



CITY OF KIRKLAND

CITY COUNCIL

James Lauinger, Mayor • Joan McBride, Deputy Mayor • Dave Asher • Mary-Alyce Burleigh
Jessica Greenway • Tom Hodgson • Bob Sternoff • David Ramsay, City Manager

123 Fifth Avenue • Kirkland, Washington 98033-6189 • 425.587.3000 • TTY 425.587.3111 • www.ci.kirkland.wa.us

AGENDA

KIRKLAND CITY COUNCIL MEETING

City Council Chamber

Tuesday, September 5, 2006

7:30 p.m. – Regular Meeting

COUNCIL AGENDA material is available for public review at the Public Resource Area at City Hall or at the Kirkland Library on the Friday afternoon prior to the City Council meeting. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (587-3190) or the City Manager's Office (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 587-3190, or for TTY service call 587-3111 (by noon on Monday) if we can be of assistance. If you should experience difficulty hearing the proceedings, please bring this to the attention of the Council by raising your hand.

1. *CALL TO ORDER*

2. *ROLL CALL*

3. *STUDY SESSION*

4. *EXECUTIVE SESSION*

a. To Discuss Potential Litigation

5. *SPECIAL PRESENTATIONS*

a. Recognition of Citizen for Life Saving Rescue

6. *REPORTS*

a. *City Council*

(1) Regional Issues

b. *City Manager*

(1) Neighborhood Council Meeting Dates

(2) Calendar Update

7. *COMMUNICATIONS*

a. *Items from the Audience*

b. *Petitions*

(1) Kirkland Residents for Improvement of Traffic and Pedestrian Safety on Slater Avenue NE between NE 97th Street and NE 112th Place

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

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

CONSENT CALENDAR consists of those items which are considered routine, for which a staff recommendation has been prepared, and for items which Council has previously discussed and no further discussion is required. The entire Consent Calendar is normally approved with one vote. Any Council Member may ask questions about items on the Consent Calendar before a vote is taken, or request that an item be removed from the Consent Calendar and placed on the regular agenda for more detailed discussion.

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

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

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

8. *CONSENT CALENDAR*

a. *Approval of Minutes:* August 1, 2006

b. *Audit of Accounts:*

<i>Payroll</i>	<i>\$</i>
<i>Bills</i>	<i>\$</i>

c. *General Correspondence*

(1) Margaret Carnegie, Regarding Sidewalk Installation with New Development

d. *Claims*

(1) Steve Ensminger

(2) Susan M. Hayes

(3) Ron Olson

(4) Geraldine Shippee

(5) Ardis Todd Tyson

e. *Authorization to Call for Bids*

f. *Award of Bids*

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

h. *Approval of Agreements*

i. *Other Items of Business*

(1) Resolution R-4591, Authorizing International Council for Local Environmental Initiatives (ICLEI) Membership and Cities for Climate Protection® Campaign Participation

(2) Authorizing Correspondence to King County Executive and Council Regarding Regional Veterans and Human Services Levy

(3) Resolution R-4592, Approving a Sole Source Purchase of Fire Department and Aid Units Manufactured by Road Rescue, Inc. and Sold by H & W Emergency Vehicles, Inc. Authorizing the Purchasing Agent to Make Said Purchase as Replacement Vehicles are Required for 2007, 2008, 2009 and 2010

(4) Ordinance No. 4055, Relating to Vacating a Portion of 118th Avenue NE Right-of-Way Based on an Application Filed by LMJ Enterprises Limited Partnership

- (5) Ordinance No. 4056, Establishing the Salary for the Municipal Court Judge and Repealing Ordinance No. 4019
- (6) Resolution R-4595, Adopting a Policy for Investment of City Funds

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

9. *PUBLIC HEARINGS*

- a. Resolution R-4593, Expressing Intent to Vacate Portions of 1st Street South and an East/West Oriented Alley Located Between Kirkland Avenue and 1st Avenue South Filed by Merrill Gardens at Kirkland, LLC
- b. King County Proposition No. 1:

King County Proposition No. 1
Regular Property Tax Levy
Automated Fingerprint Identification System Services

The King County Council passes Ordinance No. 15537 concerning this proposition for the Automated Fingerprint Identification System (AFIS) levy. This proposition would fund the continued operation and enhancement of the AFIS program, which assists law enforcement agencies in identifying and convicting criminals. It would authorize King County to levy an additional regular property tax of not more than \$0.0568 (5.68 cents) per \$1,000 of assessed valuation for collection in 2007 and levy the tax each year thereafter as allowed by chapter 84.55 RCW for each of the five succeeding years. Should this proposition be:

APPROVED
REJECTED

- (1) Resolution R-4590, Stating the City Council's Support for King County Proposition No. 1, the Automated Fingerprint Identification System (AFIS) Levy

10. *UNFINISHED BUSINESS*

- a. Discussing Potential Annexation
- b. Authorizing Support of Proposed Recommendations for the Regional Solid Waste Transfer and Waste Export System Plan

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. Northeast King County Regional Public Safety Communications Center (NORCOM) Status Briefing
- * b. Resolution R-4594, Approving the Issuance of a Process II B Reasonable Use Permit as Applied for by Heather Skinner and Shawn Schneider Being Within a RSX 7.2 Zone, and Setting Forth Conditions to Which Such Process IIB Permit Shall be Subject

- c. Award Bid for City Hall Direct Digital Control Replacement Project to ESC Automation and Authorize Budget Increase
- d. Designating Delegates to the National League of Cities Annual Business Meeting
- e. Appointment to the Jail Advisory Group

12. *ANNOUNCEMENTS*

13. *ADJOURNMENT*



CITY OF KIRKLAND
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Dave Ramsay, City Manager
From: Jeff Blake, Director of Fire and Building Department
Date: August 16, 2006
Subject: Recognition of Citizen for Life Saving Rescue

RECOMMENDATION: Recognize Timothy Heaton for saving the life of a vulnerable neighbor.

BACKGROUND DISCUSSION:

At approximately 11:00 p.m., on Saturday, July 22, 2006, Timothy Heaton was alerted by one of his neighbors that another neighbor's home was on fire. Believing a man with special needs to be the only one in the home at the time, Timothy ran next door and pounded on what he thought was the young man's bedroom window. When he got no answer, he ran to the front door and opened it. The smoke that poured out and the intensity of the heat inside, prevented Tim from entering, so he yelled to Michael repeatedly.

Earlier in the evening Michael, who was indeed, alone, saw fire on the back porch of the home he shares with his sister and her daughter. He closed the sliding door to keep it out and went to his bedroom. As smoke and heat filled the house, Michael stayed where he was, not realizing he needed to get out. When he heard Tim calling him from the front door, he realized he should leave, and he walked the 10-15 yards separating him from the entry. In several more minutes he would not have been able to make the escape.

Timothy's concern for his neighbor saved the other man's life. We honor him for his exemplary citizenship, not only valuing the lives of others but being willing to go out of his way to prevent them from harm. The effort he spent to get to know his neighbors, allowed him to intervene in the most critical of times. We are indebted to him for the gesture and recognize him as a Lifesaver.



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MEMORANDUM

To: Dave Ramsay, City Manager
From: Kari Page, Neighborhood Services Coordinator
Date: August 25, 2006
Subject: DATES FOR 2006/2007 CITY COUNCIL MEETINGS WITH NEIGHBORHOODS

RECOMMENDATION:

Council approval the following suggested dates for the City Council meetings in the neighborhoods. Norkirk, Central Houghton, Highlands, and Moss Bay Neighborhood Associations have agreed upon these dates. All proposed dates fall on the respective regular neighborhood meeting nights and locations.

Meeting Date	Neighborhood	Location	Households
Wednesday, October 4th	Norkirk	Heritage Hall	1569
Wednesday, February 7th	Central Houghton	Houghton Fire Station	1395
Thursday, March 15th	Highlands	Maintenance Center	965
Monday, May 21st	Moss Bay	Heritage Hall	2414

There are regular City Council meetings on the same week as Wednesday, October 4 and Wednesday, February 7th.

BACKGROUND DISCUSSION:

Council has made a practice in previous years of holding four City Council meetings in the neighborhoods as a way to encourage citizens to participate in their city government. This rotating schedule reflects this policy.

The City Council cycles around the City every three years meeting with four neighborhoods per year. Each household receives an invitation and a postage paid request card. The purpose of these cards is to provide staff and Council additional time to research the questions prior to the meeting. They also allow residents who can not attend the meeting an opportunity to submit their comments. The agenda for the meeting is

set based upon the issues and questions raised in the request cards. There is also time provided for additional comments and questions from the audience. A summary of all questions and answers are posted on the City's web page after the meeting. Staff will continue to structure the format of the meeting and invitations the same as the past, unless instructed by Council to change.

Council is also scheduled for a joint meeting with the Kirkland Alliance of Neighborhoods on October 17th.

G-06-211

Petition to Improve Traffic and Pedestrian Safety On Slater Ave. NE, Between NE 97th St. and NE 112th Place

Petition Summary: The City of Kirkland built an emergency access bridge over Interstate 405 at NE 100th St, connecting the Highlands and the North Rose Hill Neighborhoods. Project objectives included improving pedestrian and bicyclist access to Downtown Kirkland by connecting the Highlands to Bicycle paths throughout East Kirkland and Redmond. While pedestrians and bicyclists attempt to cross Slater Ave NE, several "close-calls" have occurred; most near accidents occurred on NE 100th St and Slater Ave NE between vehicles and pedestrians. On Friday, July 14th a young boy was hit and seriously injured while crossing the street to catch up to his friends. Emergency responders on the scene commented that with all of the pedestrian traffic, there should be a safer passage for people crossing Slater Ave NE.

Slater Avenue NE is known as a "race strip" (the police departments words), Kirkland planning department needs to take immediate action to calm traffic and prevent the next accident. Undersigned Kirkland residents want the following action taken as soon as reasonably possible to prevent accidents on Slater Ave NE:

- 1) Four-way-stop signage, cross walks and flags installed at Slater Ave NE and NE 100th St.
- 2) Additional traffic calming devices installed at corner of Slater Ave NE and NE 100th St.
- 3) Traffic calming devices installed along Slater Ave NE, between NE 97th and NE 112 Place.
- 4) Signage warning pedestrians and bicyclists in area.
- 5) Crosswalks painted.

Petitioners Signature	Print Name Here	Home Address	City	Zip	Phone
<i>[Signature]</i>	JONERIK JOHNSON	12052 NE 100 th ST	Kirkland	98033	822-2802
<i>[Signature]</i>	Debra L. Carr	12052 NE 100 th St.	Kirkland	98033	822-7802
<i>[Signature]</i>	Michele Mitchell	10044 Slater Ave NE	Kirkland	98033	889-8925
<i>[Signature]</i>	SUSIE JANE	10040 SLATER AVE.	Kirkland	98033	
<i>[Signature]</i>	PIERRE DE VRIES	10024 Slater Ave NE	Kirkland	98033	822 9185
<i>[Signature]</i>	TERRI D. HALSEY	10022 Slater Ave NE	Kirkland	98033	822 9812
<i>[Signature]</i>	Margaret J. Snowden	10020 Slater Ave N.E.	Kirkland	98033	828-6142
<i>[Signature]</i>	RICH REUSSER	10027 SLATER AVE N.E.	Kirkland	98033	822-5629

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<i>Kerry Patterson</i>	Kerry Patterson	9735 Slater Ave., N.E.	Kirkland	98033	425(827-6278)
<i>Jaimie Friesen</i>	Jaimie Friesen	9731 Slater AVENUE	Kirkland	98033	(425)522-4566
<i>Charlene Swankie</i>	Charlene Swankie	10033 131 st PL NE	Kirkland	98033	425-47-8672
<i>Miriam Gesell</i>	Miriam Gesell	12031-NE 97 th St	"	"	425-822-7390
<i>L.K. Gesell</i>	L.K. Gesell	12031 NE 97 th St	"	"	425-822-7390
<i>Renata Koczylko-Smith</i>	Renata Koczylko-Smith	10046 Slater Ave-NE	Kirkland	98033	425(893-8444)
<i>Jeane Stewart</i>	Jeane Stewart	12065 NE 100 th St	Kirkland	98033	425 822 8629
<i>Jennifer Lardin</i>	Jennifer Lardin	12832 NE 109 th PL	"	"	425 828 3613

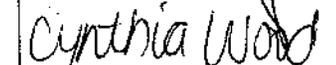
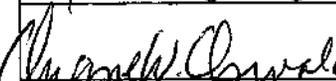
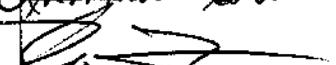
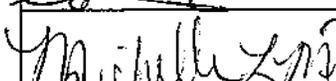
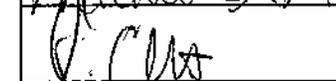
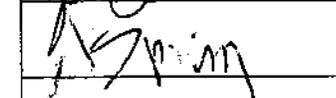
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	Maria Campbell	10527 128 th Ave NE	Kirk	98033	827-4934
	Cynthia Wood	10919-126 Ave NE	KIRK	98033	Unlisted
	Duane W. Oswald	12045-N.E. 100 th St	Kirk	98033	822-6459
	Kevin Miller	12234 NE 97 th St	Kirk	98033	576 0901
	Michelle Miller	12818 NE 103 rd Pl	Kirk	98033	891 9259
	Gale Clement	10512-128th Ave NE	Kirk	98033	
	AMY Spring	9727 Slater Ave NE	Kirk	98033	803 9472

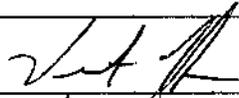
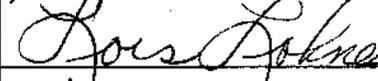
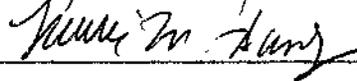
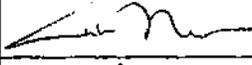
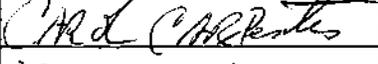
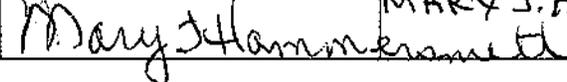
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	Victor Hara	10234 Slater Ave NE	Kirkland	98033	425 576-8414
	Kim Lohnes	10239 Slater Ave NE	Kirkland	98033	425 82816166
	^{LOIS} SIM Lohnes	10239 SLATER AVE NE	KIRKLAND	98033	425 807-2889
	LANKE HANLEY	9929 NE 124th St. #207	KIRKLAND	98034	206- 949-9835
	ANH NGUYEN	10428 Slater Ave NE	Kirkland	98033	206- 331-3974
	Wesley R. Carpenter	10421 SLATER AVE NE	Kirkland	98033	425 8229053
	CAROL CARPENTER	'	'	'	'
	MARY J. HAMMERSMITH	12201 NE 105 th ST	"	"	425- 739-9250

