in height, with ground floor retail typically.

Financially Feasible/Maximally Productive. The demand for similar properties in Kirkland has been strong this year, following the economic recovery which began several years ago. Uses likely at the subject could include a wide variety of commercial uses including office, retail, hotel, senior housing, and apartments or condominiums, subject to zoning requirements. The market for such uses in the vicinity appears to be strengthening somewhat recently. The highest and best use analysis considers all the physical, environmental, and legal considerations, as well as those that are considered financially feasible/maximally productive.

Surrounding uses consist of single level retail and commercial to the west and north, condominiums to the south and north and the Kirkland Parkplace development east of the subject. This is a significant project currently undergoing redevelopment and expansion (this project is the reason for the easement that is the subject of this appraisal). With several hundred new multifamily units proposed, this development is expected to continue to be the commercial center of downtown, having substantial retail, office, and residential square footage. Other projects reflect upscale apartments and condominiums on smaller lots.

Perhaps the biggest challenge to the subject is its large size. A single development would be a significant undertaking, with large quantities of residential units, for which there is substantial supply currently. Absorption would likely require phasing or outright subdivision into smaller, more marketable sites. Office and retail uses are also plentiful in the downtown area, when considering projects under construction or in the planning phase.

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Given the size and the location within the city limits of Kirkland, the highest and best use, as vacant, is considered to be long term development of mixed use residential product, subject to the zoning limitations for the site.

As Improved

Our analysis does not consider improvements to the subject property, rather the site is valued as if vacant.

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PART IV - ANALYSES AND CONCLUSIONS TO VALUE

Valuation

Approaches Used in the Valuation Process – The valuation is obtained by the proper use of three different approaches to the value conclusion: the Cost Approach, the Income Approach, and the Sales Comparison Approach. These three approaches are different in character, but related somewhat in the known facts they require to arrive at an opinion of value from each. The final conclusion of value is derived through a correlation process in which the appraiser weighs one approach against the other to determine the relative merits of each before coming to a conclusion.

The Cost Approach to Value is the process of first generating an opinion of value for the subject land, to which is added the replacement cost new of the structure, less depreciation and the cost of land improvements. The sum of the costs is the indication of value by the Cost Approach.

The Income Approach to Value involves the estimation of a gross economic rental, which is then processed by subtracting an estimated vacancy and credit loss and operating expenses to obtain an estimated net operating income. The net operating income is then capitalized into a value conclusion by the appropriate capitalization rate derived from the market.

The Sales Comparison Approach to Value is utilized in several different methods. Sales of comparable buildings are analyzed to determine a sale price per square foot of building area. An alternative method deals with a gross income multiplier, which is an expression of the relationship between the gross income and value. For this assignment, the Sales Comparison Approach is used for the analysis of the underlying land only.

Final Correlation and Conclusion of Value – The various indications of value from the approaches are analyzed as to how they relate to one another, as well as to the market. The approach or approaches most appropriate are given the most consideration in arriving at a final opinion of value.

With consideration given to the highest and best use of the subject, the Sales Comparison Approach to value the underlying land will be utilized. Our analysis begins with an evaluation of the property in the existing condition. The After condition assumes the acquisition has taken place, allowing for a comparison of both the Before and After value conclusions.

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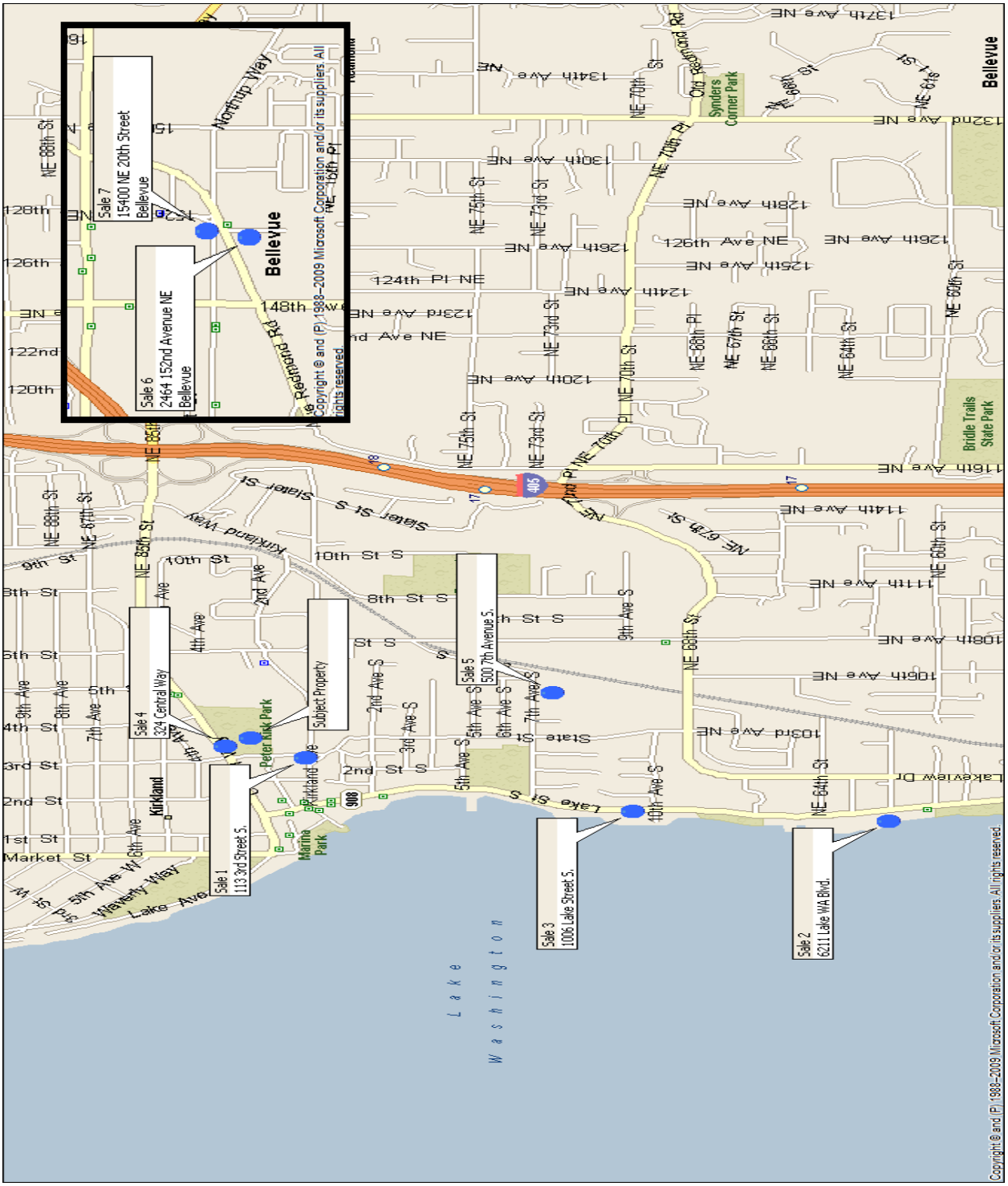

Comparable Land Sales Map

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Valuation of the Subject Property – Before Condition

The Sales Comparison Approach is useful when there has been sufficient sales activity of similar property to compare directly to the subject. A direct unit of comparison such as sales price per square foot, adjusted for variations in location, utility, access as well as other pertinent characteristics is applied to the subject's size to generate a value conclusion by this approach. The comparables are considered on a price per square foot basis. The following chart summarizes those sales that were considered most comparable to the subject:

Comparable Land Sales

Sale	Identification	Sale Date	Sale Price	Land Area (sf)	Price/ sf Land	Zoning	Proposed Units		Price Per Prop. Unit
Primary Sales									
1	113 3rd Street	03/31/15	$12,000,000	41,943	$286.10	CBD-1B	125		$96,000
2	6211 Lake Washington	09/19/14	$7,500,000	42,688	$175.69	WD I	N/A		N/A
3	1006 Lake Street S.	1/11, 8/14	$8,300,000	54,509	$152.27	BN	59		$140,678
4	324 Central Way	09/9/2013	$4,585,000	27,442	$167.08	CBD7	76		$60,329
5	500 7th Avenue S., Kirkland	09/13/13	$8,233,000	220,849	$37.28	PLA 6G(2)	N/A	1	N/A
6	2464 152nd Avenue NE, Bellevue	03/15/13	$52,555,556	1,210,097	$43.43	OV-4	N/A	2	N/A
7	15400 NE 20th Street	08/21/12	$17,000,000	259,618	$65.48	BR-CR	Unk.		N/A
Other Comps Considered - Bellevue									
8	10697 Main Street, Bellevue	09/15/15	$12,290,000	46,662	$263.38	DNTN-MU	160		$76,813
9	2211 156th Avenue NE, Bellevue	09/13/13	$14,250,000	191,664	$74.35	BR-RC-3	450		$31,667
10	1899 120th Avenue NE, Bellevue	09/03/13	$23,000,000	457,300	$50.30	BR-OR-2	N/A		N/A
Other Comps Considered - Redmond									
11	8338 160th Avenue NE	12/13/12	$4,600,000	50,965	$90.26	TSQ	170		$27,059
12	15806 Bear Creek Parkway	Pending	$6,200,000	55,509	$111.69	RVBD	206		$30,097
	Subject Property			**543,629**		**(CBD-1B)**			

1. FAR based on proposed office bldg
2. Based roughly on proposed sf allowed per development agreement recorded prior to closing.

Discussion of Land Sales

Sale 1 is the proximate sale of a shy acre of land south of the subject. The property was put out for bid, and received 18 offers according to the Broker. Their target per unit acquisition price was $75,000 to $80,000, which translates to roughly 150 to 160 units. It is anticipated that the future development will consist mostly of apartments, but potentially some office as well. It closed for $12,000,000 in March 2015, or $286 per square foot of land.

Sale 2 is a waterfront site located on Lake Washington Blvd. It sold for $7,500,000 to international investors in September 2014. It is registered in the planning department's project list as a proposed 13-unit condominium project. The sales price is indicative of $175 per square foot of land or over $576,000 per unit. Limited information was available for this sale, however the waterfrontage is clearly a superior feature.

Sale 3 is a project along Lake Street, at approximately 10th Avenue S. This reflects a two parcel assemblage, with the first half occurring in 2011 and the most recent in 2014. The combined price of $8.3 million reflects an overall price of roughly $152 per square

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foot. The site sits across from the waterfront and will likely offer water views. The initial plan is for 59 units over ground floor retail. The project is known as Potala Village.

Sale 4 is another site located on Central Way proximate to the subject. It was a former gas station and carwash, and was sold with no entitlements or conditions in September 2013. There were some remediation and demolition expenses, estimated to be $85,000. The site is zoned CBD-7 and is currently under construction with 76 units of apartments. The sales price of $4,500,000 is adjusted to include the remediation costs by the buyer, for an analysis price of $4,585,000, or $167 per square foot of land.