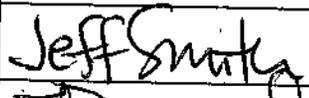
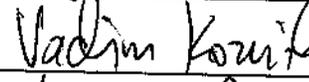
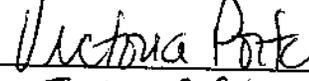
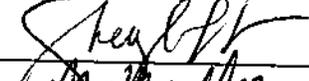
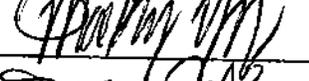
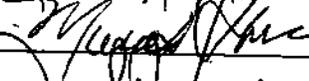
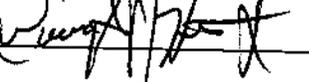
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Petitioners Signature	Print Name Here	Home Address	City	Zip	Phone
	Jeff Smith	10046 Slater Ave NE	Kirkland	98033	(425) 873-8494
	Przemisl Isayan	12227 NE 105 th St.	Kirkland	98037	(425) 301-0488
	VADIM KORNILOV	100 12223 NE 105 th ST.	KIRKLAND	98033	(425) 827-3782
	Victoria Portch	12209 NE 106 ST	Kirkland	98033	(425) 889-7887
	Sheryl Vincent	11621 NE 102nd Pl.	Kirkland	98033	(425) 803-9828
	MACKENZIE YOUNG	13004 NE 97th St	LIVELAND	98033	(425) 822-4391
	MAUREEN HARRIS	12301 NE 97th St	Kirkland	98033	884-889
	Douglas Kottke Jr	11267-126th Ave NE	Kirkland	98033	827-1968

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<i>Crista Solano</i>	Crista Solano	12206 NE 106 th St	Kirkland	98033	425-576-5442
<i>Juan Braun</i>	Juan Braun	11615 NE 102 nd Place	Kirkland	98033	---
<i>Matt Wight</i>	Matt Wight	9907 117 th Pl NE	Kirkland	98032	822-0360
<i>Leslie Reusser</i>	LESLIE REUSSER	10018 Slater Ave NE.	Kirkland	98033	822-5629
<i>Vicki Olin</i>	Vicki Olin	10612 Slater Ave NE	Kirkland	98033	822-7548
<i>Tim Moroy</i>	Tim Moroy	9507 NE Slater Ave NE	Kirkland	98033	827-2920
<i>Jon Womack</i>	Jon Womack	10418 124 th Ave NE	Kirkland	98033	---
<i>Debra Roberts</i>	Debra Roberts	124 th Ave NE 141 st	Kirkland	98033	---

Petition to Improve Traffic and Pedestrian Safety

On Slater Ave. NE, Between NE 97th St. and NE 112th Place

Petition Summary: The City of Kirkland built an emergency access bridge over Interstate 405 at NE 100th St, connecting the Highlands and the North Rose Hill Neighborhoods. Project objectives included improving pedestrian and bicyclist access to Downtown Kirkland by connecting the Highlands to Bicycle paths throughout East Kirkland and Redmond. While pedestrians and bicyclists attempt to cross Slater Ave NE, several "close-calls" have occurred; most near accidents occurred on NE 100th St and Slater Ave NE between vehicles and pedestrians. On Friday, July 14th a young boy was hit and seriously injured while crossing the street to catch up to his friends. Emergency responders on the scene commented that with all of the pedestrian traffic, there should be a safer passage for people crossing Slater Ave NE.

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- 4) Signage warning pedestrians and bicyclists in area.
- 5) Crosswalks painted.

Petitioners Signature	Print Name Here	Home Address	City	Zip	Phone
	Michelle Nelson	12031 NE 100 th PL	Kirkland	98033	425-822-8057
	David Kruse	12009 NE 100 th	Kirkland	98033	425-827-9066
	S.H.A.	12008 NE 100 th PL	Kirkland	98033	425-739-4656
	MADHAN SURESH	12024 NE 100 th PL	KIRKLAND	98033	425-785-0533
	KAREN SCOTT	12232 112 th NE PL B14	Kirkland	98033	425-822-3804
	SHANE HAWER	7811 103 rd AVE N.E.	KIRKLAND	98033	425-739-0221
	SARA KRUSE	12009 NE 100 th ST.	Kirk	98033	827-9066
	Karen Bligton	12224 NE 97 th St.	Kirk	98033	822-5105

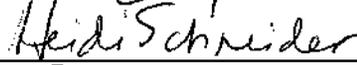
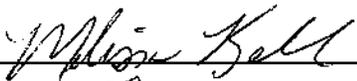
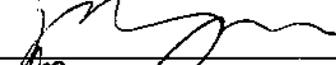
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Petitioners Signature	Print Name Here	Home Address	City	Zip	Phone
	M Robacz	8917 128 th Ave NE	Kirkland	98033	889.9735
	TERRY YINN	12125 NE 107 th ST	Kirkland	98033	206-349-4326
	HEIDI SCHNEIDER	12721 NE 116 th ST	KIRKLAND	98034	206 353 5805
	CRAG SCHNEIDER	12721 NE 116 th ST	Kirkland	98034	206-353-8381
	Nic Gill	12252 NE 100 th ST	kirkland	98033	206-612-6504
	Melissa Bell	12222 NE 100 th ST	Kirkland	98033	425 827 6300
	Ian Saling	12213 NE 100 th ST	Kirkland	98033	425-822-0000
	Darrick Jones	12055 NE 100 th ST	K, Kirkland	98033	425 826 7958

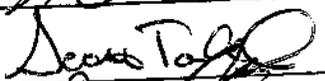
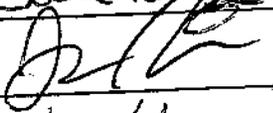
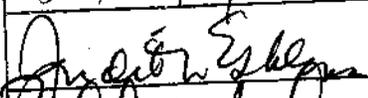
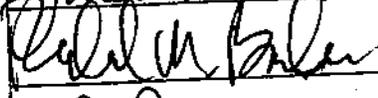
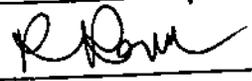
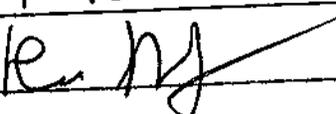
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	Will Mathiasen	10220 Slater Ave NE	Kirkland	98033	425 827-5122
	Scott Talquist	11631 NE Klaw Lane	Kirkland	98033	425 765-6923
	Don Norman	NE 107 th Pl	Kirkland	98033	
	Leah Morris	10218 119 th Ave NE	Kirkland	98033	425 576-8764
	JUDITH ESCHLER	11212 122nd Lane NE	Kirkland	98033	425 739-4514
	RICHARD BACKMAN	11212 122nd Ln NE	"	"	425 739-4514
	Rosenta Row	12020 NE 99 th Lane	"	"	425 444 7727
	Denise Stumpf	10039 134 th Ave NE	"	"	877-9741

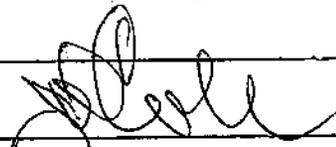
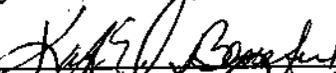
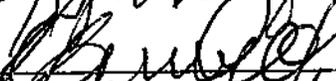
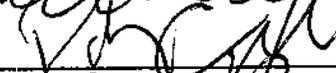
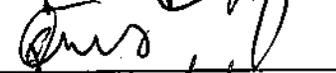
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	J. Cole	10228 Slater Ave NE	Kirkland	98033	
	BRIGITTE COLE	10228 SLATER AVE NE	KIRKLAND	98033	
	Laurie J. Schneider	10244 Slater Ave NE	Kirkland	98033	
	KAY BENEFIEL	12201 NE 103 RD LANE	KIRKLAND	98033	
	ROBERT DELF	12216 NE 103 RD LN	✓	✓	425-822-2627
	Richard Campbell	12214 NE 103 RD CT	Wash.	✓	
	Raquel Sampola	9626 122nd LN NE	Kirkland	98033	
	Jerry Labner	10239 Slater Ave NE	Kirkland	98033	



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
August 01, 2006

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

Members Present: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

Members Absent: None.

3. STUDY SESSION

a. Single Family Floor Area Ratio Regulations and Setback Encroachments

Joining Councilmembers for this discussion in addition to City Manager Dave Ramsay were Director of Planning and Community Development Eric Shields, Planning and Community Development consultant Mike Bergstrom and Planning Commission members Janet Pruitt, Chair, and Matthew Gregory.

4. EXECUTIVE SESSION

a. To Discuss Property Acquisition

b. To Discuss Labor Negotiations

5. SPECIAL PRESENTATIONS

a. Suburban Cities Association

Executive Director Karen Goroski provided Council with an update on current SCA activities.

b. Kirkland Free Wireless Project

Information Technology Chief Information Officer Brenda Cooper provided an overview of the project.

6. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding recent attendance at the movie "An Inconvenient Truth;" Cascade Water Alliance Board meeting and the Alliance's new Finance Director Steve Cole; Canyon Park Freeway Station groundbreaking; Sound Transit and Eastside Transportation Partnership current activities; Innovative Housing workshops; Burlington Northern Santa Fe Corridor Advisory Committee meeting; Metropolitan Solid Waste Advisory Committee; Kirkland Classic Car Show; Enterprise Seattle Board meeting; Carillon Woods Ivy Pull; and the Mayor's recent visit to Oklahoma City.

b. City Manager

(1) Calendar Update

7. COMMUNICATIONS

a. Items from the Audience

Peter Bartnick, 313 11th Place, Kirkland, WA
Peter Speer, 1520 2nd Street, Kirkland, WA
Rob Brown, 108 2nd Avenue South, #105, Kirkland, WA

b. Petitions

8. CONSENT CALENDAR

a. Approval of Minutes: July 18, 2006

b. Audit of Accounts:
Payroll \$ 1,714,538.52
Bills \$ 1,482,208.31
run #615 check #'s 480260 - 480549
run #616 check #'s 480560 - 480673

c. General Correspondence

d. Claims

(1) David N. Buck

(2) Brad Stuller, King County Risk Management

(3) Kevin Patrick Murphy

(4) Verizon by CMR Claims

e. Authorization to Call for Bids

(1) City Hall Direct Digital Control Replacement Project

f. Award of Bids

g. Acceptance of Public Improvements and Establishing Lien Period

h. Approval of Agreements

i. Other Items of Business

(1) Resolution R-4586, entitled "A RESOLUTION OF THE CITY OF KIRKLAND FOR THE VACATION OF A PORTION OF 1st STREET SOUTH AND ALLEY RUNNING WEST TO EAST LOCATED BETWEEN KIRKLAND AVENUE AND 1st AVENUE SOUTH AND PROVIDING NOTICE OF HEARING TO CONSIDER THE VACATION OF SAID RIGHT OF WAYS, (FILE NO. VAC06-00001)."

(2) Resolution R-4587, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE IN AN UNOPENED ALLEY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNER CHAFFEY CUSTOMS, LLC."

(3) Resolution R-4588, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE IN AN UNOPENED ALLEY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNER CHAFFEY CUSTOMS, LLC."

(4) Authorizing Purchase of Five Properties from King County

(5) Resolution R-4589, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE SUBDIVISION AND FINAL PLAT OF THE FORBES CREEK 11 BEING DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. PSB04-00002 AND SETTING FORTH CONDITIONS TO WHICH SUCH SUBDIVISION AND FINAL

PLAT SHALL BE SUBJECT."

Motion to Approve the Consent Calendar with corrections to the minutes of the July 18, 2006 Council meeting.

Moved by Councilmember Mary-Alyce Burleigh, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

- a. Authorizing Mayor to Sign Correspondence Requesting Transit Now Initiative for Inclusion on the November Ballot

Motion to authorize the Mayor to Sign Correspondence Requesting Transit Now Initiative and to send copies to the King County Council and Executive.

Moved by Deputy Mayor Joan McBride, seconded by Councilmember Dave Asher

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

- b. Slater Avenue Status Report

Public Works Director Daryl Grigsby provided additional information on the response to pedestrian safety issues.

11. NEW BUSINESS

- a. Award Bid for Waverly Beach Park Lift Station to McClure and Sons, Inc. and Authorize Budget Increase

Motion to to award the bid for Waverly Beach Park Lift Station to McClure and Sons, Inc. in the amount of \$866,735.62 and to authorize a budget increase of \$470,000.

Moved by Deputy Mayor Joan McBride, seconded by Councilmember Bob Sternoff

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

12. ANNOUNCEMENTS

13. ADJOURNMENT

The Kirkland City Council regular meeting of August 1, 2006 adjourned at 9:19 p.m.

City Clerk

Mayor



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.ci.kirkland.wa.us

MEMORANDUM

To: Dave Ramsay, City Manager

From: Rob Jammerman, Development Engineering Manager
Daryl Grigsby, Public Works Director

Date: September 5, 2006

Subject: Response letter to Ms. Margaret Carnegie

RECOMMENDATION

It is recommended that Mayor Lauinger sign the response letter to Ms. Margaret Carnegie regarding sidewalks.

BACKGROUND DISCUSSION

Ms. Margaret Carnegie sent a letter (copy attached) to the City Council regarding several new in-fill single family homes and one short plat that had not installed new sidewalk along their respective street frontage. A copy of the letter was forwarded to me and I was able to call Ms. Carnegie and discuss all of the issues raised in her letter. I explained that the short plat would be installing sidewalk and the new in-fill homes were constructed under the 2005 Zoning Code regulations, which granted a sidewalk waiver to new in-fill single-family homes. We also discussed the new Zoning Code regulations, which went into effect at the beginning of this year and require most new in-fill single-family homes to install sidewalk along their property frontage; she was pleased to hear about this change to the regulations. I also let her know that she would receive a formal response letter from the City Council following the September 5, 2006 City Council meeting.

Attachment

Margaret Carnegie
11259 126th Ave. N.E.
Kirkland, WA 98033

City Council
City of Kirkland
123 5th Avenue
Kirkland, WA 98033

July 1, 2006

Re: Sidewalks

Dear Council Members,

It was very disappointing when a sidewalk was not part of the redevelopment north of N.E. 100th Place on 124th Ave. N.E. Now it appears there's to be no sidewalk on N.E. 104th St. as part of the corner redevelopment at N.E. 104th St. and 128th Ave. N.E. These are both streets with heavy automobile traffic that need pedestrian accommodation. Sidewalks were not installed when some new houses were built in the fairly recent past south of N.E. 95th St. on 126th Ave. N.E. When recently walking "downtown," I saw sidewalks were not included with the large newer houses north of 10th Avenue between 1st and 3rd Streets.

I have been told regulations have been changed so sidewalks are now required with redevelopment. I hope that's true, especially where pedestrian safety is a real issue.

Thank you for your hard work and concern about citizen welfare.

Sincerely,


Margaret Carnegie

RECEIVED

JUL 01 2006

CITY OF KIRKLAND
CITY MANAGER'S OFFICE

DRAFT

September 5, 2006

Ms. Margaret Carnegie
11259 126th Avenue NE
Kirkland, WA 98033

RE: Sidewalks

Dear Ms. Carnegie:

Thank you for your letter regarding sidewalk installation in conjunction with new development occurring throughout the City. I understand that Rob Jammerman, Development Engineering Manager, spoke with you about the concerns raised in your letter and let you know that a written response would be coming from the City in early September. Specifically, you and Mr. Jammerman discussed the reasons that sidewalk improvements had not been installed at the locations listed in your letter and he confirmed that the regulations had been changed to require all new development to install street improvements.