Sale 5 is located at 500 7th Avenue S., in Kirkland. This is a mildly sloping site in the Kirkland marketplace, south of downtown Kirkland. The property abuts the pending Cross Kirkland trail and will be developed with an 180,000-square-foot office building by Google. This represents an expansion of the Google footprint in the vicinity. Our analysis reflects an additional $400,000 for anticipated site cleanup costs by the buyer and results in a price per square foot of land to be $37.28

Sale 6 is the former Group Health property located along 156th Avenue near the Microsoft campus between Bellevue and Redmond. The site has a good location and is generally level. The site will be developed with over 2 million square feet of residential, office, retail, and possibly a hotel. The overall development density was essentially determined prior to sale and there are considerable costs required by the buyer including demolition and significant infrastructure improvements in the form of stormwater and road work. These costs were estimated by the buyer to be in the range of $20 million and this has been added to the sale price for analysis purposes.

Sale 7 is a previously improved site in the Bel-Red neighborhood. It is located at 15400 NE 20th and is known as the Sherwood Shopping Center. This property will generate interim income; however, redevelopment to a more intensive use is anticipated in the near future. The location is considered average in terms of retail appeal, and the zoning allows for an FAR of 2.0, considerably lower than that anticipated for the subject. Access is good within a neighborhood that is experiencing substantial redevelopment at this time

Discussion of Adjustments

The first category of adjustments includes market conditions (time), financing and issues relating to the interests purchased. The subsequent category of adjustments reflects the physical features and locational differences. Our adjustments are applied relative to the usable land area for each of the comparables. In some cases it was necessary to estimate this, while in other cases the information was provided by a party to the transaction.

Rights Conveyed relates to the actual interests transferred. In terms of the rights conveyed the sales were considered to be reflective of fee simple sales, subject to

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typical easements and encumbrances. No adjustments are applied to the sales for this category.

Conditions of Sale reflect adjustments for sales, which occurred under unusual and specific conditions. Many of the Sales had previous improvements requiring demolition by the buyer. Due to the developed locations, this is not uncommon and no adjustments are applied. Sale 7 provided significant interim income, for which a downward adjustment is applied.

The financing adjustments are necessary for sales that were financed with atypical terms. This includes seller financing with non-market interest rates or abnormal down payment levels; the theory being that a comparable figure for use in appraisal analysis should reflect a cash-equivalent price, or a price that is in line with existing market terms at the time of sale. No adjustments are necessary here.

In terms of adjustment support for time, we have reviewed the market for re-sales of mixed use commercial land. Our research revealed few recent sales that provide meaningful paired sale adjustment support comparison with the subject. Our discussions with brokers, as well as our observations of market activity lead us to conclude that the pace and pricing of sales for such properties has increased modestly as the region continues to emerge from the recessionary conditions. General sales activity is up relative to the 2012-2013 timeframe and some speculative development is re-emerging in certain sectors. The market analysis section of the report identifies trends in the CBD office submarket for which more sales data is available. The recent trends demonstrate support for trending in the past several years. Given the fact that our data is general in nature, we will consider the information qualitatively in our adjustment of the sales to the subject property. Accordingly, we have applied upward adjustments to all of the Sales that have occurred prior to 2015.

Physical characteristics, including differences in the intensity of use, location, access, view, and zoning or land use issues are reflected in the chart that follows. For the adjustments made, the notation includes an indication of whether the comparable is inferior or superior, followed by an opinion of the relative magnitude:

Adjustment Chart - Peter Kirk Park Property

Sale	Actual Price/sf	Rights Conveyed	Conditions of Sale	Financ.	Market Cond.	Location	Size	Topog./ Site Char.	Use/Entitl./ Zoning	Access/ Exposure	Cumulative Indication
1	$286.10	0	0	0	0	Similar	Sup(---)	No Adj.	No Adj.	No Adj.	**Significantly Superior**
2	$175.69	0	0	0	Inf(+)	Sup(-)	Sup(---)	No Adj.	Inf(+)	Sup(-)	**Superior**
3	$152.27	0	0	0	Inf(+)	Similar	Sup(---)	Sup(-)	Sup(--)	No Adj.	**Superior**
4	$167.08	0	0	0	Inf(++)	Similar	Sup(---)	No Adj.	No Adj.	Similar	**Superior**
5	$37.28	0	0	0	Inf(++)	Inf(+)	Sup(-)	Inf(+)	Inf(+)	Inf(+)	**Inferior**
6	$43.43	0	0	0	Inf(++)	Inf(+)	Inf(+)	No Adj.	Similar	Inf(+)	**Inferior**
7	$65.48	0	Sup(-)	0	Inf(++)	Inf(+)	Sup(-)	No Adj.	Inf(+)	Similar	**Inferior**

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Conclusion of Value – Before Condition

As indicated, the identified comparables represent similarly zoned land recently sold in the surrounding market area. The sales used for comparison occurred in the 2012-2015 timeframe. Sale 5 clearly establishes the lower limit to value in the range of $37 per square foot.

It is interesting to note that sales within the immediate market area suggest pricing significantly above that of the more distant sales. While location is considered a factor here, the large size of the subject warrants consideration of sales outside of the immediate vicinity to reflect the unique characteristics associated with a potential development of this size. The smaller sales reflect pricing well above $100 per square foot, while the larger sales demonstrate prices in the $37 to $65 per square foot range, but are generally considered inferior. After discussions with market participants, the upper limit to value is demonstrated by sales of relatively small sites, with the potential for relatively efficient development and sale of the finished product, and a substantial adjustment is warranted relative to the subject property. Development of the subject would be well-received by the market in our opinion, however the likely development and absorption period may extend into the next market cycle, and increased risk therefore exists.

The subject benefits from its strong Eastside location, and fairly close proximity to I-405, as well as Bellevue's CBD and the redevelopment activities occurring nearby. After consideration of all adjustments, we believe a value of $80 per square foot of land is considered supportable for the subject, and is summarized as follows:

543,629 sf x $80/sf =$43,490,320

This is within the range exhibited by the comparable sales.

Site Improvements

No Site improvements are evaluated here.

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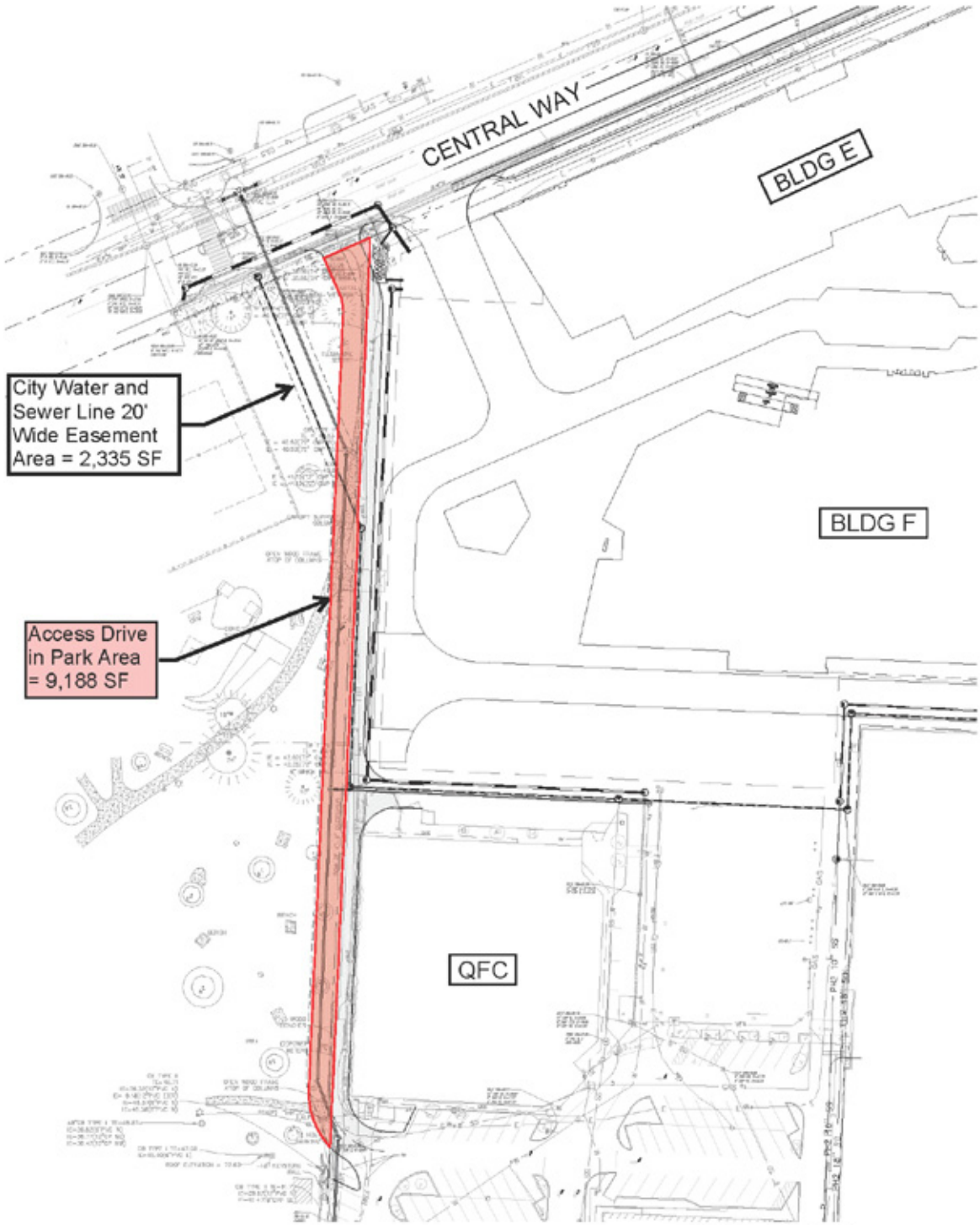

COUGHLINPORTERLUNDEEN
STRUCTURAL CIVIL SEISMIC ENGINEERING

Kirkland Park Place
Access Drive Areas
Exhibit

1"=80' at 8.5x11

Proposed Access Easement Map

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Description of Proposed Acquisition, Remainder, and Potential Damages

The proposed acquisitions from the subject are described as 1) a permanent subsurface utility easement, and 2) a temporary easement for road purposes over the northeasterly portion of the site. No permanent rights are being acquired for road purposes, and the access road serving the adjacent property is expected to be reconstructed on the adjoining property following construction.