Thank you for your continued interest in seeing sidewalks installed throughout the City. Should you have any other questions about sidewalk installation in conjunction with new development, please feel free to contact Mr. Jammerman by phone at 425-587-3845 or send him an e-mail at rjammer@ci.kirkland.wa.us.

Sincerely,

KIRKLAND CITY COUNCIL

James L. Lauinger
Mayor



CITY OF KIRKLAND
Department of Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager
From: Kathi Anderson, City Clerk
Date: August 30, 2006
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) Steve Ensminger
23523 131st Avenue SE
Snohomish, WA 98296

Amount: \$271.00

Nature of Claim: Claimant states damage occurred when City mower handle struck vehicle.

- (2) Susan M. Hayes
715 13th Avenue W.
Kirkland, WA 98033

Amount: Unspecified

Nature of Claim: Claimant states damage occurred when vehicle was struck by a City vehicle.

- (3) Ron Olson
11905 93rd Avenue NE #A201
Kirkland, WA 98034

Amount: Unspecified

Nature of Claim: Claimant states injury resulted from tripping on sprinkler pipe.

- (4) Geraldine Shippee
14357 102nd Avenue NE
Bothell, WA 98011

Amount: Unspecified

Nature of Claim: Claimant states damage to property resulted during medical response.

- (5) Ardis Todd Tyson
5506 Glenwood Avenue
Everett, WA 98203

Amount: \$960.57

Nature of Claim: Claimant states damage occurred when vehicle was struck by a City vehicle.



CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Van Ingram-Lock, Management Analyst
Erin Leonhart, Facilities & Operations Administrative Manager
Paul Stewart, Planning & Community Development, Deputy Director
Daryl Grigsby, Public Works Director

Date: August 22, 2006

Subject: RESOLUTION FOR INTERNATIONAL COUNCIL FOR LOCAL ENVIRONMENTAL INITIATIVES (ICLEI) MEMBERSHIP

RECOMMENDATION:

It is recommended that the City Council authorize the Mayor to sign the attached Resolution for International Council for Local Environmental Initiatives (ICLEI) membership and participation in its Cities for Climate Protection Campaign.

BACKGROUND AND DISCUSSION:

ICLEI is an international association of 660 local governments providing national leadership on climate protection and sustainable development. ICLEI's mission is to improve the global environment through local action. ICLEI provides information, delivers training, organizes conferences, facilitates networking and city-to-city exchanges, carries out research and pilot projects, and offers technical services and consultancy. In addition, software tools and training packages are available to assist with achieving sustainable development goals. ICLEI USA runs two primary programs: Cities for Climate Protection (CCP) and Communities 21.

Cities for Climate Protection (CCP): Cities for Climate Protection, ICLEI's flagship campaign, is designed to educate and empower local governments worldwide to take action on climate change. CCP is a performance-oriented campaign that offers a framework for local governments to reduce greenhouse gas emissions and improve livability within their municipalities. As a participant, the City of Kirkland will undertake the Cities for Climate Protection Campaign's five milestones to reduce both greenhouse gas and air pollution emissions throughout the community:

- Conduct a greenhouse gas emissions inventory and forecast to determine the source and quantity of greenhouse gas emissions in the City;
- Establish a greenhouse gas emissions reduction target;
- Develop an action plan with both existing and future actions which when implemented will meet the local greenhouse gas reduction target;
- Implement the action plan; and
- Monitor and report progress.

Communities 21: ICLEI's Local Agenda Program in the United States is titled Communities 21 and was developed in accordance with the United Nations Division for Sustainable Development Agenda 21 program. The primary mission of the Communities 21 program is to improve the ecological health of communities across the nation while promoting economic vitality and social justice.

May 18, 2006 – Council Study Session: At the May 18, 2006 Study Session, staff presented an update of the City's climate protection efforts and committed to reporting back with an update for Kirkland when the 2005 Puget Sound Air Pollution Agency greenhouse gas inventory for King County is available in 2007.

Staff also pledged to conduct an inventory of City (government) activities for their impact on climate change, an element of the *U. S. Mayors Climate Protection Agreement*. To assist with this task and other climate protection efforts and to take advantage of the tools and knowledge offered, membership in ICLEI and the ability to participate in the Cities for Climate Protection Campaign will be very helpful.

RESOLUTION R - 4591

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING INTERNATIONAL COUNCIL FOR LOCAL ENVIRONMENTAL INITIATIVES (ICLEI) MEMBERSHIP & CITIES FOR CLIMATE PROTECTION® CAMPAIGN PARTICIPATION.

WHEREAS, scientific consensus has developed that Carbon CO₂ and other greenhouse gases released into the atmosphere have a profound effect on the Earth's climate; and

WHEREAS, in 2006 the U.S. National Climatic Data Center confirmed clear evidence of human influences on climate due to changes in greenhouse gases; and

WHEREAS, the U.S. Conference of Mayors endorsed the 2005 U.S. Mayors' Climate Protection Agreement initiated by Seattle Mayor Nickels and signed by 275 mayors in the United States as of July 2006 including the City of Kirkland's Mayor; and

WHEREAS, the Urban Environmental Accords adopted by local government delegates during UN World Environment Day 2005 call for reduced emissions through energy efficiency, land use and transportation planning, waste reduction, and wiser energy management; and

WHEREAS, in 2003 the American Geophysical Union adopted a Statement noting that human activities are increasingly altering the Earth's climate and that natural influences cannot explain the rapid increase in near-surface temperatures observed during the second half of the 20th century; and

WHEREAS, in 2001, at the request of the Administration, the National Academy of Sciences (NAS) reviewed and declared global warming a real problem caused in part by the actions of humankind; and

WHEREAS, the 2001 Third Assessment Report from the International Panel on Climate Change (IPCC) and the 2000 U.S. Global Change Research Program's (USGCRP) First National Assessment indicate that global warming has begun; and

WHEREAS, 162 countries including the United States pledged under the United Nations Framework Convention on Climate Change to reduce their greenhouse gas emissions; and

WHEREAS, energy consumption, specifically the burning of fossil fuels, accounts for more than 80% of U.S. greenhouse gas emissions; and

WHEREAS, local government actions taken to reduce greenhouse gas emissions and increase energy efficiency provide multiple local benefits by decreasing air pollution, creating jobs, reducing energy expenditures, and saving money for the local government, its businesses, and its residents; and

WHEREAS, the Cities for Climate Protection® Campaign sponsored by ICLEI – Local Governments for Sustainability has invited the City of Kirkland to join ICLEI and become a partner in the Cities for Climate Protection Campaign.

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

Section 1. The City Manager is hereby authorized and directed to join ICLEI, on behalf of the City of Kirkland, as a Full Member and participate in the Cities for Climate Protection Campaign and, as a participant, pledges to take a leadership role in promoting public awareness about the causes and impacts of climate change.

Section 2. The City of Kirkland will undertake the Cities for Climate Protection Campaign’s five milestones to reduce both greenhouse gas and air pollution emissions throughout the community, and specifically:

- Conduct a greenhouse gas emissions inventory and forecast to determine the source and quantity of greenhouse gas emissions in the City;
- Establish a greenhouse gas emissions reduction target;
- Develop an action plan with both existing and future actions which when implemented will meet the local greenhouse gas reduction target;
- Implement the action plan; and
- Monitor and report progress.

Section 3. The City of Kirkland requests assistance from ICLEI’s Cities for Climate Protection Campaign as it progresses through the milestones.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2006.

Signed in authentication thereof this ____ day of _____, 2006.

MAYOR

Attest:

City Clerk



CITY OF KIRKLAND
Department of Parks & Community Services
505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Jennifer Schroder, Director
Carrie Hite, Deputy Director

Date: August 24th, 2006

Subject: Letter to County Executive and Council Regarding Regional Veterans and Human Services Levy

RECOMMENDATION: City Council review letter, and authorize the Mayor to sign on behalf of the City Council.

BACKGROUND DISCUSSION:

In November of 2005, the King County voters approved the creation of a King County regional Veterans and Human Services Levy, which will provide roughly 13.3 million per year for six years for human services for veterans, their families and other low-income residents of King County.

On April 18, 2006, the Metropolitan King County Council approved an ordinance giving direction to how the money from the levy should be spent. They set the following goals:

- Reduce homelessness in King County
- Reduce behavior that results in court supervision or jail time
- Reduce the use of emergency medical services for primary care and mental health treatment, and
- Increase people's self-sufficiency through employment.

The County Council asked for the creation of a Service Improvement Plan, which describes how these goals will be met for veterans and other people in need, at the client, service, and system levels. The Service Improvement Plan has been drafted by a team of planning consultants and King County staff from the Department of Community and Human Services and Public Health of King County. They used existing plans and studies, researched strategies and programs that are best practices, and held focus groups across the County. This team met with representatives from the Eastside at the Eastside Human Services Forum work group.

A subcommittee of the Eastside Forum's work group met to analyze the plan in accordance with the needs on the Eastside. This subcommittee was made up of representatives from Redmond, Kirkland, and Bellevue. There were three obvious issues that the Forum had concerns about:

1) Although the levy was a county-wide ballot measure, levy investments will predominantly serve residents of Seattle and South King County;

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2) The plan has strong focus on serving the homeless (again, most programs are in Seattle and South King), even though the levy was intended to provide human services for a wider array of people in need. This needs to be balanced with other programs in the safety net; and

3) It is not clear how the proposed levy investments address the recommendation of the Healthy Families and Communities Task Force to use levy funds to fund a portion of the regional human services gap.

The Eastside Human Services Forum board is endorsing a letter urging Executive Sims and the Metropolitan King County Council to consider revisions to the Plan by broadening the use of the funds to the Eastside, and for the full array of services in need throughout the County.

Staff also felt it would be impactful for the Eastside Cities to endorse a similar letter.

King County Veterans and Human Services Levy

Service Implementation Plan Preliminary Draft Report

Dear Veterans and Human Services Levy Stakeholder:

As an interested stakeholder in the implementation process for this levy, we are sending you a preliminary draft of the proposed Report for your information and response. We thank you for your input thus far in our planning process and for taking the time for this review. By clicking on the download button at the left side of this page, you may download and PDF file of the preliminary draft **Service Implementation Plan** for the **Veterans and Human Services Levy**. Please note, and take seriously, the use of the words “preliminary” and “draft”. You will see that there are some sections of the report – particularly in the areas of demographic descriptions of the target populations and the levy allocation – that is still under development. (As you well know, these sections of the report provide particular challenges!)

In addition to providing a framework for discussion of levy investments, the report includes a set of tables that offer an initial “big picture” look at the specific investment strategies being recommended for levy funds.

Because this is a draft document, we are not seeking edits to the format of the report or word-smithing of its contents. We are, however, very interested in your comments on the draft investment strategies we are recommending to King County. In particular, we would encourage you to respond to these few questions - but feel free to add further comments as you choose.

1. Are there any investment strategies that don't make sense to you or are just plain bad ideas?
2. Are there any critical investment strategies that are missing and whose absence, you believe, would critically flaw the levy's outcomes?
3. Are there any other comments you have that you would like the team to consider in moving towards a final Service Implementation Plan?

Thank you very much for your time and interest. It is greatly appreciated. Please email your response no later than **Wednesday, July 19th**. Just click here or on the “email your comments” button at the left to reply. Thanks.

**David Wertheimer and Ursula Roosen-Runge
for the Levy Planning Team**

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Section I: About the Levy

Why the Levy?

Every day in King County, there are women, men and families struggling to hold their lives together in the face of very difficult problems. The following stories represent brief moments in the real lives of neighbors all around us:

Joseph is a 40 year-old African-American living in a shelter in downtown Seattle. He is homeless and has been diagnosed with both schizophrenia and substance abuse. He regularly spends time in the jail, as well as, at the hospital emergency room. He is intelligent and articulate, despite the many challenges he faces on a daily basis. For him, being homeless has become a full-time job, just to survive. *“I am not incompetent,”* he says. *“I just need help moving the obstacles out of the way.”*

Susan is a single, European-American mother with two small children living in South King County. Without relatives, a support system or a car, juggling a full-time job in a packaging warehouse with the task of getting her children to daycare every morning leaves Susan with little time to meet anything other than the most basic needs of her family. Susan ends each day exhausted and demoralized. *“Poverty is when what you have to offer isn’t valued,”* she has said.

Tom is 24-year-old veteran of mixed European and Asian American descent living in Shoreline. He has just returned from two tours of duty in Iraq where he served as a medic. Prior to enlisting in the Army, he had wanted to be a doctor. Since returning, he has lost all interest in medicine, has bounced from job to job, and is unable to meet his monthly rent and utility costs. He is troubled by continuous flashbacks to images of the carnage and wounds he treated while overseas. *“I’m doing my best to avoid everyone and everything right now,”* he has said. *“I just wish I could feel safe, secure and comfortable, but it just isn’t happening for me.”*

In November of 2005, the King County voters approved the creation of a King County regional Veterans and Human Services Levy, which will provide roughly \$13.3 million per year for six years for human services for veterans, their families and other low-income residents of King County. In approving this levy, King County residents confirmed:

- The importance of ensuring a healthy life in the community for everyone, including those that have served their country in the United States military.
- The challenge of living in a fast-growing community in which the costs of living often outpace the incomes of those who are among our more fragile residents.

- The ongoing needs of individuals and families struggling with illnesses and related challenges that too often result in criminal justice system involvement and homelessness.

Goals of the Levy **On April 18, 2006, the Metropolitan King County Council approved an ordinance giving direction to how the money from the levy should be spent. They set the following goals:**

- reduce homelessness in King County,
- reduce behavior that results in court supervision or jail time,
- reduce the use of emergency medical services for primary care and mental health treatment, and
- increase people's self-sufficiency through employment.

The County Council asked for the creation of a Service Improvement Plan, which will describe how these goals will be met for veterans and other people in need, at the client, service and system levels. The Service Improvement Plan has to address eight areas and strategies that the Council identified as being most important.

Priority Investment Areas

1. *Ensure access for veterans and their families to effective services and inter-system partnerships.*
2. *Develop seamless, user-friendly pathways to coordinated and integrated services and housing.*
3. *Expand capacity of supportive housing and "housing first" networks.*
4. *Promote timely and appropriate sharing of client information.*
5. *Provide increased access to and quality of Post-Traumatic Stress Disorder treatment.*
6. *Expand impact of demonstrably effective recidivism-reduction programs by adding housing and employment components and/or increasing capacity.*
7. *Add employment-related goals and services to existing programs.*
8. *Promote healthy child development for children most at risk of future criminal behavior and/or dependency problems.*

Levy Allocation

The levy funds began to be collected in 2006. The ordinance calls for the first year of funding to be spent primarily on “one-time” investments in areas such as housing, information systems, or training. In years 2 - 6, levy funds are to be allocated as outlined in Table 1.¹

**Table 1
Allocation of Levy Funds by Ordinance**

<i>Levy Investment Formula: \$13.3 Million Annually (Years 2-6)</i>	
<i>Veterans</i>	<i>Other People in Need</i>
Up to \$1 Million for capital or one-time expenses (e.g., housing, infrastructure, etc.)	
At least \$2 Million per year for King County Veterans programming	\$1.5 Million per year for early childhood prevention and early intervention
County Overhead: \$332,500	County Overhead: \$332,500
<i>Funds Available for Projects with Joint Benefits</i>	
\$3,817,500	\$4,317,500

¹ The exact allocation will vary depending on the revenues collected each year, so these numbers are for illustration purposes only.