The *utilities* easement allows for the extension of subsurface utilities from Central Way, through the subject site at an angle, eventually following the eastern property line. This easement measures roughly 20 feet wide and totals 9,905 square feet. Of this, 7,570 square feet is aligned underneath the proposed temporary road easement, along the eastern property line. Connecting to this is a 2,335-square-foot segment that connects at a diagonal from Central Way.

The *temporary easement* is expected to last 2 years and will allow for the Parkplace project construction. The easement area, as shown on the enclosed map, will encumber a total of 9,188 square feet and will be located at the eastern property line. No documents have been provided outlining specific easement rights; however, the rights are simply characterized as an access road. Thus, an ongoing surface use of the property is anticipated. No subsurface rights or aerial rights (beyond those necessary to accommodate road usage) are anticipated.

The easement acquisitions are not expected to impact the highest and best use or overall functionality of the City property aside from the uses noted above.

General Property Description – After Condition

The total property size will remain unchanged.

In terms of utilities, there is expected to be no change in the availability of all utilities. We are aware of no known LID assessments in conjunction with this project.

Highest and Best Use – Remainder As-If Vacant

Based on location, site size, and zoning, the After site will have virtually identical site utility in the after condition and no change is anticipated to the Highest and Best use, as vacant.

Highest and Best Use – Remainder As Improved

Not Applicable.

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Valuation in the "After" Condition

In the "After" situation, the subject will contain an identical site size of 543,629 square feet and will have similar overall functionality. The same land sales utilized in the before condition are appropriate in the After situation. Again, these are analyzed on a price per square foot basis, as this is the typical unit of comparison for commercial land. These are reiterated here for convenience.

Comparable Land Sales

Sale	Identification	Sale Date	Sale Price	Land Area (sf)	Price/ sf Land	Zoning	Proposed Units		Price Per Prop. Unit
Primary Sales									
1	113 3rd Street	03/31/15	$12,000,000	41,943	$286.10	CBD-1B	125		$96,000
2	6211 Lake Washington	09/19/14	$7,500,000	42,688	$175.69	WD I	N/A		N/A
3	1006 Lake Street S.	1/11, 8/14	$8,300,000	54,509	$152.27	BN	59		$140,678
4	324 Central Way	09/9/2013	$4,585,000	27,442	$167.08	CBD7	76		$60,329
5	500 7th Avenue S., Kirkland	09/13/13	$8,233,000	220,849	$37.28	PLA 6G(2)	N/A	1	N/A
6	2464 152nd Avenue NE, Bellevue	03/15/13	$52,555,556	1,210,097	$43.43	OV-4	N/A	2	N/A
7	15400 NE 20th Street	08/21/12	$17,000,000	259,618	$65.48	BR-CR	Unk.		N/A
Other Comps Considered - Bellevue									
8	10697 Main Street, Bellevue	09/15/15	$12,290,000	46,662	$263.38	DNTN-MU	160		$76,813
9	2211 156th Avenue NE, Bellevue	09/13/13	$14,250,000	191,664	$74.35	BR-RC-3	450		$31,667
10	1899 120th Avenue NE, Bellevue	09/03/13	$23,000,000	457,300	$50.30	BR-OR-2	N/A		N/A
Other Comps Considered - Redmond									
11	8338 160th Avenue NE	12/13/12	$4,600,000	50,965	$90.26	TSQ	170		$27,059
12	15806 Bear Creek Parkway	Pending	$6,200,000	55,509	$111.69	RVBD	206		$30,097
	Subject Property			**543,629**		**(CBD-1B)**			

1. FAR based on proposed office bldg
2. Based roughly on proposed sf allowed per development agreement recorded prior to closing.

Discussion of Land Sales and Conclusion of Site Value – After Condition

A similar value is concluded as in the before condition, prior to consideration of the proposed easements. Thus, the property is considered to have a similar value of $80 per square foot, applied to the 533,724 square feet unaffected by the permanent easement (543,629-9,905). The temporary easement will be discussed subsequently.

Proposed Fee Acquisition

There is no Fee acquisition proposed.

Easements Proposed for Acquisition

As noted, there will be a proposed easement for subsurface utilities over a total of 9,905 square feet of land. The majority of this abuts the eastern property line.

Support for Easement acquisition conclusions are derived in part, from ongoing surveys performed by our firm. The surveys involve interviews with numerous parties that either own significant corridors or right-of-ways and/or are active in obtaining and granting easements, licenses, permits, and other similar instruments. We have interviewed representatives of the Bonneville Power Administration (BPA), Puget Sound Energy (PSE), Seattle Public Utilities (SPU), and Snohomish County PUD, as well as employees at

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various cities and utility districts in the Puget Sound region. The surveys revealed that the calculation of easement damages for subterranean easements may range generally from 10% to 50% with the lower end of the range for easements along the periphery of property boundaries, or within areas that are otherwise not buildable due to setbacks required by zoning. Aerial and surface easements tend to reflect increased discounts above 50%, and in some cases, close to 100%. This higher discount reflects the increased reduction in potential uses afforded to the underlying fee simple property owner by such easements.

The following are specific examples based on our surveys from various agencies for easements:

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Summary of Easement Support Information

Agency (User)	Easement Rights Granted	Use	Typical Discount From ATF Value/FMV/AV	Easements w/ Reversionary Interest
Bonneville Power Administration (BPA)	Surface & Aerial	High Voltage Power Transmission Lines	25% to 100% *	See Note 1
** Low end of range paid by BPA for esmts. in rural and agricultural areas; Higher end (75-100%) of range is in urban areas* *Note 1) Typically released to owners at no cost. Theory being BPA has reached full benefit of that easement. In cases where acquired, but surplused & never used, can be amt. BPA paid, or FMV times a discount. No specific examples were available.*				
City of Kenmore	Surface	Slope Easements	30%	
As part of the SR-522 Highway Improvement project, City of Kenmore acquired various surface and subsurface easements for the project.				
Puget Sound Energy (PSE)	Surface, Subsurface & Aerial	Road & Utility Crossings	50% *	No specific cases
	Subsurface	Linear Pipe	25% to 50% (37.5% avg) ** 25% to 75% ***	
Discount applied by PSE for minor esmt. crossings in urban areas. For remote locations, a min. fee of $500 is charged.* ***Granted by PSE to SPU for Tolt 2-water pipeline encumbering 30' of the 150' corridor* ** Disc. Applied to the esmt area only for PSE acquired easements. Low end for esmts in required setbacks.*				
Snohomish County PUD (SnoPUD)	Surface & Subsurface	Utility Crossings	50-100% * 10-20% **	No specific cases
**Discount applied by SnoPUD for significant encumbrance.* ***Discount applied for less signficant encumbrance, with low-end of discount pertaining to w/in setback areas.*				
Sammamish Water & Sewer	Surface & Subsurface	Utility Crossings	15-50% *	No specific cases
**Discount applied by Samm Water based on either Appraisal or Assessed Value.*				
Seattle City Light	Surface & Subsurface	Utility Crossings	25-100% *	No specific cases See Note 1
**Discount applied by Seattle City: 25-50% for less significant encumbrances; 75-100% for Transmission Lines.* *Note 1) No specific case for reversionary interests; however, would likely perform in reverse of easement acquisition (i.e. sell back @ same discount).*				
Woodinville Water District	Subsurface	Utility Crossings	15-25% *	No specific cases
**Discount applied by Woodinville Water: 15-25% for easement encumbrances; based on either Appraisal or Assessed Value.*				
Alderwood Water District	Subsurface	Utility Crossings	30-40% *	No specific cases
**Discount applied by Alderwood Water: 30-40% depending on level of easement encumbrance.*				
King County DOT	Surface & Subsurface	Road & Utility Crossings	50-100% *	No specific cases
**Discount applied by King County DOT with 1 of 3 classes:* *A Class Road (DOT Paid for it & maintain it): Discount applied at 100% of Appraised or Assessed Value.* *B Class Road (DOT didn't pay for it but maintain it): Discount applied at 75% of Appraised or Assessed Value.* *C Class Road (DOT didn't pay for it & don't maintain it): Discount applied at 50% of Appraised or Assessed Value.*				
Northshore Utility District (NUD)	Subsurface	Water & Sewer Mains/Crossings	25% to 50% *	
**Low end of range paid by NUD using Assessed Value for esmt. in a yard setback; higher end reflecting site area outside of a required setback.*				

It is anticipated that no structures would be permitted to be constructed over subsurface easements. This is reflected in the overall "bundle of rights" associated with real property ownership. In circumstances where acquired easements do not significantly alter the highest and best use, impacts would tend toward the lower end of the range. The opposite is also true of more significant easements, extending to property beyond the actual affected area in certain cases. Another consideration in the

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analysis of such impacts may be the ability to derive value from the affected area through the transfer of density, or contribution to overall development.

In addition to our survey and research, the following published information provides guidance for support of diminution in value for various easements:

Easement Rights Balance Sheet
Appraisal of Easements Under the State Rule, Appraisal Journal

Extent of Encumbrance on Land Use	Interference with Owner's Private Usage	Change in Highest & Best Use	Intuitive % of Fee Value
Negligible Restrictions	None, ephemeral or occassional	No change to HBU or Larger Parcel	Nominal to 10%
Variable Restrictions	Physical joint use of surface	Variable change to HBU and/or Larger Parcel	50% more or less
Exclusive Restrictions	Exclusion of owners private use	Substantial change in HBU; Severance from Larger Parcel	90% to 100%

The above chart was written by Donald Sherwood, SR/WA for the May/June 2006 Right-of-Way Journal. It has been included here is as a general guide in examining the effect an easement may have on the total bundle of rights when considering the level of severity/impact of the easement, and whether or not there is a potential for change of the highest and best use of the site.

With consideration given to the proposed easements and the general utility of the subject property, we concluded a value reduction for the permanent utility easement to be 25% of fee value. Thus, the After value for this segment would equate to $60 per square foot. The *After Value* is summarized as follows:

Unaffected Area	
533,724 x $80/sf =	$42,697,920
Area Subject to Permanent Easement	
Perm.esmt-Utility – 9,905 sf x $60/sf:	$594,300
Total After Value - Land	**$43,292,220**

Summary and Recapitulation

The "Before and After" value conclusions are presented as follows:

"Before" Condition	$43,490,320
"After" Condition	($43,292,220)
Value Difference,	$198,100
Rnd	**$200,000**

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A breakdown of total acquisition is as follows:

ALLOCATED AS FOLLOWS:		
VALUE OF PART TAKEN (LAND):		**$0**
VALUE OF PART TAKEN (SITE IMPS):		**$0**
DAMAGES TO REMAINDER:		
PERM.ESMT-UTILITY – 9,905 SF X $20/SF:		**$198,100**
DAMAGES: IMPROVEMENTS		**$0**
LESS SPECIAL BENEFITS:		**($0)**
TOTAL OF ACQUISITION:		**$198,100**
	(RND):	**$200,000**

Discussion of Temporary Construction Easement

The subject will also be encumbered by temporary easement (TE) for the 2-year construction phase. This is to be located at the northeast portion of the property. This area can be described as generally level land. The total area is 9,188 square feet, and while no specific dimensions were provided, the affected area appears to measure roughly 15' x 600' by our estimate.

Compensation for the Temporary Easement is generally calculated based on the underlying land value conclusion, multiplied by a rate of return. The areas impacted by the TE totals 9,188 square feet according to information provided. Payment for temporary easements typically reflect a rental rate for the use of the land, and range narrowly throughout the region, between 8% and 10%. This reflects the periodic rental of property based on its overall value. The duration and intensity of use is considered, and we have applied an 8% *annual* return to our land value for the TE.

The fact that the easement is aligned along the edge of the property, in an area typically affected by setbacks may impact the value if a permanent property right were acquired since the evaluation would be based on a Before/After analysis. Since this easement is temporary, the analysis reflects the average unit value for the land, based on the duration of temporary use.

The road easement affects only the surface rights, with no subsurface or additional aerial rights acquired, however a portion is being encumbered by a permanent utility easement, which impacts the underlying value for temporary rental purposes. In terms of the vertical interests associated with the temporary road easement, the rights acquired do not reflect 100% of the property. It is acknowledged, however, that a surface use often impacts property to a greater degree than other vertical interests. From our experience, easement rights for road or sidewalk purposes can range from

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roughly 50% to 100% of the fee value, with the previously discussed data providing support.

The periodic rental rate will be applied to the area affected. Based on the characteristics of the proposed easement, including the location at the edge of the property, we have applied a figure of 60% to reflect the surface only use rights.

Of the 9,188 square feet of easement, 7,570 square feet was previously encumbered by a permanent utility easement, and the remainder unit value is $60 square feet. The balance of the easement (1,618 sf) is evaluated using the $80 square feet basis. Thus, the temporary easement compensation is derived as follows:

Area Unencumbered by Permanent Utility Easement		
	$80/sf x 1,618sf x 60% x 8% x 2 yrs =	$12,426
Area Encumbered by Utility Easement		
	$60/sf x 7,570sf x 60% x 8% x 2 yrs =	$43,603
Total for 2-Year Duration:		$56,029, rnd.

The above figure equates to $2,334.54 per month for the temporary easement described.

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CERTIFICATION OF VALUE

I, the undersigned, do hereby certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report and upon which the opinions herein are based are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions
- I have no interest, either present or prospective in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the subject property, or to the parties involved.
- My engagement in this assignment was in no way contingent upon developing or reporting predetermined results, nor was it based on a requested minimum valuation, a specific value, or the approval of a loan.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- I have not performed valuation or consulting services on this property in the past three years.
- I have made a personal inspection of the subject property.
- No one provided significant real property appraisal assistance to the person signing this certification**,** with the exception of the person(s) shown on additional certification(s), if enclosed.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated member of the Appraisal Institute.

S. Murray Brackett, MAI
State Cert. #27011-1100853

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Addenda

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Qualification of Appraisers

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Qualifications of S. Murray Brackett, MAI

Senior Managing Director

Valbridge Property Advisors | Allen Brackett Shedd

Education

Bachelor of Arts in Business Administration, Western Washington University, 1985, with an emphasis on real estate.

Professional Education

Appraisal Courses: All appraisal courses required for MAI designation.

Seminars and Continuing Education (abbreviated summary of coursework):

- Easement Valuation
- UASFLA Seminar (Yellow Book)
- Real Estate Law
- Appraising From Blueprints
- Complexities of Predevelopment Land
- The Appraiser as Expert Witness
- Litigation Skills for the Appraiser
- The New Frontier of Takings Law
- Partial Acquisitions Workshop
- Condemnation Appraisal & Mock Trial
- Conservation Easement Appraisal - Certificate Course

Professional Affiliation

Member, Appraisal Institute. Received MAI Designation May 2, 1997 (Member No. 11,258)
Past President (2003), Seattle Chapter of the Appraisal Institute
Member, International Right-of-Way Association
Associate Member, Washington Airport Manager's Association

Appraisal Experience

Principal with *Allen Brackett Shedd*. Responsibilities include the full range of residential, commercial and industrial real estate valuation. Appraisals have been prepared on such diverse properties such as airports and airport-related facilities, park lands, subdivisions and golf courses, as well as typical commercial and industrial improved property. Airport work has included valuation of entire airports to assist in determining lease rates, valuation of adjacent properties for airport expansion, aviation related improved properties and avigation easements. Improved and Unimproved valuations have been performed for acquisitions in fee, leased fee and leasehold interests, partial takings, as well as various partial interests including the following: conservation easements, utility easements, subsurface easements, air-rights/avigation easements, and minority interests. Numerous Appraisals have been prepared for use in litigation, including eminent domain dispute resolution, condemnation and inverse condemnations. UASFLA-compliant Appraisals have been prepared for a wide variety of agencies on a wide range of property types.

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S. MURRAY BRACKETT, MAI (cont.)

Qualified as an expert witness in King, Kitsap and Pierce County Superior Courts, US District Court, and Federal Bankruptcy Court. Geographic experience includes assignments in Washington, California, Oregon, Idaho, Nebraska, Iowa, Kansas, South Dakota, Alaska, and British Columbia.

Other Experience

Instructor: Instructor, Income Property Appraisal, Lk Wa. Voc-Tec.
Qualified Level 3 Facilitator, IRWA

Presentations: October 2003 - WPMA Conference – "The Valuation of Non-Water Dependent Properties."

September, 2009 - Valuation of Airport Properties, WAMA

December 9, 2010 - AI-Seattle Fall R.E. Conference – Panelist/presenter for Appraisal Issues relating to Partial Acquisitions in Eminent Domain cases.

Representative Client List

Cities/Counties

Cities of Bellevue, Burien, Kirkland, Seattle, Kent, Everett, Renton, Auburn, Arlington, Anacortes, Tacoma, North Bend, Snoqualmie, Lake Forest Park, Kenmore, Bothell, Lynnwood, Port Angeles, Maple Valley, Puyallup, Woodinville and SeaTac. Counties of King, Snohomish, Pierce, Kitsap, Thurston, and Skagit.

Government

Ports of Seattle, Everett, Olympia, Grays Harbor, Bremerton, Port Angeles, and Friday Harbor. Washington State Parks, WSDOT (Approved Appraiser List), DNR, Federal Aviation Administration, Internal Revenue Service, King County DNR, GSA, U.S. Navy, San Juan County Land Bank, Northshore School District, Snohomish School District, Sound Transit, USACE.

Financial Institutions

Bank of America, U.S. Bancorp, Key Bank, Wells Fargo Trust, Commerce Bank, Homestreet Bank, Banner Bank, Charter Bank, Union Bank.

Airports

Sea-Tac International Airport, Renton Municipal, Auburn Municipal, Snohomish County Airport (Paine Field), Arlington Municipal, Bellingham International, Olympia Airport, William Fairchild (Port Angeles), Spokane Int'l, Centralia/Chehalis, Bremerton National, Pullman Airport, and Friday Harbor Airport.

Corporations and Non Profits

Weyerhaeuser Company, WRECO, Tramco, Plum Creek, McDonalds Corporation, Gull Industries, Puget Sound Energy, Development Services of America (DSA), FSA, Winmar Company, Jr. Achievement, Lowe Enterprises, PACCAR, Inc., The Trust for Public Land, Cascade Land Conservancy, Fletcher General Construction, Manke Lumber Company, Simpson Timber Company, New Ventures Group, OTAK, American Forest Resources, HDR, Inc., Hancock Natural Resources Group, Sierra Pacific Industries, Quadrant, Port Blakely Communities, Lowe Enterprises, Parsons Brinckerhoff, CH2M-Hill.

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S. MURRAY BRACKETT, MAI (cont.)

Attorneys
Hillis, Clark, Martin & Peterson; Kenyon Disend; Perkins Coie; Tousley Brain; Inslee Best; Graham and Dunn; Chmelik, Sitkin & Davis; Foster Pepper; Short Cressman; Davis Wright & Tremaine; Betts Patterson; Karr Tuttle Campbell; Anderson Hunter; Riddell Williams; Williams Kastner; Krutch Lindell; Curran Mendoza; Williams and Williams; and King County Prosecuting Attorney.

State Certification Number - General: 27011-1100853 **Expiration**: 11/21/17
(Revised 11/22/13)