Section II: Philosophy and Principles of the Plan

Planning Approach

The Service Improvement Plan has been crafted by a team of planning consultants (Kelly Point Partners and Strategic Learning Resources) and King County experts from the Department of Community and Human Services and Public Health Seattle & King County. The planning team reviewed existing plans and studies, evaluated what is known about which strategies and programs work best, and picked the brains of more than ## experts from the City of Seattle, King County, Veterans Administration, state government and the University of Washington. Most importantly, the team also met with ## groups with more than ## stakeholders from across the County to learn from them about needs, barriers, issues, opportunities and strategies for improving the lives of people in need. The team took what it learned and created a framework for making the most effective use of the levy funds. The framework set assumptions about:

- the criteria the overall plan must meet,
- the criteria that individual initiatives and strategies must meet,
- the populations that would be served,
- the principles of evaluating the impact of the Levy, and
- the principles of assuring cultural competence.

This framework is described in the following pages.

Criteria

The team began its work with the major assumption that it is most important to focus on a few well-defined groups of people in great need and do very well by them – rather than trying to do a little, which is not enough, for many people in need. In this way, the levy can have a real impact and it will be possible to evaluate this impact over time. With this in mind, the team set criteria for the plan as a whole, and criteria for individual strategies and initiatives within the plan. These criteria were used to filter in and filter out potential populations, strategies and overall approaches.

Criteria for the Overall Plan

Three broad criteria were set for the Service Improvement Plan as a whole. The plan must:

- 1) *Promote services and system integration by challenging existing fragmentation.*

Examples of how the Plan would meet this criterion include:

- Supporting the development of information systems.

- Expanding the capacity of organizations to coordinate, bridge disciplines, and integrate the delivery of services.
- The linking of systems and services for Veterans and other people in need.

2) *Fill existing gaps in services and continuums of care rather than creating new programs that promote systems fragmentation.*

The Plan will seek, in large part, to build on existing system strengths and programs with proven track records, rather than inventing new programs and service paradigms that duplicate the activities that the systems and services already in place currently do well.

3) *Demonstrate high impact and positive results for the selected populations and communities.*

The Plan will meet this criterion if the strategies are thorough, coherent, and their outcomes are measured.

4) *Move King County towards an effective regional management approach to housing, health and human services that addresses needs at a local level.*

A regional approach to managing the Levy could help to promote structures to ensure a consistent approach to contracting, training, standards, information systems, equipment and facility renewal, etc., as well as, ongoing collaboration and coordination across jurisdictions and agencies. At the same time, it is essential that the solutions to specific community issues come in large part from the communities being served. As a result, the Plan must balance a regional approach of managing resources with a local approach to service implementation. The use of system and service level “boundary spanners” -- staff with the capacity to promote an integrated approach to housing, health and human service activities at both the County (systems) and regional (direct services) levels -- will be a critical component of this work.

Criteria for Strategies

The following criteria were used to decide and confirm which of a wide array of strategies would be invested in by the Levy. Strategies did not need to specifically meet all criteria, but needed to be aligned with the overarching strategic directions of the Plan.

1. *Strategy is based on evidence-based practice and expected outcomes can be articulated and measured.*

Evidence based programs have established and tested ways of providing services, which are known

What does “evidence-based” mean?

Evidence based practices have been scientifically evaluated to determine whether or not they make a positive difference and bring about the change they were designed to create.

to provide results, and which have protocols for evaluating and refining them. Using these programs speeds the development of services and can give voters confidence that their tax money will make a difference.

2. *Strategies are data driven.*

Strategies need to be directed to the populations and communities where the greatest differences can be made, in respect to the goals for the Levy. This means making choices both in terms of who is served and how they are served.

3. *Strategy builds on existing successful programs or structures, when possible.*

King County is rich with creative and proven programs for people in need. Often, the greatest issue for them is not 'what' they should be doing - but 'how much' they can do with the resources available. Rather than developing new programs, levy funds will be used to expand the capacity of existing programs across the community. This will help to limit the fragmentation of services, save development time and strengthen the health, human services and housing systems.

4. *Strategy is likely to attract or leverage other public or private resources.*

Experience and literature shows that in many different arenas, the most effective and sustainable programs are those that come out of the braiding of public sector funding streams and/or the creation of public-private partnerships. The capacity of the Levy to trigger change will be greatly increased when levy funds are braided with other public funds or matched by private resources.

5. *Strategy makes access to services easier for the target population.*

The human service and housing systems are a maze that is difficult to find one's way through. People who are hungry, mentally ill, homeless, recently released from jail, battling drug addiction or who otherwise have barriers to their ability to cope find it even more difficult.

6. *Strategy could be replicated or expanded in the future.*

The ability to expand or repeat a program or strategy in a new part of the County will build on what works and it will be another step in reducing the fragmentation of services.

Who Will the Levy Serve?

The needs of individuals across King County are great and varied. Based on local stakeholder input (which was remarkably consistent) and a review of the national literature, four primary groups of people have been selected to be the focus of the Veterans and Human Services Levy.

Selected Populations

- 1. Veterans and their families who are struggling with mental illness, domestic violence, unstable housing, and/or under employment.** These will include families of soldiers who are currently deployed and who for one reason or another may not be eligible for VA services² and soldiers who have recently returned and are having difficulty creating a normal daily life.
- 2. Individuals and families who experience long-term homelessness and are very frequent users of Emergency Departments, have frequent encounters with law-enforcement, and repeated stays in the County jail.** These individuals typically suffer from serious mental illness and/or severe addiction to drugs or alcohol, have little employment history, and have either no contact with family or have a seriously dysfunctional family. About one out of four are Veterans, many of whom experienced combat in Korea, Viet Nam or the Gulf Wars.
- 3. Parents who have been recently released from prison or jail, or are under court supervision, and who are striving to maintain their family or be re-united with their children.** Most of these parents are single women and many are homeless, are attempting recovery from substance abuse and/or mental illness, and have experienced domestic violence in their past.
- 4. Young children who are at risk for future involvement with the child welfare system or juvenile court because of life circumstances.** These are often children of first-time teen age parents, children of parents who have had involvement with the criminal justice system as described above, children whose parents are immigrants or refugees and isolated due to culture and language, and children whose mother suffers from severe post-partum depression but does not have the supports or resources to cope with it.

Conditions in Common

These groups of individuals and families, while called out separately for the purpose of developing coordinated sets of strategies which will help them change their lives, are not as distinct from each other as may appear on paper. These are people who have many conditions and life circumstances in common including:

- periodic or long-term homelessness,
- mental illness including post-traumatic stress disorder (PTSD), chronic depression, severe anxiety and schizophrenia,
- abuse of or addiction to drugs and alcohol, which is often experienced at the same time as mental illness,

² These families include National Guard, unmarried couples with children, and families who have suffered a significant drop in income due to the deployment.

- having experienced violence,
- a disrupted education,
- either no or a poor work history,
- encounters with police and the courts, and/or
- lack of connection to an extended family or community.

Demographic Highlights

Detailed information about the selected populations is provided in Appendix – but a picture can be painted ‘by the numbers’ which illustrates who people are and what their needs are likely to be.

Veterans

[to be inserted]

Long-Term Homeless

There is no single data set or source that describes the group of people who are experiencing extended periods with no permanent housing. What we know is pieced together through a variety of different sources.

The Seattle King County Coalition for the Homeless conducts an annual “One Night Count,” which includes a street count in portions of Seattle, Eastside, Shoreline, Kent, White Center, and in 2005-2006, Federal Way. The 2004 One Night Count counted 2,216 surviving outside without shelter, estimated that another 1,484 were living unsheltered in King County outside of Seattle, and counted 4,636 people living in shelters and transitional housing for a total estimated 8,336 people.³ Of these, roughly 2,500 were estimated to be long-term homeless as defined by the federal government.⁴

For the purposes of the Levy, the definition of long-term homeless has been expanded to include individuals who may experience long-term homelessness without meeting the formal HUD definition, as well as, families who experience repeated or continuous homelessness. The 2004 One Night Count found 600 families living in shelters and transitional housing with more than 1,100 children under the age of 18.

Chronically Homeless: HUD Definition

"An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years."

³ This count excludes people in the King County Jail, which had an average census of 2,601 in 2005, of whom at least 15-20% are homeless. (Department of Adult and Juvenile Detention, King County)

⁴ The Committee to End Homelessness recognizes the difficulty in correlating the “One Night Count”, which is a single point in time with the number of people who experience homelessness over a period of time, such as a year. It has chosen a multiplier of 3 to estimate the number of people who experience homelessness in a year, implying that in 2004, an estimated 25,000 people experienced homelessness in King County.

Health Care for the Homeless, which served 8,148 unduplicated individuals who were homeless in 2005, collects data which helps put a “face” on the homeless person:

- 55% of their clients were people of color, with the largest group being African-American (26%).
- 63% were single adults, but 10% were unattached youth and 23% were individuals in families.
- 62% were living either on the street or in a shelter.
- Only 35% had Medicaid coverage.
- 29% had been homeless more than three times.

The impact of people who are homeless on other services is represented in their use of emergency services in 2005:

- Of the 300 people who had the greatest number of outpatient visits and inpatient admissions to Harborview Medical Center, almost 40% were homeless⁵.
- The Seattle Fire Department responded to calls for emergency medical services at shelters and housing units for people who are homeless in the downtown area, more than 2,400 times⁶.

*Families with CJ
Involvement*

[to be inserted]

*Young Children
at Risk*

[to be inserted]

*Geographic
Issues*

Although in the past, it could have been argued that the City of Seattle presented the most significant levels of poverty and need for human services, demographic changes to areas in King County outside the City of Seattle over the past decade have challenged many of these traditional assumptions. Some of these changes are visible to the public through the emergence of Tent Cities on the Eastside and the homeless encampments in rural South King County. Other changes are reflected in the growth of the number of primary languages spoken by children in schools throughout the County that points towards the need for culturally and linguistically competent services across the region.

⁵ Harborview Medical Center

⁶ Emergency Medical Services Division, Public Health Seattle King County

Some of these changes and challenges become visible through a brief comparison of the different geographic areas of the County.

Table 2
Demographic Comparison of Different Areas of King County⁷

	Seattle	South	East	North
% of all King County residents who live here	34%	35%	24%	8%
% of residents who are persons of color	33%	28%	19%	18%
% of all persons of color who live here	41%	36%	17%	5%
% of residents who are children	16%	27%	25%	25%
% of all King County children who live here	24%	41%	26%	9%
% of residents who receive state assistance	7%	8%	2%	3%
% of King County residents receiving state assistance who live here	38%	49%	8%	5%
% of the single parent homes in King County	29%	45%	19%	7%
% of all King County children on School Lunch Aid who live here	26%	57%	6%	10%

This table shows that, in some aspects, such as its total population and ethnic diversity, South King County has become more like the City of Seattle. In other aspects, which indicate a need for human services such as single parent homes and children on School Lunch Aid, the levels of need in South King County has actually outstripped Seattle. East King County reflects some of the same trends, such as having a diverse and young population, but it continues to have lower rates of poverty than other areas of the County.

The planning team did not use geography as a one of its criteria for its recommendations, but rather as a guide to where particular attention should be paid to expanding the service capacity for specific populations. As a result, many selected strategies are focused primarily (but never exclusively) on identified needs in Seattle and South King County.

⁷ Derived from “A Matter of Need”, South King Council of Human Services, 2005

How Will we Know Whether the Strategies are Effective?

One of the criteria for the plan, as a whole, is that it “*demonstrates high impact and positive results for the selected populations and communities.*” The evaluation of the work undertaken with Levy funds is therefore an essential activity, as well as, a basic principle that must guide levy operations. The evaluation process and structure is described in more detail in the Management Section of the Service Improvement Plan and it will have two components:

1. An ongoing process evaluation, which will provide feedback to King County and other organizations who are providing programs through the Levy about how well their processes are working. This will include evaluating contracting, collaboration and coordination, information sharing, policy development, and management of resources, as well as, identifying when there are obstacles or unintended consequences. This evaluation will enable providers and King County to make course corrections along the way.
2. An evaluation of program outcomes, which will occur at the program and the system level. This will include assessing how well the strategies individually and in aggregate have addressed the goals of the levy by contributing to the reduction of homelessness, emergency medical costs, and recidivism, and by supporting the healthy development of young children in families who are most at risk.

Cultural Competence

The effectiveness of the strategies supported by the Levy will depend on the ability of the systems, agencies and individual providers to deliver services in ways that are grounded in the beliefs and attitudes of their diverse communities.

There are, as the demographic highlights show, a disproportionate number of people of color who are homeless, involved in child welfare and criminal justice systems, or at risk for those events. To break this cycle, all services must be delivered within the context of cultural beliefs, behaviors and needs presented by clients and their communities.

What is a cultural competent system?

A system that “acknowledges and incorporates – at all levels – the importance of culture, assessment of cross-cultural relations, vigilance toward the dynamics that result from cultural differences, expansion of cultural knowledge, and adaptation of services to meet culturally unique needs.”

Joseph Betancourt

Furthermore, it must be recognized that the delivery of cultural competent services is not the sole answer to breaking the cycle of racism that results in people of color being disproportionately negatively involved in homelessness, child welfare and criminal justice. Cultural competent services only insure that services to **individuals** (i.e., the individual or family) are delivered in a sensitive and appropriate manner. To break the cycle of disproportionality,

interventions targeting homelessness, child welfare and the justice system require strategies that focus on the **group**. This does not simply mean services directed at a certain population only. It means looking at the larger service strategies, policies, engagement practices, assessment tools, decision-making patterns in service systems, etc.

Framework for

Cultural Competence Levy funds can be used, through the implementation of the core investment strategies, to support a set of principles, which will help move systems towards culturally sensitive and adapted strategies.⁸ These principles must be:

1. *Organizational:* Systems of services are shaped by the leadership that sets the policies and the staff that implement them. The leadership and the workforce should reflect the racial or ethnic makeup of the communities they serve.
2. *Structural:* For diverse ethnic populations, there are inherent barriers to accessing services within the mainstream culture. These include: language, a dependence on written information and completion of forms, the importance of timeliness and schedule, and belief systems related to health and mental health, family, housing, work etc. Involving communities in the design of programs that serve them is a critical strategy to helping restructure programs and services in ways that remove or mitigate the barriers to access.
3. *Service-Oriented:* The point of contact between client and provider must be informed by the cultural context but also avoid the dangers of stereotyping. As communities become increasingly diverse, it is difficult for providers to have an in-depth understanding of all cultures and how they may view or interact with the provider. Service providers can be trained, however, to be aware of how culture informs their own perspectives, how to carry out 'culturally-neutral' interviews, and how to view the client as their 'teacher' about the client's culture and worldview. Training of all staff in culturally competent behaviors is an additional critical step in reducing barriers to services and increasing the effectiveness of services.

Evidence Based Practices

Another criteria for the selection of strategies is that they are evidence based. There needs to be a readiness, however, to examine whether evidence-based practices, which may have worked well in the context of one culture, will work as well in the context on another, and an ability to adapt evidence based practices to diverse communities.

⁸ Adapted from "Defining Cultural Competence: A Practical Framework for Addressing Racial/Ethnic Disparities in Health and Health Care", Joseph Betancourt et al., Public Health Reports, July-August, 2003, vol. 118

Increasing support is being provided to an approach called “practice-based evidence” which is “theory-driven selection of appropriate interventions based on a range of factors, including the cultural and historical belief systems of the community related to healing and wellness.”⁹ Services, which are based on practice-based evidence, are designed with the community and delivered by volunteers, paraprofessionals and professionals from within the community whose knowledge of local cultural beliefs, traditions, and nuances are respected by the formal and/or informal leadership or consensus of the community.¹⁰ This also implies that evaluation of the process and outcomes takes into account client values and culture and defines the desired outcomes in the context of the client culture.

Recommendation The consultants recommend that the implementation of a range of Levy funded strategies be done through the communities that will be served, and that the evaluation of process and outcomes be structured to involve communities at the program level. It is recognized that this approach could lead to further fragmentation of services and we, therefore, also recommend that contractual relationships between larger human service and housing organizations and smaller community based organizations be encouraged in the response to County RFPs and the delivery of services. Community-based organizations can offer the cultural competence and connection to community needed for success, while the larger organizations offer the supportive infrastructure and knowledge of evidence based practices needed for success.

⁹ “Culturally and Linguistically Competent Services & Supports: Practice-Based Evidence” Holly Echo-Hawk Georgetown National TA Teleconference Series June 15, 2006

¹⁰ Drawn from “Evidence-Based Practices and Minority Families and Consumers”, Holly Echo-Hawk, Research and Training Center for Children’s Mental Health, University of South Florida, February 2006

Section III: Input from Stakeholders

Process

The Levy ordinance mandated the “*specific involvement of the county veterans' program advisory board, health care for the homeless, jail health, housing and community development, mental health, chemical abuse and dependency, work training, community corrections, parent child health and the children and family commission...[consultation] with the Committee to End Homelessness in King County, the appropriate juvenile and adult justice operational master plan oversight and working groups, SOAR and regional and sub-regional human services planning groups.*” King County staff met with the groups internal to the County and consultants from Kelly Point Partners and Strategic Learning Resources met with various groups external to County government to seek their priorities and strategies for levy investment. The planning team is very grateful for the willingness of providers and clients across the County to meet at short notice and for the richness of the ideas that were raised. They greatly informed all stages of the planning effort.

Highlights of What We Heard

A detailed summary of the input, including specific strategies, received from stakeholders can be found in Appendix --. The Appendix also includes the presentation made to stakeholders describing the levy process and a list of the stakeholders who participated. The following provides only some of the highlights of overarching themes that were heard.

Coordination & Collaboration

There is a strong desire to have systems and service providers work more effectively together, to both reduce fragmentation of services and resources and to provide services that more closely fit the multiple needs of many individuals and families, as well as, the cultures of King County's diverse communities. Stakeholders encouraged the levy to support:

- The strengthening of current coordinating mechanisms.
- Small community based organizations in navigating the funding system and in partnering with larger regional organizations.
- The building of linkages and coordinating of processes among the Veteran's Administration, King County, and other providers.
- “Boundary spanners” who will help break down the barriers between the employment, health, housing, criminal justice and treatment systems and support new collaborations.
- The development of a regional governance structure for human services that would provide coordination of efforts and resources, but support implementation at a local level.

Ease of Access

Many stakeholders, from their various vantage points, talked about the complexity of the housing, health and human service systems. People who are already having difficulty coping with basic survival often face additional challenges and barriers when they try to gain help. This leads to discouragement, frustration, cynicism and avoidance of services that might potentially help. There is a strong desire in all systems to make the access to services easier for clients. Strategies proposed to do this include:

- “coordinated entry” for people who are homeless,
- “navigators” who help people move within or between systems, and
- increasing case management capacity.

Cultural Competency

The increased number of refugee and immigrant populations in East and South King County, and the disproportional number of people of color involved in the criminal justice system and shelters raised for many stakeholders the need to increase the cultural competency of systems, programs and staff. The pairing of smaller community based organizations - bringing an in-depth knowledge of community beliefs and traditions - to larger regional organizations with the needed infrastructure was raised as a system strategy by more than one group.

Planning

A number of stakeholders saw a need for more planning and suggested that the flexibility of Levy funds provide an opportunity to do so. Areas identified that would benefit from greater planning efforts include:

- a deeper understanding of who are the high users of emergency medical services and the potential role of community health centers in diverting clients from the emergency department to primary care.
- involvement of suburban cities in regional planning for jail services.
- planning across the different employment programs to integrate services, build relationships and establish a continuum of access to services.
- developing a vision of human services for South King County.

Public Education

Stakeholders see a need and an opportunity to build a public education and community relations effort that might have a number of different facets such as:

- Helping the business community, schools and other groups understand how they can be part of the solution,
- Changing the public’s understanding of the purpose of criminal justice system from incarceration to public safety and community well being, and

- Informing the public about how their tax dollar is being used and what the results are.

Increasing the Capacity of What is Already in Place

Public agencies, community groups, and non-profit agencies all believe that there are many programs in King County, which are doing ‘the right thing’ but which do not have the resources ‘to do enough of it’. There is a strong emphasis on increasing the capacity of existing programs and systems to carry out their current efforts, expand the number of people who can be served and their geographic spread, as well as increasing the depth of the services they offer.

It is clear from stakeholder input that housing in the form of emergency shelter beds, transitional living units and especially permanent supportive housing is a critical gap. The efforts of the Committee to End Homelessness are highly visible throughout King County. There was clear direction from stakeholders that Levy funds should be used to support that effort and be congruent with it. Some stakeholders would like Levy funds to support ‘set-asides’ in housing to support persons who are otherwise difficult to place in housing, such as offenders on release from prison and patients with histories of long-term homelessness at discharge from the medical respite settings or Harborview Medical Center. Many emphasized the great need to fund supportive services in housing, as well as, the importance of linking services to housing first programs, and urged that no new units be built that did not have on-site supportive services.

Another large gap in capacity identified by stakeholders is access to mental health treatment. Over and over again, the planning team heard of the difficulties in treating persons whose non-Medicaid status or mental health diagnosis prevented them from receiving publicly funded mental health treatment and the enormous barrier that constitutes to helping individuals make life changes.

Many stakeholders across the County noted that South King County, which has seen a great increase in the needs of its residents, has not seen a proportionate increase in resources, resulting in great unmet needs in its service infrastructure and program capacity. Many believe that Levy investment strategies should focus, at least in part, on South King County. This includes services for both Veterans and other populations in need.

Specific Strategies

Each group, with which members of the team met, put forth strategies for reducing recidivism in the jail system, decreasing emergency medical costs, supporting health in early childhood development, increasing self-sufficiency through employment, and reducing homelessness. These ideas are summarized in Appendix –. They make good reading.

Section IV: Investment Strategies

Overview

The use of levy funds has been approached from the perspective of investing money, rather than spending money. The purpose is to use the funds to create future benefit for the community. The framework for the investment of levy funds is grounded in the following principles.

Investment Principles

Several core investment principles have been used to guide the development of the Service Improvement Plan and the allocation of levy funds. These include:

- Levy funds will be used most effectively when they are invested in activities that meet the criteria described in Section II.
- The County will seek to share the costs associated with mobilizing its investment strategies.
- The County will identify investment partners whose funds can be joined with levy resources.
- By sharing investment opportunities, the County will decrease the risk and increase the impact of levy investments.
- Where feasible, levy funds will be invested to enhance existing programs and initiatives with demonstrated track records with the levy's target populations. Many outstanding, evidence-based programs are already in place in King County and could benefit from opportunities to expand their capacity or geographical service areas.
- The investment of levy funds will not be spread so thinly that the impact of these resources cannot be effectively measured and are not clearly evident to the residents of King County. Although there are numerous programs and populations that would benefit from an investment of levy resources, levy funds will be invested carefully to maximize their impact in selected areas. The levy should, ideally, seek to do a limited number of things really well, as opposed to trying to do too many things not well enough.

Investment Framework

The investment formula that has been provided to guide expenditures of levy resources (see Table 1), identifies the funds to be allocated according to two general categories of target populations: "Veterans" and "other people in need." The Department of Community and Human Services (DCHS) has been specifically instructed to maintain two separate funds to track spending for these two groups. Within these two funds, the resources made available by the levy fall into three distinct investment categories.

One-Time Investments: King County began collecting levy funds in January of 2006. As this first year of funding accrues, it creates a pool of money that provides the opportunity for a significant, one-time investment. These investments must be in areas or activities that will benefit from a single, large infusion of resources without requiring ongoing, annual investments to maintain them. One-time investment areas can include such things as housing, other capital expenses (e.g., outreach vans, equipment, etc.), information sharing technologies, planning initiatives to promote collaboration and integration, activities related to the development and implementation of oversight, and evaluation and accountability structures.

Ongoing Housing and Service Investments: The vast majority of the levy funds available on an annual basis are dedicated to the addressing the health and human service needs of the three target populations that have been identified through the process of creating the Service Improvement Plan. These are:

- Individuals and families experiencing long-term homelessness,
- High risk children and their families, and
- At risk veterans and their families.

Infrastructure Investments: The levy contains a provision to permit an ongoing, annual investment of up to \$1 million for capital and one-time expenses. These funds, similar to those of the first year, can be used to increase the availability of housing for the levy's target populations, to acquire equipment or expertise needed to more effectively deliver services, to enhance the management structures needed to help King County move towards a more systematic, regional approach to human services management, service investments, and other related strategies.

The first set of tables in the following section of this report provide general information about the recommended investment of levy funds organized into these three categories.

Cross-Cutting Service Delivery Models

Despite the clarity of the model in which two funding streams are dedicated to guiding levy activities for two different target groups, the levy's target populations are not always separate and distinct. In fact, many individuals in one group are struggling with a number of problems or difficulties that would qualify them for membership in a second or even all three of the target populations. For example, some veterans struggle with long-term homelessness; some high-risk children are homeless, or have a parent who is a veteran, etc.

Despite the reality that many families in need are struggling with multiple problems simultaneously, all too often, existing service

systems are designed as if an individual or family has only one problem, (e.g., mental illness, addictions, homelessness, etc.), and find it difficult to effectively address the multiple needs presented by our most vulnerable County residents.

Because levy funds are, by nature, a highly flexible resource, the levy provides a unique opportunity to address this problem of systems fragmentation. Levy resources can be used to fill in service or housing gaps created by the fragmented “silos” of funding that comes from other sources. For example, the levy funds could provide:

- Services to individuals and families that might be excluded by restrictions in other funding streams (e.g., those with a criminal history).
- Bridge funding to address gaps in eligibility for existing services (e.g., the provision of mental health treatment to individuals not yet enrolled in Medicaid).
- The “glue” that binds other fragmented funding streams together to ensure a holistic approach to a client’s multiple needs (e.g., bringing employment services and veterans services together to meet the needs of veterans who are having difficulty finding work).

Using levy resources to decrease systems fragmentation is a core principle of the Service Improvement Plan. The final table in the following section of this report illustrates one way of demonstrating the interlocking nature of many of the funding allocations that have been recommended as part of the Service Improvement Plan. This table seeks to show how levy investments that reach across target populations and service systems will help to overcome some of the existing fragmentation that prevents individuals and families from accessing the full range of services they may need.

First Year, One-Time Investments

The levy funds that have accrued during 2006 provide the opportunity for a single infusion of resources into critical areas related to the needs of the selected target populations. Accordingly, the Service Implementation Plan recommends expenditures of these one-time funds in the following general areas, as outlined in the tables below.

**Table 3
Recommended Expenditures for First-Year, One-Time Levy Funds
Target Population: Individuals and Families Experiencing Long-Term Homelessness
DRAFT: Dollar Amounts Are Estimates Only (in Millions) - Actual Budget Detail In Development**

Target Population: Individuals and Families Experiencing Long-Term Homelessness	
Total Allocation for this Target Population	
\$5.8	
Investment Area	
Housing	<p>Develop new permanent housing units: The 10-Year Plan to End Homelessness identifies a high level of need for the creation of more than 9,500 units of housing for people who are homeless. The levy will become a major investor in the 10-Year Plan, with a specific focus on housing for long-term homeless individuals and families, including veterans.</p> <p>Explore strategies to reduce barriers to housing for persons with criminal justice system history: Some housing subsidies carry eligibility restrictions for individuals with histories of criminal justice system involvement. The flexibility of the levy funds allows the use of these funds to promote housing opportunities for this group.</p> <p>Develop system for limited housing inventory management: King County still lacks a real-time system for identifying housing that is immediately available, especially for individuals with histories of long-term homelessness. Levy funds could seek to be an investor in developing a methodology for tracking the availability of housing units on a day-to-day basis.</p> <p>Landlord Risk Reduction Fund: Many private sector landlords are reluctant to rent units to individuals with poor rental backgrounds or histories of homelessness. A risk reduction fund that allows landlords to recoup losses related to delinquent rents, damage to units, etc. can be an incentive for more private sector landlords to rent to a higher risk group of tenants. (A parallel fund is proposed for veterans. See below.)</p>
Outreach & Engagement	<p>Outreach vans for Seattle and South King County: With more than 9,000 people homeless in King County on any given night, providing outreach and engagement services to this population is a critical area of need, especially in Seattle and South King County, (where long-term homelessness is a growing phenomenon of great concern to the local community). Because transportation issues – both for outreach workers and for individuals who are homeless – are a significant barrier to service access (especially in South King County), one-time funds could help to fund the acquisition and operation of additional vans targeting this population.</p>

Invest in Safe Harbors start up to improve sharing of client data, including consultation: Safe Harbors remains our regions best hope at creating a functional Homeless Management Information System (HMIS). One-time levy funds can assist in both start-up costs that have been encountered by Safe Harbors providers, as well as programming enhancements to the Safe Harbors HMIS that can be used to inform ongoing activities related to coordinated outreach targeting the highest users of services who are homeless (see ongoing levy investments, below).

Investment Subtotal

\$4.4

System Design, Training, Cross-Systems Collaboration

Provide support to the design and development of regional human services, which will coordinate resources at a regional level, supporting local planning and strategy implementation:

Many different planning bodies, such as the Regional Policy Council, have called for greater coordination in the organization and management of housing, health and human services across King County. One-time levy funds provide an opportunity to invest in further exploration and planning of the feasibility and possible structure for this regionalized approach to human services management.

Consultation and training related to protocols and policies for Release of Information (ROI) and sharing of patient information:

Many providers in King County encounter constraints related to information sharing that are related to statutory and regulatory policies and procedures, including HIPAA and 42 CFR Part 2. Through the use of expert legal consultation, service providers in other parts of the nation have begun to improve information sharing protocols that are within the constraints established by law. The Levy has the capacity to use one-time funds to bring this expert legal consultation to King County.