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ATTACHMENT B

Kirkland Park Place - Peter Kirk Park Edge Renovation Estimate

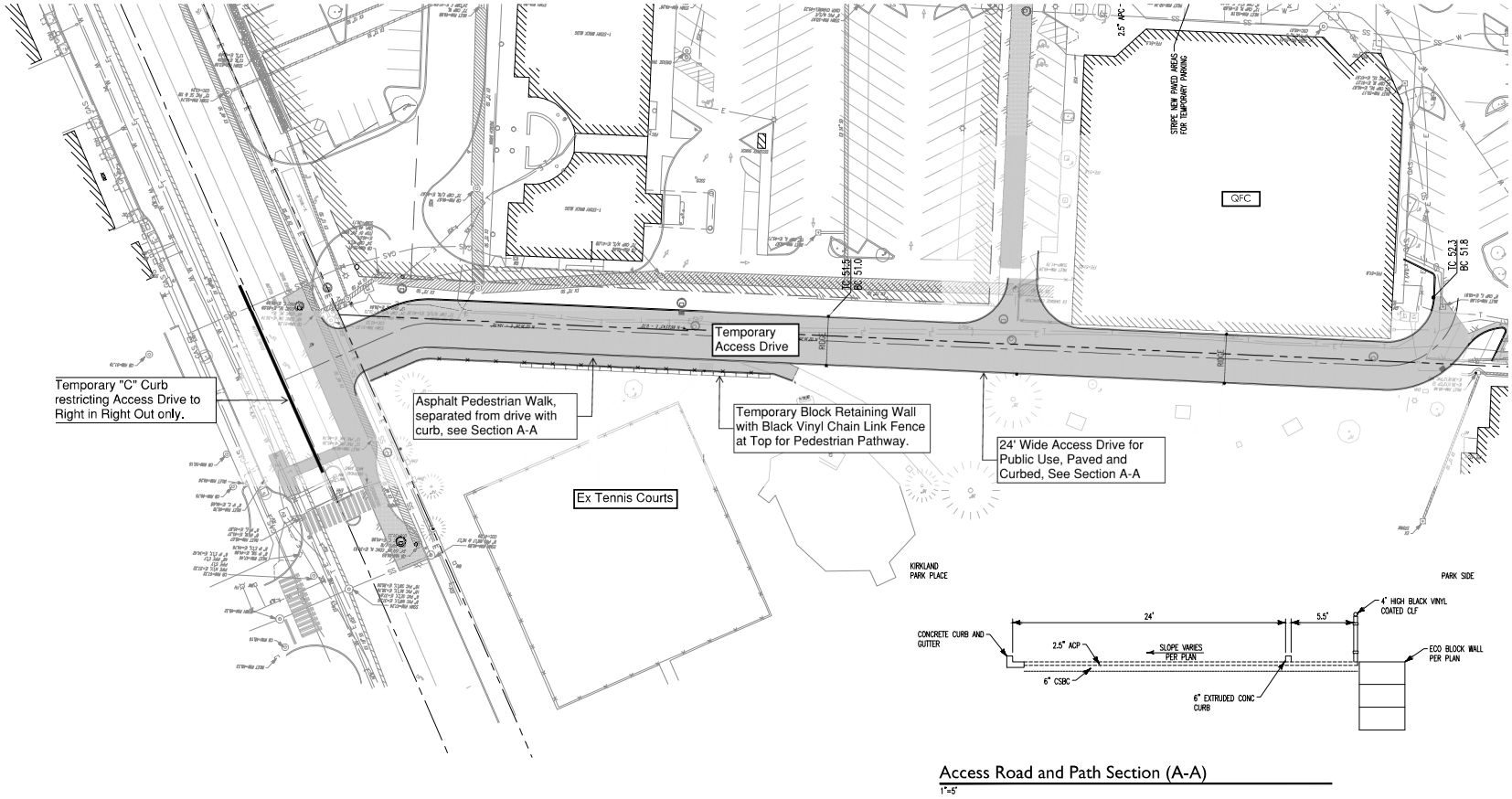
Hewitt 12.3.15

		QTY	Unit	Unit $	Total $
Landscape Improvements					
Fine Grading	final grading of landscape and hardscape improvement zone	30295	SF	0.65	19691.75
Planting top soil		148	CY	40	5920
Proposed Trees	3" caliper deciduous	11	each	800	8800
Proposed Trees	6" caliper deciduous	3	each	1500	4500
Shrub areas	large size- assumes reuse of ex. Irrigation system/ soil amend.	8000	SF	10	80000
Hydro Seed Turf	assumes reuse of ex. Irrigation system/ soil amendment	14130	SF	0.35	4945.5
Total Landscape					123857.3
Hardscape Improvements					
CIP Stairs		80	SF	75	6000
Handrails	Galvanized painted	20	LF	45	900
CIP Std. Pedestrain Sidewalk	4" depth (scoring and sandblast finish)	8085	SF	9	72765
Sidewalk aggregate base course	6" depth	149	CY	44	6556
Total Hardscape					86221
Site Furnishings					
Park Benches	(w/ backs, armrests, architectural finish)	12	each	1800	21600
Trash / Recycle Receptacles	(architectural finish)	3	each	900	2700
Bike Racks	Location TBD - Aproximate number	6	each	275	1650
Pedestrian Pole Light	(15' City Standard-conduit-driver equipt.)	11	each	5000	55000
Total Site Furnishings					80950
Subtotal Park Edge Renovation =					**291028.3**
Contractor overhead and Profit	Approximate 8%				23282.26
Sales Tax	Approximate 9.5% (WA - King County)				27647.68
Inflation (for 2017 Construction)	Aproximate 3% per year				8730.848
Construction / Design Contingency	Approximate 10%				29102.83
Total Park Edge Renovation =				$379,791.87	

* Assumes mass grading work completed before park improvements

*Does not include demolition, clearing, grubbing, utilities, or permit fees

COUGHLIN PORTER **LUNDEEN**
STRUCTURAL · CIVIL · SEISMIC ENGINEERING



Access Road and Path Section (A-A)
1"=5'

Copyright: 2014 **COUGHLIN**PORTER**LUNDEEN** Inc.

Kirkland Park Place
Attachment C - Plans and Details for Temporary Access
Scale: 1" = 50' at 11x17 12-02-15

ATTACHMENT D

heffron transportation, inc.

TECHNICAL MEMORANDUM

Project: Kirkland Parkplace Redevelopment Project

Subject: Assessment of Temporary Access at Central Way/4th Street

Date: September 21, 2015

Author: Jennifer Barnes, P.E. JAB
Marni C. Heffron, P.E., P.T.O.E.

We have reviewed the temporary access driveway that is planned to accommodate Parkplace-generated traffic at Central Way during the period in which construction activities in the northwest area of the site require that the existing driveway be closed (see Civil Site Plan C301 prepared by Coughlin Porter Lundeen, September 14, 2015).

We recommend that outbound vehicles from the temporary driveway be restricted to right-turn-only (left turns prohibited) for the following reasons:

1. The pedestrian island on Central Way just east of 4th Street limits the use of the center lane to accommodate an outbound two-stage left turn, so outbound left-turning vehicles would have higher delay than they do at the existing Central Way driveway.

2. With only one outbound lane, the waiting left-turning vehicles would additionally hold up right-turning vehicles waiting behind them (expected to be the higher proportion of exiting vehicles at this location), in turn increasing their delay compared to existing conditions.

3. These conditions could cause some outbound drivers to choose shorter gaps when entering the traffic stream on Central Way, increasing the potential for safety conflicts at the intersection.

Prohibition of outbound left turns will address these potential issues. With the outbound left-turn restriction, signage will need to be provided on site that directs drivers headed westbound from the site to use the south driveway at Kirkland Way.

The left-turn lane on the westbound approach to the temporary access driveway will be able to accommodate inbound left turns, similar to the existing Central Way driveway, so no inbound turn restrictions should be needed.

JAB/mch

Traffic Review of 4th Street Temporary Access - FINAL.docx

COUGHLIN PORTER **LUNDEEN**
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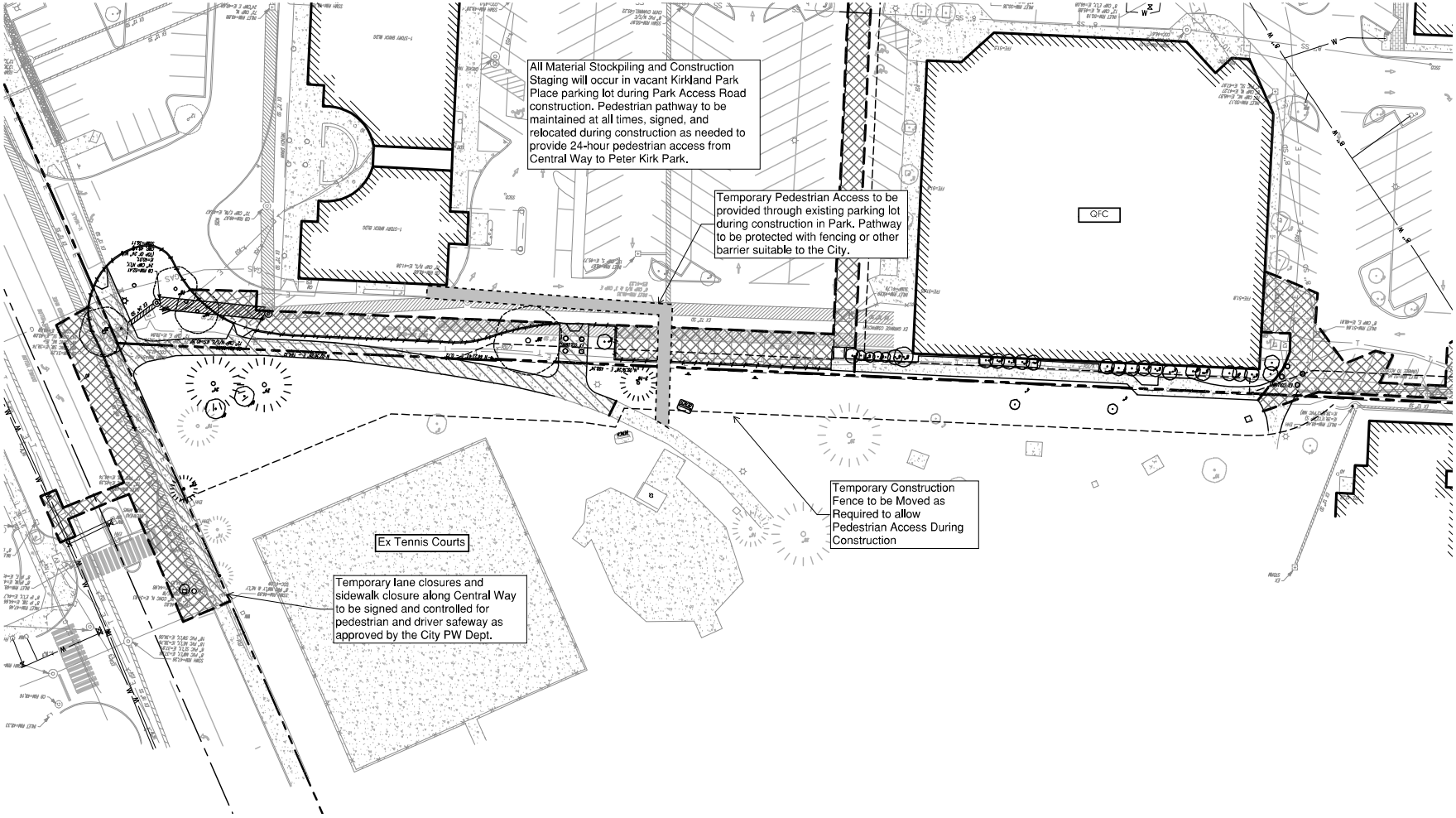
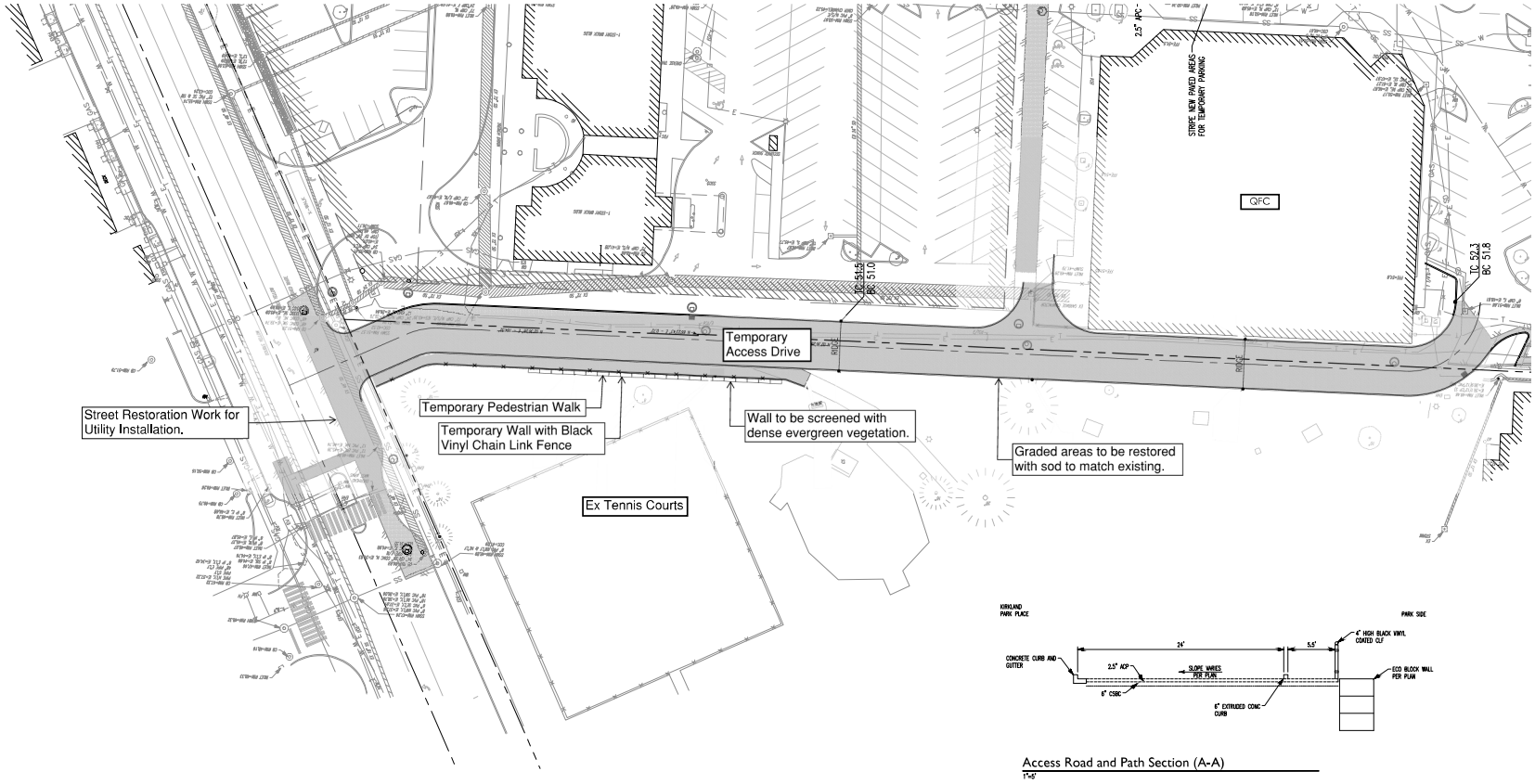


Copyright: 2014 COUGHLINPORTERLUNDEEN Inc.

Kirkland Park Place
Attachment E - Mobilization Plan
Scale: 1" = 50' at 11x17 **12-02-15**

COUGHLIN PORTER **LUNDEEN**
STRUCTURAL · CIVIL · SEISMIC ENGINEERING



Access Road and Path Section (A-A)
1"=5'

Copyright: 2014 **COUGHLIN**PORTER**LUNDEEN** Inc.

Kirkland Park Place
Attachment F - Temporary Park Restoration
Scale: 1" = 50' at 11x17 12-02-15

RESOLUTION R-5177

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO SIGN A TEMPORARY LICENSE AGREEMENT WITH KPP DEVELOPMENT LLC FOR THE TEMPORARY USE OF CITY PROPERTY FOR THE PURPOSE OF ACCESS TO CENTRAL WAY DURING THE CONSTRUCTION OF THE PARKPLACE PROJECT AND THE CONSTRUCTION OF PUBLIC UTILITIES TO BE PERMANENTLY LOCATED IN THE EASTERLY EDGE OF PETER KIRK PARK.

WHEREAS, the City owns the real property known as the Peter Kirk Park generally located at 406 Kirkland Avenue, Kirkland (City Property); and

WHEREAS, KPP Development LLC (KPP) owns or controls approximately 11.07 acres of real property immediately east of and adjacent to the City Property known as the Parkplace Property and generally located at 457 Central Way, Kirkland (Parkplace Property); and

WHEREAS, KPP intends to develop the Parkplace Property as a mixed use development (the Project) in accordance with the Development Agreement dated August 24, 2015, between the City and KPP recorded at King County Recording Number 20150827000785; and

WHEREAS, the development plan calls for approximately 1.175 million square feet of development with 650,000 square feet of office; 225,000 square feet of retail/fitness/entertainment; and 300,000 square feet of residential (250-300 units); and

WHEREAS, KPP's goals for the Project are to develop a thriving commercial, retail and commercial center, for a return on investment and quality public infrastructure and service; and

WHEREAS, the City's goals in the development of the Project include implementing its Comprehensive Plan, producing positive economic impacts to the City, promoting environmental quality, and mitigation of Project impacts; and

WHEREAS, in connection with KPP's construction of the Project, KPP has requested that the City grant KPP a temporary license over, under, across, through and upon a portion of the City Property for the purposes of access to Central Way and construction of public water and sewer utility lines which will be permanently placed in the easterly edge of Peter Kirk Park; and

WHEREAS, in consideration of the City's grant of a temporary license, KPP shall construct and install pedestrian pathways, landscaping and other improvements to Peter Kirk Park; and

WHEREAS, in view of the public benefits to be gained by the City through construction and installation of improvements to the Park and development of the Project, the City is willing to grant a temporary license upon the terms and conditions set forth in the Temporary License Agreement.

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

Section 1. The City Manager is authorized to sign a Temporary License Agreement substantially in the form of the Temporary License Agreement attached to this Resolution.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2015.

Signed in authentication thereof this ____ day of _____, 2015.

_____
MAYOR

Attest:

_____
City Clerk

DRAFT TEMPORARY LICENSE AGREEMENT

Grantor:	City of Kirkland
Grantee:	KPP Development LLC
Legal description (abbreviated):	Grantor Property: Portion of Government Lot 5 and portion of SE Quarter of SW Quarter Section 5, Township 25 North, Range 5 East, WM, King County (as described in Lot Consolidation, recording number 20010619001842) (See Exhibit A for complete legal description) Grantee Property: Lots 1 – 17, Block 174, Burke & Farrar's Kirkland Addition, Volume 33, Page 36; and portion of Southwest Quarter, Section 5, Township 25 North, Range 5 East, WM, King County (See Exhibit B for complete legal description)
Assessor's Tax Parcel #s:	052505-9029 (Grantor) 124870-0051 (Grantee)

TEMPORARY LICENSE AGREEMENT

THIS TEMPORARY LICENSE AGREEMENT (“Agreement”), is made and entered into this ___ day of _____, 2015, by and between the CITY OF KIRKLAND (“City”), a Washington municipal corporation, and KPP DEVELOPMENT LLC, a Delaware limited liability company (together with its successors and assigns, "KPP").

RECITALS

WHEREAS, the City owns the real property known as the Peter Kirk Park generally located at 406 Kirkland Avenue, Kirkland, Washington, legally described in Exhibit A attached hereto ("City Property"); and

WHEREAS, KPP owns or controls approximately 11.07 acres of real property immediately east of and adjacent to the City Property known as the Parkplace Property and generally located at 457 Central Way, Kirkland, legally described in Exhibit B attached hereto ("Parkplace Property"); and

WHEREAS, KPP intends to develop the Parkplace Property as a mixed use development (the "Project") in accordance with the Development Agreement dated August 24, 2015 between the City and KPP recorded at King County Recording Number 20150827000785; and

WHEREAS, in connection with KPP's construction of the Project, the City has agreed to grant to KPP a temporary license over, under, across, through and upon a portion of the City Property for the purposes of access to Central Way and construction activities, upon the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

2. Consideration. There shall be no monetary consideration for the City's grant of the Licenses herein. The consideration for the City's grant of the Licenses shall be KPP's construction and installation of pedestrian pathways, landscaping and other improvements ("Park Improvements") within that portion of the City Property legally described in Exhibit C attached

hereto ("License Area") and as further described in Section 5 below. The Park Improvements are generally depicted in Exhibit D attached hereto.

3. Grant of Licenses

3.1 Temporary Roadway License. City hereby grants to KPP a temporary license over, across, through and upon that portion of the License Area legally described in Exhibit E attached hereto ("Roadway Area") and depicted in Exhibit D, for ingress and egress to and from the Parkplace Property and Central Way, for all vehicular and pedestrian access purposes necessary or desirable (a) for use and occupation of the QFC supermarket (and any successor businesses and uses) located on the Parkplace Property and (b) for KPP's construction of the Project, but shall not be permitted as an entrance or exit for truck hauling, point of access for regular material deliveries to the site or as a laydown or material storage area. Construction work may be permitted in the Roadway Area if the work is approved in writing by the City and is limited in scope.

3.2. Temporary Construction Access License. City hereby grants to KPP a temporary license over, under, across, through and upon the License Area for construction and maintenance activities in connection with the Project as described in this Subsection. The Temporary Construction Access License shall include the right by KPP, its successors, assigns, employees, agents and contractors to enter upon and use the License Area for the construction, installation, maintenance and repair of (a) a temporary roadway in the Roadway Area, (b) utilities for the Project and other neighboring properties ("Utilities"), as further described in Section 5 below and (c) the Park Improvements. The temporary roadway shall be constructed in accordance with design plans approved in writing by the City’s Public Work Director or her designee.

4. City and Public's Use. The City may use the License Area for any purpose that does not interfere with the purposes of the Temporary Roadway License and the Temporary Construction Access License described above (collectively the "Licenses"); provided, however, that the City acknowledges and agrees that KPP shall have the right to close and physically block the License Area from the City's and/or public's use from time to time. Prior to any closure of the License Area from the City’s and/or public’s use, notification and plans for the same shall be submitted, in writing, to the City, at the address provided in Section 11.11 below. No closure of access shall occur without the Kirkland Fire Department’s prior written approval which shall not be unreasonably withheld: Provided, that in the event of an emergency or for safety requiring immediate by KPP for the protection of its facilities or other persons or property, KPP shall have the right to close and physically block the License Area for such time and upon such notice to the City as is reasonable under the circumstances.

5. Park Improvements; Utilities. KPP shall install and construct the Park Improvements and the Utilities on or before the Termination Date (as defined in Section 8 below) substantially in accordance with Exhibit D. The design of the Park Improvements and the Utilities shall be approved through the permitting process for which KPP shall have the right to secure permits

from City of Kirkland for the installation and construction of the Park Improvements and the Utilities on the City Property. If the City requests, KPP shall provide assurance of performance satisfactory to the City prior to KPP's commencement of the Park Improvements. Upon completion of the Park Improvements, KPP shall dedicate to the City, and the City shall accept, the Park Improvements and the Utilities constructed on the City Property. Until such time as the Park Improvements and the Utilities are dedicated to the City, KPP shall maintain all improvements constructed by KPP in the License Area in good and safe condition, at KPP's sole expense.