Develop or adapt basic assessment tools for adults, youth and families to be used by all human service and housing providers across the County:

Communication, referrals and collaborative service activities among providers throughout the region remains constrained by the absence of consistent screening and assessment tools for adults, youth and families. Using one-time levy funds to help stimulate a more consistent and uniform approach to the screening and assessment process will help to reduce barriers to efficient and accurate cross-agency and cross-system communications.

Design or adapt collaboration training to enhance cross system partnerships, ensure cultural competency and address disproportionality in the areas of homelessness, child welfare and the criminal justice system that negatively impacts people of color:

King County does not yet make effective use of the ethnic and minority service providers who have developed effective service delivery models for the highly diverse populations of the region. Levy funds could help these providers to create training and consultation relationships across agencies to promote improved service delivery to all residents of King County. In addition, system efforts must promote addressing the larger issues of institutionalized racism and disproportionality.

Mobilize a planning process for a coherent system of care for youth 18-21 aging out of foster care, juvenile justice and other systems serving youth:

The gap in housing, services and supports for individuals between the ages of 18 and 21 remains a critical issue in King County. The levy can invest in a planning process to conceptualize an integrated approach to the needs of youth especially those leaving foster care but not yet able to access services and housing in the adult systems.

Conduct a baseline analysis of data from DCHS, jail, courts, etc., that provides a detailed profile of offenders with mental illnesses and co-occurring disorders: Systems planning efforts linked to a number of different legislative initiatives and funding streams require accurate and complete information about the treatment and service needs of people exiting the criminal justice system, especially among those who are at risk for or are experiencing homelessness.

Investment Subtotal **\$1.0**

Evaluation

Design evaluation process, data elements, systems for data collection, trainings etc.: One-time levy funds will be critical to the development and mobilization of the overall evaluation of the levy itself. It will be essential to begin evaluation activities as early as possible during the life of the levy, in order to ensure collection of baseline measures that enable the evaluation to accurately track the impact of levy investments over time.

Investment Subtotal **\$0.2**

Other Activities

Provide Treatment for Parents involved with the King County Family Treatment Court for Child Dependency Cases: This critical program faces a one-year funding gap as new funding streams are put in place to secure its stability over time. The levy can provide a critical one-time support for the treatment services provided under the jurisdiction of this court over this critical bridge period between ongoing funding streams.

Investment Subtotal **\$0.2**

Investment Subtotal: Individuals and Families Experiencing Long-Term Homelessness	\$5.8
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Table 4
Recommended Expenditures for First-Year, One-Time Levy Funds
Target Population: At-Risk Veterans and Their Families
DRAFT: Dollar Amounts Are Estimates Only (in Millions) - Actual Budget Detail In Development

Target Population: At-Risk Veterans and Their Families		
Total Allocation for this Target Population		\$5.8
Investment Area		
Housing	<p>Landlord Risk Reduction Fund for Veterans: Many private sector landlords are reluctant to rent units to individuals with poor rental backgrounds or histories of homelessness. A risk reduction fund that allows landlords to recoup losses related to delinquent rents, damage to units, etc. can be an incentive for more private sector landlords to rent to a higher risk group of tenants. Dedicating levy funds to a risk reduction fund specifically dedicated to veterans will help King County to ensure that individuals with histories of military involvement, including those recently returning from active duty in the Middle East, will be able to access the safe and decent housing they deserve. (A parallel fund is proposed for long-term homeless populations. See above.)</p> <p>New permanent housing units: See above. Because veterans represent a significant percentage of individuals who are homeless in King County, an investment of levy resources in permanent housing set-asides for veterans will be a particularly valuable use of levy funds.</p>	
	Investment Subtotal	\$4.5
Outreach and Engagement	<p>Veterans Program mobile office vans: Only downtown Seattle has a full-service King County Veterans Program office. Yet veterans in need of services are located throughout the County. By locating a team of Veterans Program Staff in South King County (see ongoing investments, below), the presence and visibility of the Veterans Program in another part of the county will be greatly enhanced. By making this team mobile, its “reach” will be extended even further into South and East King County. The acquisition of vans and the outfitting of “mobile veterans offices” will increase access to veterans services to those men and women who have difficulty accessing the existing Veterans Program downtown, or the planned office in South King County.</p>	
	Investment Subtotal	\$0.2
Investment Subtotal: At-Risk Veterans and Their Families		\$4.7
Available Resources for Additional Projects		\$1.1
Total Investment of All First Year, One-Time Funds		\$11.6

Ongoing Housing and
Service System
Investments

In years two through six of the levy, approximately \$13.3 million in levy funds will be collected annually. Approximately \$12.3 million will be made available for ongoing investments in the housing and service systems to help meet the needs of the three levy target populations. The Service Implementation Plan recommends expenditures of these ongoing funds in the following general areas, as outlined in the tables below. It should be noted that these figures do not represent final allocation amounts, as the actual amount of the funds available will be determined by multiple factors, including the amount of levy funds actually collected, the corrections required to address the impact of inflation, cost of living adjustments, etc.

Table 5
Recommended Expenditures for Ongoing Levy Funds (Non-Infrastructure)
Total for Years 2-6 (in 2006 Dollars)
DRAFT: Dollar Amounts Are Estimates Only (in Millions) - Actual Budget Detail In Development

Population: Individuals and Families Experiencing Long-Term Homelessness

1. **High intensity coordinated entry and outreach:** A range of outreach and engagement services is currently available to individuals experiencing homelessness, primarily in downtown Seattle. Enhanced coordination across these outreach programs, combined with a focused effort to identify and engage the 200-400 highest users of emergency services, will provide opportunities to link existing programs, increase their efficiency and effectiveness, and achieve improved outcomes in their collective efforts.
2. **Support mobile outreach vans in Seattle and South King County:** The levy can provide an investment in the staffing and support to transform existing mobile outreach activities (such as the Emergency Services Patrol), into a more effective, countywide resource. This will require expanding target populations, geographic service area, hours of operation and the configuration of services, treatment and housing linkages provided.
3. **Integrate Mental Health/Chemical Dependency treatment staff at Public Health and Community Health Clinics to promote integration of primary care and behavioral health including treatment for Post Traumatic Stress Disorder (see also similar strategy for Veterans):** Many individuals who are homeless, (as well as many veterans) seek primary care services at the Community Clinics and Public Health Centers located across King County. Many of these individuals have significant mental health and substance abuse treatment needs, but eligibility and capacity restrictions in the existing treatment systems make access to treatment difficult. The integration of behavioral health services in places where people already seek care will increase access and enable the clinics to become more effective at addressing the full range of health care needs presented by many of their clients. It is expected to also reduce the use of emergency and crisis response systems that are a currently a principle source of behavioral health treatment for many of the long-term homeless.
4. **Contribution to Safe Harbors training and technical assistance costs for providers:** See one-time investments, above. Participants in the Safe Harbors HMIS system require ongoing training of staff to ensure their participation in this critical activity. Creating a fund to support the training and technical assistance needs of agencies providing services to people who are homeless will increase the accuracy and completeness of the data provided to our system about homelessness that can be used to inform planning, funding and program development activities. The size of the investment in this area will decrease over time, as provider participation in Safe Harbors becomes more familiar and routine.

5. **Investment through coordinated RFP for supportive services and operating costs for current and new permanent housing:** Through the important work of the Supportive Housing Funders Group, the region has begun the process of braiding the multiple sources of funding for permanent supportive housing. This braiding process will make applying for and managing funds for housing easier to achieve at the provider/direct service level and will streamline our system's capacity to mobilize and maintain a range of housing options for individuals experiencing homelessness. The levy funds will become a major investor in this effort.
6. **Invest in 2 teams of health and behavioral health providers for regional services to supportive housing:** Many formerly homeless tenants in supportive housing are at increased risk of losing their housing when primary care and behavioral health issues emerge and/or worsen over time. Many of these tenants are unable to access needed services away from their homes. By providing these crucial health care services to individuals in their homes, housing evictions can be reduced and future episodes of homelessness can be prevented. Based on a preliminary review of EMS data, it appears that a reduction in EMS calls and use of the Harborview Emergency Department should also occur.
7. **Invest in application for state 2163 funds for operating beds for jail discharges and discharge from Harborview Medical Center or medical respite to transitional or permanent housing:** The region is currently developing applications to capture the 40% of 2163 funds that are held at the state level and will be disbursed through a competitive grants process. Providing unrestricted local dollars as a match to help leverage these funds can increase the attractiveness of King County's application for these funds.
8. **Invest in Taking Health Care Home Initiative including an ongoing boundary spanner position to support service models integrating employment, housing, and treatment:** The Taking Health Care Home initiative, under a four-year grant from the Corporation for Supportive Housing, has begun to identify the need for greater linkages and working relationships across the housing, employment and treatment systems. A major plan to be released in the summer/fall of 2006 will identify a number of key strategies to address this area. Mobilization of this plan will require multiple investors, as well as the flexible funds required to promote the "boundary spanning" activities crucial to cross-systems collaboration. Flexible levy funding can help meet the needs of this multi-system effort.
9. **Support training programs for trauma sensitive and trauma informed services at jails, hospitals, shelters etc.:** While there are numerous outstanding providers of specialty services to trauma survivors in the veterans, sexual assault and domestic violence arenas, many mainstream service providers in the mental health, addictions, primary care and criminal justice systems are not yet able to offer trauma-informed services to their clients. Training funds provided by the levy could help to promote increased activity among mainstream systems to ensure trauma-sensitive services by utilizing existing local expertise to train service providers in other settings. (See also behavioral health strategies for Veterans.)
10. **Link organizations that are good at housing search & advocacy to Criminal Justice System and increase their capacity to serve offenders:** Local providers of service to people who are homeless have developed highly effective housing placement strategies for their clients. Sharing this expertise with service providers in the criminal justice system and those working with clients exiting correctional settings, will help reduce episodes of homelessness among those recently released from these institutions.

Subtotal of 2007-2011 Levy Expenditures

\$ 20.4

Population: Families with Criminal Justice Involvement

1. **Provide service enhancements for single parents and children exiting the criminal justice system:** King County already makes major investments in services and housing for families with young children who are exiting correctional settings and seeking to regain stability in the community. In order to ensure the viability of programs targeting this population, additional service enhancements to support parents and children being reunited after periods of incarceration are essential. Levy funds provide an ideal opportunity for additional investments in this area.
2. **Invest in Permanent housing placement supports for women with children exiting transitional housing, in partnership with Sound Families, WFF, and King County Housing Authority:** Families with children who are leaving post-incarceration transitional housing placements need assistance in securing and stabilizing their lives in permanent, community-based housing. The levy will invest in promoting the success of these families, over time, through providing funds to support housing placements and continuing supportive services.
3. **Invest in employment programs, including those linked to Taking Health Care Home strategies:** The Taking Health Care Home initiative (see above) has identified individuals exiting the criminal justice system – especially those with young children – as one of the most important groups to help secure and maintain employment. As the THCH plan is released, the levy will become a major investor in the recommendations provided.

Subtotal of 2007-2011 Levy Expenditures**\$ 2.6**

Population: High Risk Children and their Families (Early intervention and prevention services only)

1. **Expand Best Beginnings (nurse family partnership) into South King County and add linkages to employment opportunities:** Best Beginnings is a well-established program for single first time mothers, many of whom are teens, which has been demonstrated to have long term impact for children and families including reduction in child abuse, parental arrests, use of public assistance, use of emergency services and success of children in school. Levy funds will be used to expand the program to high-risk mothers in south King County.
2. **Pilot evidence based practices interventions for maternal depression in 5 sites in North, East, and South King County and Seattle:** (this can link to other behavioral health strategies in community health and public health clinics). Maternal depression occurs more frequently in low-income mothers and is linked to poor mother-child interactions needed for healthy child development, as well as to infant neglect and abuse. The pilot project will test interventions at the community level, and if successful, will be replicable to other clinics where mothers at risk are likely to come for care.
3. **Expand the availability of the evidence-based practices for training for childcare providers and family case managers of children 0-8:** A relatively small investment of Levy funds can greatly increase the capacity of proven programs available in King County, including the Incredible Years and Promoting First Relationships. Both of these programs train childcare providers and others in contact with young children and their families to promote healthy child development.
4. **Invest in Family Resources Navigator/Coordinator program for immigrant families in East King County:** A pilot program to use multi-lingual community members help immigrants and refugees navigate services and systems has been proposed. A moderate levy investment can help test the effectiveness of this approach to improving access and the cultural competency of services.
5. **Invest in a community based home visiting program in East King County:** Expand the capacity to serve immigrant and refugee families in culturally competent ways. This may provide an opportunity to compare different models for family support in the home by comparing intermediate outcomes to those of Best Beginnings.

Subtotal of 2007-2011 Levy Expenditures**\$ 6.9**

Population: At Risk Veterans and their Families (in addition to veterans experiencing long-term homelessness)

1. **Integrate MH/CD staff at Public Health and Community Health Clinics to promote integration of primary care and behavioral health, including PTSD (see also Veterans):** See above. As veterans are among those populations making regular use of both Community Clinics and Public Health Centers and often present with significant behavioral health issues, enhancing the capacity of the primary care system to provide these services to veterans will increase their effectiveness and reduce use of more costly and less appropriate emergency services.
2. **Invest in co-location of veteran system navigators and eligibility specialists at HCH, Public Health and Community Health clinics:** Often, Veterans in need of more specialized care that could be provided by the U.S. Department of Veterans Affairs Medical Center present at Public Health Centers and Community Clinics because they either cannot or will not make use of the highly complex and difficult-to-access VA system. By placing expert veteran system navigators and eligibility specialists at existing primary care centers, access to these federally-funded services will be increased.
3. **Train behavioral health providers across multiple systems to evidence-based practices for Post Traumatic Stress Disorder, using existing expertise from KC Vets, SA Resource Centers, HMC etc.:** See discussion above. The King County Veterans Program, the Harborview Center for the Treatment of Sexual Assault and Trauma and the King County Sexual Assault Resource Center all have exceptional competency in the treatment of trauma. Increasing access to their expertise among mainstream providers in the form of training, consultation and technical assistance will promote greater competency in this area among a broad range of mainstream providers.
4. **Co-locate KC Veteran's Program staff at Renton Work Source for outreach throughout South and East County, case management and referral:** The Renton Work Source program provides a major opportunity for creating a visible Veterans Program in South King County. Co-locating this service at an existing Work Source site will also help to increase the linkages between veterans services and employment programs for veterans in need of assistance with employment.
5. **Operate 2 Mobile Veteran's Center Vans serving South, North and East King County using Veterans Program staff from Seattle and Renton locations:** With a base of operations in South King County and an outreach service offering a "mobile veterans office on wheels," the Veterans Program staff based at the Renton Work Source program can become a valuable veterans resource for veterans throughout King County who have difficulty accessing site-limited veterans services.
6. **Provide dedicated '211' phone resource for Veterans:** By building on the existing locally-based services provided by the Crisis Clinic and the new co-located "211" program, King County has the opportunity to create a specialty "Dial-a-Vet" program. This program, staffed by existing Crisis Clinic/211 operators who receive specialty training on accessing services for veterans, might offer a special phone number for veterans to call to receive assistance.
7. **Provide training for community providers on VA services and linkages:** For many agencies funded with state and local resources, (as well as some agencies funded by federal dollars), the federal Veterans Program remains a complex and impenetrable resource. Working with the VA to increase the knowledge of VA resources that are available and strategies to link to these resources, providers throughout King County will be able to increase the use of these critical resources by their clients.
8. **Provide housing stability program for Veterans (homelessness prevention):** Many veterans who are recovering from long-term homelessness or seeking to promote their housing stability require occasional assistance with meeting rent, utility and other housing obligations in order to avoid eviction. Providing access to limited funds for veterans on an as-needed basis can provide a significant service to prevent homelessness among members of this group.