6. Restoration; Use; Liens

6.1 KPP will be solely responsible for repair and remediation of any damage to the City Property, including any improvements thereon, caused by KPP's exercise of its rights under this Agreement.

6.2 In no event shall KPP's use of the License Area and activities associated with its construction activities cause any material disruption in the use by City and the public on that portion of the City Property that lies outside the License Area.

6.3 KPP shall use good faith efforts to perform all construction on the City Property diligently and continuously to completion in a safe and workmanlike manner.

6.4 KPP shall keep the City Property free and clear of all liens, charges, and other monetary encumbrances arising out of the use of the License Area that may be claimed or asserted by any third party. KPP agrees to hold the City harmless for any loss or expense, including reasonable attorneys' fees and costs, arising from any such liens which might be filed against the City Property.

6.5 Upon completion of the construction of the Utilities, KPP shall restore the area above the Utilities to a condition which will permit the public to use and enjoy the area. The restoration shall include the reestablishment of grass and construction of temporary paths to be used until the final restoration described in Subsection 6.6.

6.6 Upon termination or revocation of this Agreement in any manner provided in this Agreement, KPP at its own cost and expense, shall abandon its use of the License Area, remove the temporary roadway in the Roadway Area and restore the License Area, including the Roadway Area, to like or better condition than it was prior to the construction of the temporary roadway in the Roadway Area.

6.7. If the City requests, KPP shall provide assurance of performance satisfactory to the City for the cost of repair, remediation and restoration of the City Property.

7. Compliance with Laws. KPP shall comply with all applicable laws and codes in connection with its activities performed under this Agreement and its use of the License Area and shall obtain all necessary permits and approvals for all such work at KPP's expense.

8. Term. KPP's rights with respect to the Licenses shall terminate on June 30, 2018 ("Termination Date"). If KPP has not abandoned the use of the License Area, removed the temporary roadway from the Roadway Area and restored the Roadway Area and License Area as described in Section 6 by the Termination Date, KPP shall pay the City an amount equal to 300 percent of the per day appraised value as established by the Valbridge Property Advisors Appraisal Report as of November 20, 2015, which equates to $294 per day, until KPP has fully vacated and restored the License Area and Roadway Area..

9. Assignment. The Licenses and all rights and obligations of KPP in this Agreement are not assignable without the prior written consent of the City to the proposed assignment, which consent shall not be unreasonably withheld.

10. Insurance. During the term of this Agreement, KPP and the Permitted Assignees shall, at its or their own expense, maintain on file with the City prior to exercising any rights under this Agreement currently effective and satisfactory certification of primary Comprehensive General Liability insurance with limits of liability incident to KPP's exercise of rights under this Agreement of not less than $1,000,000 each occurrence, $2,000,000 general aggregate. Such policy must specifically include “the City of Kirkland” as an additional insured for primary and non-contributory limits of liability incident to KPP's exercise of rights under this Agreement.

11. General Provisions

11.1 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

11.2 Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, the rest of the Agreement shall be enforced without the invalid or the unenforceable provision.

11.3 Authority. Each party respectively represents and warrants that it has the power and authority and is duly authorized to enter into this Agreement on the terms and conditions herein stated, and to deliver and perform its obligations under this Agreement.

11.4 Exhibits Incorporated. Exhibits A, B, C, D and E are incorporated herein by this reference as if fully set forth.

11.5 Headings. The headings in this Agreement are inserted for reference only and shall not be construed to expand, limit or otherwise modify the terms and conditions of this Agreement.

11.6 Time of the Essence. Time is of the essence of this Agreement and of every provision hereof. Unless otherwise set forth in this Agreement, the reference to "days" shall mean calendar days. If any time for action occurs on a weekend or legal holiday in the State of Washington, then the time period shall be extended automatically to the next business day.

11.7 Entire Agreement and Amendment. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and neither this Agreement nor any provision hereof may be waived, modified, amended or terminated except by a written agreement signed by all parties hereto.

11.8 Notice of Default. No party shall be in default under this Agreement unless it has failed to perform as required under this Agreement for a period of thirty (30) days after written notice of default from any other party. Each notice of default shall specify the nature of the alleged default and the manner in which the default may be cured satisfactorily. If the nature of the alleged default is such that it cannot be reasonably cured within the thirty (30) day period, then commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure.

11.9 Enforcement. In the event of a breach of any of the covenants or agreements set forth in this Agreement, the parties hereto shall be entitled to any and all remedies available at law or in equity, including but not limited to the equitable remedies of specific performance or mandatory or prohibitory injunction issued by a court of appropriate jurisdiction.

11.10 Revocation. The City may terminate KPP's rights under this Agreement if after notice of default under Section 11.8 KPP has not effected a cure; provided, no act of the City other than giving notice to KPP with express statement of termination shall terminate this Agreement.

11.11 Attorneys' Fees. In any action to enforce or determine a party's rights under this Agreement, the prevailing party shall be entitled to attorney's fees and costs.

11.12 Notices. All communications, notices, and demands of any kind that a party under this Agreement requires or desires to give to any other party shall be in writing and either (i) delivered personally or by reputable overnight courier (such as Federal Express), (ii) sent by facsimile with an additional copy mailed first class, or (iii) deposited in the U.S. mail, certified mail postage prepaid, return receipt requested, and addressed as follows:

If to the City: City of Kirkland
Attn: _____
123 Fifth Avenue
Kirkland, WA 98033
Facsimile: _____

If to KPP: KPP Development LLC
c/o CBRE, Inc.
1420 Fifth Avenue, Suite 1700
Seattle, WA 98101

With copies to: Prudential Real Estate Investors
4 Embarcadero Center, Suite 2700
San Francisco, CA 94111
Attention: Prisa II Asset Manager

Talon Private Capital
720 Olive Way, Suite 1020
Seattle, WA 98101
Attention: Kirkland Urban Asset Manager

Notice by hand delivery or facsimile shall be effective upon receipt, provided that notice by facsimile shall be accompanied by mailed notice as set forth herein and shall be evidenced by a printed confirmation of receipt. If sent by overnight courier, notice shall be deemed delivered on the next business day after deposited with the courier. If deposited in the mail, certified mail, return receipt requested, notice shall be deemed delivered forty-eight (48) hours after deposited. Any party at any time by notice to the other party may designate a different address or person to which such notice or communication shall be given.

11.13 Delays. If either party is delayed in the performance of its obligations under this Agreement due to Force Majeure, then performance of those obligations shall be excused for the period of delay. For purposes of this Agreement, economic downturns, loss in value of KPP assets, inability to obtain or retain financing, do not constitute a force majeure event.

11.14 Indemnification and Release. KPP shall protect, defend, indemnify and hold harmless the City, its officers, officials, employees and volunteers from and against any and all claims, actions, suits or liabilities for injury or death of any person, or for loss or damage to property, which arises directly or indirectly on account of or out of acts or omissions of KPP or KPP's servants, agents, employees and contractors in the exercise of its rights under this Agreement; except for injuries or damages caused by the sole negligence of the City. This indemnity with respect to claims during the term of this Agreement shall survive the termination or revocation of this Agreement.

[INTENTIONAL PAGE BREAK]

11.15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one instrument.

Exhibits

Exhibit A	Legal Description of City Property
Exhibit B	Legal Description of Parkplace Property
Exhibit C	Legal Description of License Area
Exhibit D	Park Improvements
Exhibit E	Legal Description of Roadway Area

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, effective on the day and year set forth on the first page hereof.

CITY OF KIRKLAND, a Washington municipal corporation

By:_____
Print name:_____
Title:_____

KPP, LLC, a Delaware limited liability company

By:_____
Print name:_____
Title:_____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (s)he signed this instrument, on oath stated that (s)he was authorized to execute the instrument and acknowledged it as the _____ of THE CITY OF KIRKLAND, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2015.

_____
Notary Public for the State of Washington
residing at _____
Print name:_____
Commission expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (s)he signed this instrument, on oath stated that (s)he was authorized to execute the instrument and acknowledged it as the _____ of KPP DEVELOPMENT LLC, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2015.

_____
Notary Public for the State of Washington
residing at _____
Print name:_____
Commission expires: _____

EXHIBIT A

CITY PROPERTY
LEGAL DESCRIPTION

THAT PORTION OF GOVERNMENT LOT 5 AND OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT DISTANT NORTH 89°39'00" EAST ALONG THE SOUTH LINE OF SAID SECTION 1511.50 FEET AND NORTH 00°21'00" WEST 30 FEET FROM THE MEANDER CORNER COMMON TO SECTIONS 5 AND 8 OF SAID TOWNSHIP AND RANGE;

THENCE SOUTH 89°39'00" WEST, PARALLEL TO THE SOUTH LINE OF SAID SECTION 5, A DISTANCE OF 721.50 FEET;

THENCE NORTH 00°21'00" WEST A DISTANCE OF 623.14 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF CENTRAL AVENUE IN KIRKLAND TERRACE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 21 OF PLATS, PAGE 42, IN KING COUNTY, WASHINGTON (FORMERLY LAKE AVENUE IN THE PLAT OF THE TOWN OF KIRKLAND ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 6 OF PLATS, PAGE 53, IN KING COUNTY, WASHINGTON);

THENCE NORTH 70°04'15" EAST ALONG THE SOUTHERLY LINE OF SAID CENTRAL AVENUE A DISTANCE OF 141.12 FEET TO AN ANGLE POINT IN SAID SOUTHERLY LINE;

THENCE NORTH 63°26'15" EAST ALONG SAID SOUTHERLY LINE A DISTANCE OF 656.01 FEET, MORE OR LESS, TO A POINT WHICH BEARS NORTH 00°21'00" WEST FROM THE POINT OF BEGINNING;

THENCE SOUTH 00°21'00" EAST A DISTANCE OF 960.20 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

EXCEPT THAT PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF KIRKLAND WAY (ALSO KNOWN AS KIRKLAND AVENUE), AS IT EXISTED ON MAY 7, 1980.

(SAID LEGAL DESCRIPTION IS SET FORTH IN LOT CONSOLIDATION RECORDED AT KING COUNTY RECORDING NUMBER 20010619001842.)

EXHIBIT B

PARKPLACE PROPERTY
LEGAL DESCRIPTION

PARCEL A:

LOTS 1 THROUGH 17, INCLUSIVE, IN BLOCK 174 OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE DIVISION 39, AS PER PLAT RECORDED IN VOLUME 33 OF PLATS, PAGE 36, RECORDS OF KING COUNTY, WASHINGTON;

AND THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RANGE 5 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;

THENCE SOUTH 89°39'00" WEST ALONG THE SOUTHERLY LINE OF SAID SUBDIVISION, A DISTANCE OF 708.00 FEET;
THENCE NORTH 00°21'00" WEST A DISTANCE OF 317.71 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89°46'25" WEST A DISTANCE OF 2.87 FEET;
THENCE SOUTH 89°34'30" WEST A DISTANCE OF 166.54 FEET;
THENCE NORTH 00°25'30" WEST A DISTANCE OF 0.58 FEET;
THENCE SOUTH 89°46'25" WEST A DISTANCE OF 160.59 FEET;
THENCE NORTH 00°2l'00" WEST A DISTANCE OF 488.34 FEET;
THENCE SOUTH 63°26'15" WEST A DISTANCE OF 0.72 FEET;
THENCE NORTH 00°2l'00" WEST A DISTANCE OF 184.39 FEET TO THE SOUTHERLY MARGIN OF CENTRAL WAY AND A POINT THAT BEARS NORTH 89°39'00" EAST A DISTANCE OF 1,511.50 FEET ALONG THE SECTION LINE AND NORTH 00°21'00" WEST A DISTANCE OF 990.20 FEET FROM THE CORNER OF FRACTIONAL SECTIONS 5 AND 8, TOWNSHIP 25 NORTH, RANGE 5 EAST W.M., SAID POINT BEING ON THE SOUTHERLY MARGIN OF CENTRAL WAY;
THENCE NORTH 63°26'15" EAST ALONG SAID MARGIN A DISTANCE OF 60 FEET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 174, OF SAID AFOREMENTIONED PLAT;
THENCE SOUTH 00°21'00" EAST ALONG SAID LOT 1, A DISTANCE OF 183.91 FEET TO THE SOUTHWEST CORNER OF LOT 1;
THENCE NORTH 63°26'15" EAST ALONG THE SOUTHERLY LINE OF LOT 1, LOT 2 AND LOT 3, TO THE SOUTHEAST CORNER OF LOT 3 AND ITS INTERSECTION WITH THE WEST LINE OF LOT 4, A DISTANCE OF 161.48 FEET;
THENCE SOUTH 00°21'00" EAST ALONG THE WEST LINE OF LOT 4, A DISTANCE OF 194.10 FEET TO THE SOUTHWEST CORNER OF LOT 4;
THENCE NORTH 89°39'00" EAST ALONG THE SOUTHERLY LINE OF LOT 4 AND LOT 5, A DISTANCE OF 132.00 FEET TO A POINT IN LOT 5 THAT BEARS NORTH

00°21'00" WEST FROM THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00°21'00" EAST A DISTANCE OF 392.43 FEET TO THE TRUE POINT OF BEGINNING;

PARCEL B:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN INGRESS AND EGRESS AS GRANTED BY INSTRUMENT RECORDED JULY 20, 1990, UNDER RECORDING NO. 9007200568, IN KING COUNTY, WASHINGTON.

PARCEL C:

AN EASEMENT FOR INGRESS, EGRESS AND PARKING AS GRANTED IN THAT CERTAIN "GRANT OF MUTUAL EASEMENTS" RECORDED JUNE 27, 1985 UNDER RECORDING NO. 8506270132, AS MODIFIED BY AWARD ON ARBITRATION FILED OCTOBER 30, 1990, IN KING COUNTY SUPERIOR COURT CAUSE NO. 90-2-02367-2 AND AMENDMENT RECORDED MARCH 22, 1996 UNDER RECORDING NO. 9603220640, IN KING COUNTY, WASHINGTON.

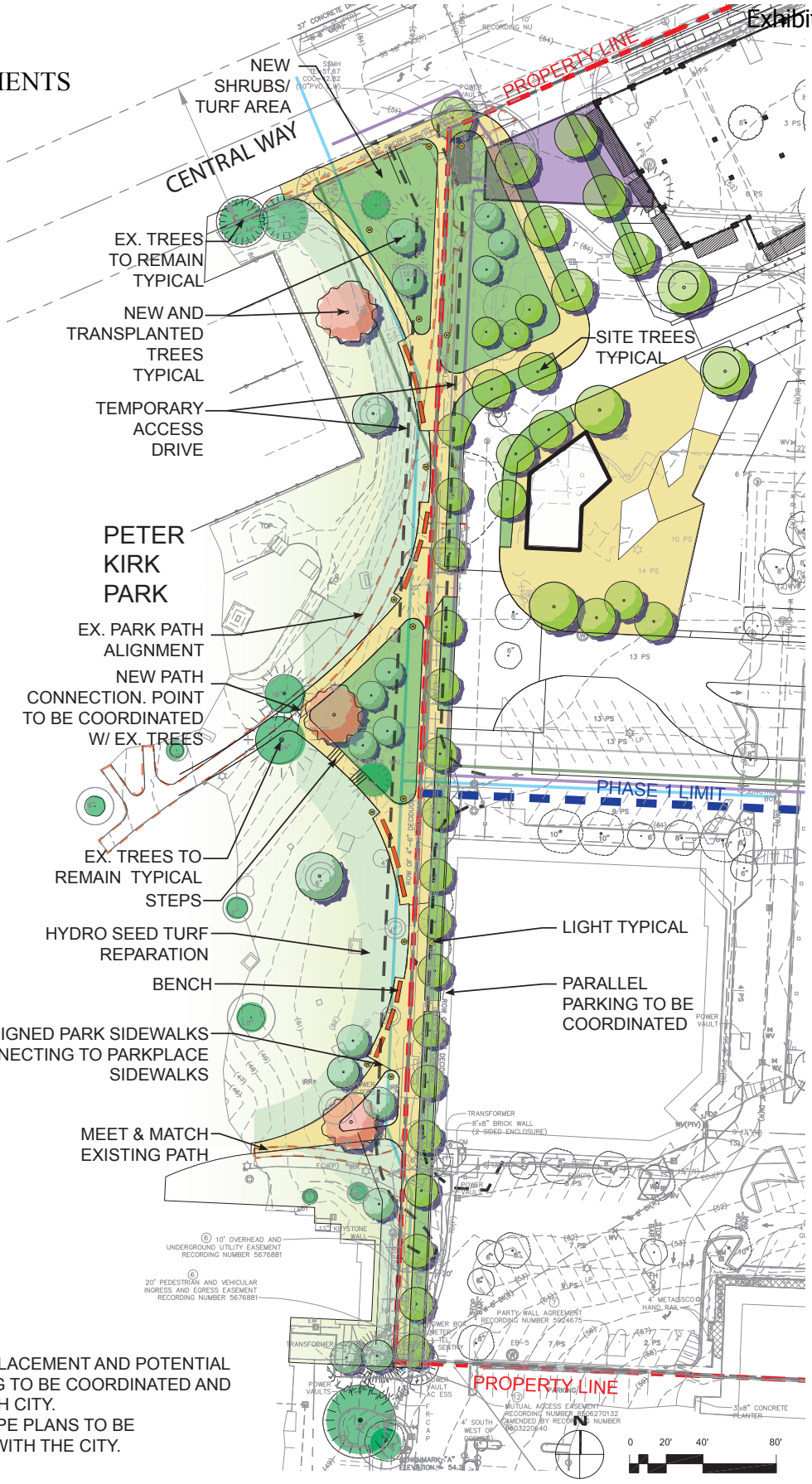
EXHIBIT C

LICENSE AREA
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THAT BEARS NORTH 89°39’00” EAST A DISTANCE OF 1511.50 FEET ALONG THE SECTION LINE AND NORTH 00°21’00” WEST A DISTANCE OF 990.20 FEET FROM THE CORNER OF FRACTIONAL SECTIONS 5 AND 8, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., SAID POINT BEING ON THE SOUTHERLY MARGIN OF CENTRAL WAY;
THENCE SOUTH 00°21'00" EAST 184.32 FEET;
THENCE NORTH 63°26'15" EAST 0.72 FEET;
THENCE SOUTH 00°21'00" EAST 419.23 FEET;
THENCE NORTH 22°50'31" WEST 45.63 FEET;
THENCE NORTH 00°20'31" WEST 317.28 FEET;
THENCE NORTH 67°05'19" WEST 6.95 FEET;
THENCE NORTH 00°24'18" WEST 96.82 FEET;
THENCE NORTH 25°19'30" WEST 119.20 FEET, TO SAID MARGIN;
THENCE NORTH 63°27'48" EAST, ALONG SAID MARGIN, 81.98 FEET, TO THE POINT OF BEGINNING.

EXHIBIT D
PARK IMPROVEMENTS



NOTE:
1. PARK TREE REPLACEMENT AND POTENTIAL TRANSPLANTING TO BE COORDINATED AND PERMITTED WITH CITY.
2. FINAL LANDSCAPE PLANS TO BE COORDINATED WITH THE CITY.

KIRKLAND PARKPLACE | UTILITY RE-ROUTE AND TEMPORARY ACCESS DRIVE

LANDSCAPE PRELIMINARY CONCEPT DIAGRAM AT PETER KIRK PARK

HEWITT

Talon

November 23, 2015

EXHIBIT E

ROADWAY AREA
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RAGE 5 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THAT BEARS NORTH 89°39’00” EAST A DISTANCE OF 1511.50 FEET ALONG THE SECTION LINE AND NORTH 00°21’00” WEST A DISTANCE OF 990.20 FEET FROM THE CORNER OF FRACTIONAL SECTIONS 5 AND 8, TOWNSHIP 25 NORTH, RAGE 5 EAST, W.M., SAID POINT BEING ON THE SOUTHERLY MARGIN OF CENTRAL WAY;
THENCE SOUTH 00°21'00" EAST 184.32 FEET;
THENCE NORTH 63°26'15" EAST 0.72 FEET;
THENCE SOUTH 00°21'00" EAST 405.14 FEET, TO A POINT ON A CURVE TO THE RIGHT HAVING A RADIUS OF 50.00 FEET, THE CENTER OF WHICH BEARS NORTH 43°17'31" EAST;
THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 46°18'12", AN ARC DISTANCE OF 40.41 FEET, TO A POINT OF TANGENCY;
THENCE NORTH 00°24'18" WEST 503.76 FEET, TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 24.50 FEET;
THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 26°07'54", AN ARC DISTANCE OF 11.17 FEET, TO A POINT OF TANGENCY;
THENCE NORTH 26°32'12" WEST 26.64 FEET, TO SAID MARGIN;
THENCE NORTH 63°27'48" EAST, ALONG SAID MARGIN, 32.99 FEET, TO THE POINT OF BEGINNING.