Subtotal of 2007-2011 Levy Expenditures

\$21.7

Other Supportive Investments

1. **Ongoing Evaluation:** Evaluation of the levy on a continuing basis will be critical to shaping investment decisions, identifying the impact of levy funding over time and informing the general public about the value of levy resources in the King County community.
2. **Implement assessment tools across systems through training and contractual requirements:** See above. Moving King County towards more standardized screening and assessment activities for the levy's target populations is a critical systems-level need.
3. **Ongoing support of collaborative efforts through training, coaching and the use of designated service and systems level "boundary spanners":** Promoting effective activities that reach across multiple systems requires ongoing "boundary spanning" work at both the systems and service level. These boundary-spanning roles provide the glue that helps to ensure a consistent, regionalized approach to human service management as well as expertise in promoting cross-system relationships at the direct service level. Few entities that fund the existing set of "siloed" are willing to bear the expense of these dedicated boundary spanner roles. The flexibility of levy funding allows local and regional service systems to fill this gap.
4. **Planning and seed money for pilots (funds available to be determined):** A certain portion of levy funds will be set aside for planning activities and pilot projects that are developed over time. This pool of resources will allow the levy to be nimble and quick in its response to emerging priorities and program concepts over time.

Subtotal of 2007-2011 Levy Expenditures (in Millions)	\$ 1.7
Administrative Overhead (in Millions)	\$ 2.5
Total Investments for 2007 – 2011 (in Millions)	\$55.8

Year 2-6
Infrastructure
Investments

In addition to the first-year funds set aside for one-time projects, during years 2-6, the levy authorizes setting aside up to \$1 million annually for additional investments in infrastructure to support the target populations. Infrastructure expenditures can include items such as permanent housing, information systems, administrative entities that enhance access to and quality of housing and services, training and technical assistance, consultation on specialized topics, etc. The table below provides a list of some of these possible investment areas. Because of the importance of ensuring flexible funds are available for projects and activities identified in future years, a significant portion of these funds may be left undesignated and available for allocation as system priorities and strategies shift over time.

Table 6
Recommended Expenditures for Infrastructure Investments in Years 2-6 (in 2006 Dollars)
DRAFT: Dollar Amounts Are Estimates Only (in Millions)
(Actual Budget Detail In Development)

Activity Areas	
Invest in permanent housing opportunities for families with children transitioning out of Passage Point:	See above. Ensuring the families leaving Passage Point have access to permanent, community-based housing is critical to the success of this new endeavor. Levy funds will be joined with other investors to ensure access to housing for this group.
Housing stock/bed inventory management system for whole County:	See above. Creating a real-time system to identify available housing units in King County for people exiting homelessness is a key missing component of the existing supportive housing system.
Invest in development of coordinated entry services, case management for highest risk families in partnership with Sound Families & Washington Families Fund:	Existing programs such as Sound Families and WFF are seeking additional investors to join in the task of creating a coordinated entry process linking at-risk families to housing, case management and other supportive services they need to maintain housing tenure. Such a process is particularly critical for those families that have difficulties achieving stability with the current level of supports provided in programs such as Sound Families. Enhancing the infrastructure that can create this supportive service safety net for these most challenging families would be a welcome investment of levy resources.
One time planning, training & service design efforts, to be determined:	See above. Setting aside a small portion of levy infrastructure funds for new and emerging concepts will provide resources for emerging concepts and will ensure the levy remains a flexible and creative investor in King County.
Subtotal (in millions)	\$ 2.1
Total Available for Additional Activities (in millions)	\$ 2.9
Total Investments for 2007-2011 (in millions)	\$ 5.0

Overarching
Strategies

The table that follows illustrates a different way of organizing the levy investments being recommended as part of the Service Implementation Plan. In this table, expenditures of levy funds are organized by overarching strategies rather than by specific target populations. Investments in a given overarching strategy have the capacity to reach individuals and families in some or all of the target groups, thereby overcoming the barriers of existing systems-level fragmentation. This method of presentation of levy investments seeks to demonstrate the way in which levy funds, because of their flexibility, can be used to help promote true systems-level integration of service activities in King County. It should be noted that the total figures for this table do not necessarily add up to the total levy resources available for investment; the dollar amounts here are limited to recommended allocations that fit into a number of identified strategies reaching across target populations and systems. It should also be noted that, because of the way in which they are organized here, these overarching strategies do not reflect the impact of these or other levy-funded activities in different geographic regions of the county.

Table 7
Recommended Expenditures Organized by Overarching Strategies (in 2006 Dollars)
DRAFT: Dollar Amounts Are Estimates Only (in Millions) - Actual Budget Detail In Development
See table above for more complete descriptions of these investment strategies

Overarching Strategies	Veterans	Long-Term Homeless	Families w/ CJ involvement	High Risk Children & Families	Total
Outreach and case management	\$2.7	\$6.0			\$8.7
Expand behavioral health services at Community Health Centers, Public Health Clinics, and health and behavioral health services in Health Care for the Homeless	4.0	3.2		4.0	11.2
Invest in supportive services and operating costs of permanent housing		7.5	.4		7.9
Invest in linkages of employment to treatment, housing and prevention	10.0	1.2	.3	.3	11.8
Improve assessment and treatment of PTSD	1.2	.3			1.5
Build client, program and system linkages across Veterans and non-Veterans services, and between housing, criminal justice, employment and treatment programs	2.0			.2	2.2
Assumed leverage from other public and private sources of funds	1.8	3.2	.4		5.4
New permanent housing units	4.0	4.0	.4		8.4
Invest in expansion of existing evidence based programs for supporting healthy early childhood development				2.9	2.9

Section V: Management Plan

Levy Oversight **King County is charged with responsibility for oversight of all activities related to the Veterans and Human Service Levy.**

Advisory Boards The Levy Ordinance identifies the mechanisms that will guide the allocation and expenditure of levy funds. These include two new advisory boards, the *Veterans' Citizen Oversight Board* and the *Regional Human Services Oversight Board*. These citizen boards, nominated and appointed through a process that involves the King County Council and Executive, are charged with monitoring and reviewing levy expenditures and reporting annually to the King County Executive. Their reports can include recommendations concerning changes that may be needed to ensure the best possible use of levy funds.

Although it is essential to maintain a clear understanding of the specific services being targeted to veterans with levy funds and to have an advisory board with specialized expertise on veterans issues, it will also be important for the two boards to communicate with each other on an ongoing basis. Many of the services funded with levy resources not targeting veterans will be serving veteran populations who receive services from the mainstream system.

Recommendation To support this communication and to be in line with the criteria to reduce fragmentation, the consultants recommend that a Levy Oversight Executive Committee be established and be made up of members from both the Veterans' Citizen and Regional Human Services Oversight Boards. This group should meet regularly to ensure careful coordination across the two "arms" of levy activities. In addition, the consultants recommend that the full Oversight Boards hold a joint meeting each year to promote ongoing communication and collaboration.

Coordination with Other Efforts

The \$13.3 million of Veterans and Human Services Levy funds represents only a small fraction of the estimated \$350+ million of local, state, and federal resources for housing, health and human services for veterans and other people in need that flow into King County each year.¹¹ These funds support a range of activities targeting different populations throughout the county. Many of these activities have been designed and implemented to meet the specific and unique needs of county residents that vary by geographical area, age, disability, gender, and ethnicity.

¹¹ This estimate is based on figures research being conducted under the auspices of the King County Regional Policy Committee, using 2004 financial data.

It is critical to ensure that these multiple, different funding streams are managed in the most efficient and effective possible ways to best meet the needs of King County residents. This goal presents a significant set of challenges. Many of the existing funds that flow into King County from local, state and federal funding streams arrive in separate and distinct “silos” that restrict access to specific populations and prevent the successful integration of different funding streams. This leads to a high level of fragmentation at the systems level and frustration at the client level when services are separated and configured to reflect distinct and limited categories of assistance, rather than integrated or ‘braided’ funding which can be used to address the array of human needs that clients may identify.

It is precisely because of these funding “silos” and the challenges of managing service delivery in such a large and diverse region that the three core criteria for the Service Implementation Plan were developed. (See Section II.)

Oversight of levy-funded programs and services must not be conducted in isolation from the larger arena of housing, health and human services provided in King County. On the contrary, the levy provides a unique opportunity to create and promote an improved regional vision that enhances our region’s ability to challenge existing fragmentation and move our system towards effective regional management of housing, health and human service resources.

Recommendation

In order to achieve this vision, the consultant team recommends that the task of managing levy funds be used to model how King County could move forward to promote an integrated approach to a broad range of resource management activities.

Envisioning effective regional management of housing, health and human service programs is nothing new. In fact, there are numerous, recent and current groups and efforts in King County seeking to improve the ways in which local and regional resources are managed. Many specifically target housing and human service activities. These include, for example:

- The King County Regional Policy Committee
- The Framework Policies for Human Services
- The 10-Year Plan to End Homelessness (King County Committee to End Homelessness)
- The Taking Health Care Home Initiative
- The Supportive Housing Funders Group
- The King County Criminal Justice Initiative

The levy Service Implementation Plan must seek to be carefully aligned with these and other groups and efforts.

The Plan sets aside a small amount of funding for the development of a cost-efficient, regional approach to the management of housing, health and human service funds that is easy to understand from the perspectives of:

- The government and philanthropic agencies that fund services,
- The community agencies charged with delivering services, and
- The individuals and families who may be seeking to access services.

The potential impact of this planning effort would reach far beyond the management of levy funds. The levy provides an opportunity to enhance alignment across larger systems and an infrastructure to help move King County towards more effective regional management of housing, health and human service resources. By integrating management of the levy with the larger constellation of housing, health and human services funded by King County, a new model for a regional human services authority for King County can be developed, tested, refined and put into practice.

What is Systems Integration?

Systems integration occurs when, across multiple systems responsible for the delivery of housing, health and human services, there is sharing of:

- *information*
- *planning*
- *clients*
- *resources*
- *responsibility*

Components of this new regional system could include:

- Increased consolidation or “braiding” of funding from multiple systems and funding streams.
- Single application processes for access to multiple sources of funding.
- Streamlined fiscal reporting requirements and oversight procedures.
- Integrated data reporting systems.
- Simplified outcome-based program evaluation activities rooted in simple and straightforward outcome measures agreed upon across multiple systems.
- A coordinated array of “one-stop shops” that reach across multiple systems and offer screening, assessment and intake procedures for clients regardless of their presenting complaint.
- Increased co-location of services for clients with multiple problems or needs.

Contracting

Levy resources are placed within the budget of the King County Department of Community and Human Services (DCHS). Program and fiscal staff working in the office of the DCHS Community Services Division will manage the oversight of the levy budget and negotiation and management of levy-funded contracts and services.

The housing, health and service activities described in this plan and funded by levy dollars will be provided through several different mechanisms, including:

- Enhancements to existing contracts with provider agencies doing business with King County.
- Contracts with community-based organizations for new services, subsequent to a competitive process based on a Request for Proposals (RFP).
- Ongoing contract monitoring and management activities.
- Inter-fund transfers between DCHS and Public Health/Seattle & King County to fund public health services.
- Staff additions to existing DCHS activities, such as the King County Veterans Program.

For investments of levy funds that require leveraged resources from other systems, working agreements and Memoranda of Understanding (MOUs) may need to be developed to address roles and responsibilities of each of the participating financial organizations.

Public Relations, Education & Engagement

The passage of the Veterans and Human Services Levy reflects the commitment of King County voters to ensuring the welfare of those who have served our nation in the military, as well as individuals and families in need of the support and assistance that can help them to regain stability in our community. The levy represents the responsibility of citizenship at its finest: those who are able provide helping hands to fellow citizens who are experiencing challenging circumstances in their lives.

As approved by the voters, the levy has a six-year lifespan. Because levy funds are coming directly from the taxes paid by King County property owners, the residents of King County have every right to expect that the funds will be invested thoughtfully, efficiently and effectively. During the life of the levy, it will be essential to provide regular information and updates to the voters about how levy funds are being spent and the results of the investments that are being made with levy resources. Outcome-related information must be rooted in data collected as part of the levy evaluation process (see below). In addition, stories about how levy funds have been able to make a difference in the lives of individuals and families must be communicated in King County publications and through effective use of the print and electronic media.

The most valuable communication with the general public about levy activities will serve several critical functions:

1. Community education about the needs of King County's veterans and other people in need of housing, health and supportive services.
2. Cultivation of community support for the projects supported by the levy and other similar initiatives, including the 10-Year Plan to End Homelessness.
3. Provision of information about what the levy has accomplished over time to assist the voters in making a decision in 2011 about whether or not to commit future property tax revenues to a renewal of the levy for another six years.

The overall communications plan for the levy will be developed and managed by DCHS through the levy staff working in the Director's Office. Other County resources that share responsibility for the work of communicating about the levy and its impact on the quality of life in King County include:

- Members of the Veterans' Citizen Oversight Board and the Regional Human Services Oversight Board,
- The King County Executive and members of the Executive's staff,
- The King County Council and members of Council staff,
- The King County Regional Policy Committee,
- The King County Department of Community and Human Services, and
- Public Health Seattle & King County.

Ultimately, it will be the improvements in the quality of life in King County that can be linked to the investment of levy resources and the effectiveness with which this information is communicated to the general public that will determine the future of any measure put before the voters to request continuing the levy for an additional six years.

Evaluation of Levy Outcomes

The effective evaluation of the programs and services funded by the levy will be a critical part of levy operations. Not only will evaluation help to determine the effectiveness of the work undertaken with levy resources; the evaluation will also provide the information the voting public needs to determine if future levies of this type merit their support.

The consultant team recommends the county conduct two different types of evaluation activities on an ongoing basis: A *process evaluation* and an *outcomes evaluation*.

Process Evaluation The *process evaluation* would examine the ways in which the work of implementing the levy is undertaken and managed, including:

- Initial startup activities,
- Development and management of contracts for services,
- Strategies to leverage and blend multiple funding streams,
- Implementation of working agreements,
- Service-level changes that occur as the result of efforts that promote co-location and integration of housing, health and supportive services,
- Systems-level changes that occur as a result of the use of levy funds or the management of levy and related resources,
- The activities of the Veterans' Citizen Oversight Board and the Regional Human Services Oversight Board, and
- Work undertaken to educate the general public about the levy and to disseminate information about its benefits to the larger community.

The goal of a process evaluation is not only to capture what actually happens as the levy is implemented and the community experiences the impact of the funding it provides, but to identify the “unintended consequences” of levy activities and the things that happen that either were not anticipated or were unusual in the ways that helped or hindered levy-related work.

The process evaluation is also an excellent tool for the creation of a continuing feedback loop as levy implementation moves forward. Areas for new efforts or the enhancement of existing activities can be identified to increase collaborative relationships, leverage additional resources, and make other needed “mid-course” adjustments and corrections. Evaluation activities of this type allow for increased opportunities to learn about and practice service and system integration strategies, while receiving ongoing information about the impact of various interventions on a real-time basis.

Outcomes Evaluation

The *outcomes evaluation* would examine the specific impacts of levy funding on clients and service systems that can be measured through the collection and evaluation of client and service-level data. Such outcomes might include:

- Decreases in homelessness, both among long-term homeless populations and veterans.
- Increases in housing stability and tenure among formerly homeless populations, including veterans.
- Decreases in use of emergency medical services by target populations.

- Decreases in rates of arrest and incarceration among target populations.
- Increases in use of existing facilities providing a range of social and health services by target populations, including veterans.
- Increases in family health among young families with infants who receive levy-funded services.
- Increases in school readiness among children entering kindergarten who have received levy-funded services.
- Increases in level of satisfaction with existing service system among target populations, including veterans.

All of these outcomes are described in language that reflects the capacity to measure the results of the investments made with levy resources. This type of measurement and evaluation would serve at least three important purposes, including the determination of:

1. The impact of levy funds on the lives of the recipients of housing, health and human services,
2. The impact of levy funds on the health and well-being of the larger King County community, and
3. The effectiveness of the service investments made with levy funds.

*Evaluation
Start Up*

It will be essential to mobilize both the process and outcomes evaluations before levy funds actually begin to flow into the service systems they are supporting. This will ensure the collection of baseline measures for the key indicators selected to determine the success of levy activities. Evaluation data should be used not only to evaluate the effectiveness of the levy overall, but to identify the efficiency and value of specific activities funded with levy resources. Evaluation data must be used to inform the ongoing decisions being made about the investment of levy resources. Funds should only be invested in those activities and programs that demonstrate the desired outcomes over reasonable periods of time. Programs that fail to meet their outcomes should be reviewed for either adjustment or termination. Continued investment of levy resources should not be made in programs that do not achieve their established goals.



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

To: Dave Ramsay, City Manager

From: Barry Scott, Purchasing Agent

Date: August 29, 2006

Subject: REQUEST FOR SOLE SOURCE PURCHASE AUTHORIZATION – ROAD RESCUE
MEDICAL AID UNITS

RECOMMENDATION:

It is recommended that the City Council authorize a “sole source purchase” for Road Rescue Medical Aid Unit from H & W Emergency Vehicles as replacement vehicles for the years 2007, 2008, 2009 and 2010.

POLICY IMPLICATIONS:

This request is consistent with KMC3.85.040, which allows for the purchase of items in excess of \$20,000 without competitive bidding if the “purchase is clearly and legitimately limited to a single source of supply”.

BACKGROUND DISCUSSION:

Per the attached memo from Deputy Chief Jack Henderson, the Fire Department is recommending the Road Rescue Type III Supermedic Aid Unit continue to be the City's standard aid unit.

The City Council provided sole source authorization for two (2) Road Rescue Type III Supermedic Aid Units in August 2004. That sole source authorization was also based on a need for the continued standardization of Fire Department aid units.

I have verified that H & W Emergency Vehicles remains the exclusive dealer for Road Rescue vehicles for the states of Alaska, Idaho, Oregon and Washington.

The pricing proposal for the 2007 Road Rescue aid unit is for \$110,260 and is only .5% more than the price of \$109,692 purchased in 2004. Price proposals for aid units in 2008, 2009 and 2010 will be evaluated to ensure that any increase to pricing is reasonable and fully justified. If a proposed price increase is deemed to be unjustified and cannot be further negotiated, a Request for Proposals will be issued to seek competitive pricing.

cc: Jack Henderon, Deputy Fire Chief



CITY OF KIRKLAND

Fire & Building Department

123 Fifth Avenue, Kirkland, WA 98033 425.828.1144

www.ci.kirkland.wa.us

MEMORANDUM

To: Barry Scott, Purchasing Agent

From: Jack Henderson, Deputy Chief (Operations) Fire & Building Department

Date: August 25, 2006

Subject: Request for Sole Source Authorization – Aid Vehicle

Fire operates 6 “front-line” aid vehicles (ambulances) which are assigned to each of the City’s 6 fire stations. A 7th aid vehicle is maintained in a “reserve” or “back-up” capacity, and is always the oldest aid vehicle assigned to the department. In 1997, the Fire Department recognized the distinct advantages of standardizing its aid vehicles. Aid vehicles periodically change station assignments, and firefighters are moved between stations on a daily basis to facilitate adequate staffing. The standardization of aid vehicles contributes to improved patient care and personnel safety due to uniform design on operating controls, compartment design, and overall handling.

In 1997, Fire began an initiative to standardize its aid vehicles or ambulances. After extensive research was conducted on aid car manufacturers and dealers, the Road Rescue aid unit, represented by their Pacific Northwest dealer, H&W Emergency Vehicles of Hillsboro, Oregon, was selected as the department’s desired prototype aid vehicle. The first Road Rescue, unit number **F309**, was delivered to Kirkland on 1/23/1998, as a result of “piggybacking” on a bid award by the City of Hoquiam. It should be noted that aid vehicles, much like fire pumpers, are custom vehicles with features designed for specific needs. These features change over time, many changes coming through operational experience, and many more resulting from advancements in technology. Accordingly, each aid unit is unique in varying degrees, and currently, a vehicle will take from 10 to 11 months from the date of order to delivery.

Based on positive practical experience with **F309**, a single “Request for Proposal” (RFP) was issued for new aid vehicles in 1999 and 2000. We received two other approved requests for Sole Source Authorization (Aid vehicles) to achieve the goal of standardization. This course of action has worked very well for the department and the City of Kirkland.

At this time, all 6 of the City’s 6 front line aid vehicles have been standardized, and we are starting to replace the frontline fleet according to schedule. The department is utilizing the same requirements for standardization as originally set forth in 2004.

The oldest front line aid vehicle, unit number **F310**, is scheduled for replacement in 2007. Its replacement aid vehicle will be designated F316. Three more units are scheduled for replacement in the following consecutive years of 2008, 2009, and 2010. Our request is for this Sole Source Request to cover these 4 units. After the aid vehicle replacement in 2010, we intend to initiate a new bid process for future vehicles.

In a letter from H&W Emergency Vehicles dated 7/1/2004, H&W offered a price of \$113,392.00 (pre-tax) for what has become the Kirkland standard for a single vehicle purchase. When the options for delivery (\$1900) and a factory inspection trip during construction (\$1800) are deducted (Kirkland has historically arranged for delivery and

on-site construction inspections on its own, and has not included these options in the price of the vehicle) the balance price of the last purchased aid car, **F315**, was \$109,692.00 before tax.

In a letter (attached) from H&W Emergency Vehicles, dated 6/7/2006, the quoted price for the next unit is \$110,260.00. This represents only a \$600.00 (0.54%) increase over the last Aid vehicle ordered in 2004.

In addition, according to the Fleet Management Division, the standardization of the design of operating controls, compartment design and features, and complex auxiliary electrical systems for all aid vehicles significantly simplifies preventative maintenance and repairs. These savings and efficiencies reduce the time required by the City's Emergency Vehicle Technician in troubleshooting and diagnosing problems, the stocking of inventory parts, and the ordering of parts. It should be noted that the standardization of aid vehicles does not tie the City to a specific vendor for repairs and maintenance during the life of a vehicle. H&W Emergency Vehicles and Road Rescue perform primarily warranty work, with approximately 95% of labor for repair and maintenance being performed in-house by the Fleet Management Division, and 95% of parts being purchased from approximately 30 vendors unrelated to the manufacturer.

The designation of H&W Emergency Vehicles as a sole source, in this instance, would continue "best practices" initiative by Fire to standardize all front-line aid vehicles, and would ensure that this standardization is maintained in the near future. Favorable pricing has been offered, based on the clear benchmark of 2 successful proposals tendered by H&W Emergency Vehicles in response to the last 2 call for bids by the City of Kirkland.

Director of Fire & Building Department_____



H&W Emergency Vehicles



Emergency Vehicle Specialists
www.hwev.com

Corporate Offices & Factory

3150 SW 234th Avenue Suite 100
Hillsboro, Oregon 97123
Phone 503-848-3276
Fax 503-848-0848

Alaska Sales & Service

701 W. Winter Avenue
Wasilla, AK 99654
Phone 907-373-4058
Fax 907-373-4051

Washington Sales & Marketing

3707-B 124th Street NE Suite 5-B
Marysville, Washington 98271
Phone 360-653-7844
Fax 360-653-7992

June 7, 2006

Captain Larry Peabody
City of Kirkland Fire Department
123 5th Avenue
Kirkland, WA 98033

Dear Captain Peabody:

Per your request, H&W Emergency Vehicles is pleased to submit a proposal to your agency for one or more New Road Rescue Type III Supermedic Aid/Medic Units, mounted on a new Ford E-450 Superduty 158" Wheelbase Chassis with a GVW rating of 14,050 lb.

PROPOSAL PRICE-UNIT AS SPECIFIED: One New Road Rescue 162" Long Supermedic series Type III Modular Aid/Medic unit mounted on New Ford E-450 Superduty 158" wheelbase chassis:

Total price of completed unit per specifications submitted, FOB Marion, SC, will be \$110,260.00 each, plus applicable Washington State Sales Tax.

We are pleased to say, this represents a cost increase of only \$600.00 from your previous order, all of which is accounted for in the upgraded Ferno-Washington cot requested.

Note: Per last purchase order P29657, proposal does not include delivery of the completed unit or factory inspection trip.

Please add \$3,000.00 to our proposal price for delivery of the completed unit to your location. This will be via drive away service. If truck transport is desired, quotes will be obtained at the time of delivery and cost will be on a direct basis.

Delivery of the completed unit will be approximately 240-270 days after receipt of signed purchase order, subject to conditions beyond our control and options/modifications desired by your department. A qualified delivery engineer will be provided to properly train the fire department in the operation, maintenance and care of the unit for a period of not less than one day.

Payment terms require 95% of the proposal amount be paid at the time the unit leaves the factory. The final 5% will be due and payable within 30 days of delivery and acceptance of the completed unit.

H&W Emergency Vehicles also represents:



H&W Emergency Vehicles is the authorized distributor in Washington State for the quality line of Type I, II & Type III Ambulance and Medic units manufactured by **Road Rescue, Inc. of Marion, South Carolina.**

We also offer a complete line of Fire Apparatus and Emergency Vehicles, from Mini Pumpers to Aerial Ladders, as well as repair and refurbishment of your existing apparatus. We are the complete source for all of your Emergency Vehicle needs.

Parts and service are available locally at our Marysville, WA facility, through our plant in Hillsboro, Oregon & through our Mobile Service Unit at your location. Copies of all standard warranties are included in our proposal, and all warranties provided by any accessory manufacturer will be provided to the purchaser at the time of delivery. **Road Rescue offers a standard Lifetime module warranty and complete 7 year electrical warranty**, the longest in the industry.

Road Rescue Inc. has been manufacturing Aid/Medic vehicles since 1976, offering a complete line of Custom Built ambulance units. The factory is located in Marion, South Carolina, currently employing approximately 130 people in the manufacturing, sales and service of **Road Rescue Ambulances.** **Road Rescue** has manufactured over Five Thousand (5000) units, currently manufacturing over 200 units per year.

Recent deliveries include the Sedro-Woolley Fire Department, Kirkland Fire Department, Duvall Fire Department (King County Fire District #45), Woodinville Fire Department and Auburn Fire Department. All of the above departments have multiple **Road Rescue** units, and have been using our units for many years. We're sure that each customer above would testify to the durability and quality found in **Road Rescue.**

We sincerely appreciate the opportunity to work with your department, and should we be chosen to supply your new unit, we look forward to delivering **The City of Kirkland one (1) or more quality built Road Rescue Supermedic Type III Aid/Medic units**, per the terms & conditions described in the attached documents.

We at H&W Emergency Vehicles appreciate the opportunity to earn your valued business. If you have any questions regarding our proposal, please contact us anytime at 1-800-320-7844. Thank you for your consideration.

Respectfully Submitted,

Steven L. Jahn
Director of Sales & Marketing

H&W Emergency Vehicles also represents:



RESOLUTION R-4592

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A SOLE SOURCE PURCHASE OF FIRE DEPARTMENT AID UNITS MANUFACTURED BY ROAD RESCUE, INC. AND SOLD BY H & W EMERGENCY VEHICLES, INC. AUTHORIZING THE PURCHASING AGENT TO MAKE SAID PURCHASE AS REPLACEMENT VEHICLES ARE REQUIRED FOR 2007, 2008, 2009 AND 2010.

WHEREAS, the City Purchasing Agent, on the advice of the of the Deputy Fire Chief of the Fire Department, has requested the approval of the City Council for sole source purchase of the following Aid Units:

Road Rescue

Supermedic series Type III Modular Aid/Medic unit

Ford Superduty cab & chassis or equal

This would be pursuant to Kirkland Municipal Code Section 3.85.040; and

WHEREAS, the City Council finds that the facts and circumstances presented support the conclusion that such purchases are clearly and legitimately limited to a single source supply and in the best interest of the City,

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

Section 1. The City Council of the City of Kirkland hereby finds that the purchase of Road Rescue aid units for delivery in the years 2007, 2008, 2009 and 2010 for the Fire Department meets the requirements of KMC 3.85.40 for purchase without competitive bid, Road Rescue is the only provider of these aid units and H & W Emergency Vehicles is the only dealer for sales in Washington State.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2006.

Signed in authentication thereof this _____ day of _____, 2006.

MAYOR

Attest:

City Clerk



CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Eric R. Shields, AICP, Planning Director
Stacy Clauson, Associate Planner

Date: August 21, 2006

Subject: 118th Avenue NE Right-of-Way Vacation Ordinance
File VAC05-00003

RECOMMENDATION

The Department of Planning and Community Development recommends that the City Council adopt an ordinance to vacate a portion of the 118th Ave NE right-of-way. Under the provisions of KMC 19.16.160, to adopt the ordinance, a motion must be approved by a majority of the entire membership in a roll call vote.

BACKGROUND DISCUSSION

On May 16, 2006 the City Council passed Resolution No. 4577 (see Enclosure 1) setting forth that the City will, by appropriate ordinance, vacate a portion of the 118th Avenue NE right-of-way if, within 90 days of the date of passage of the resolution, the applicant or other person meets the conditions of approval established in the resolution.

The applicant has satisfied the following conditions of approval: 1) payment of monetary compensation for vacating this portion of the right-of-way, and 2) installation of or submittal of a security device for improvements associated with completion of the cul-de-sac at the new terminus of 118th Avenue NE. The applicant is currently in the process of completing the legal documents necessary to establish easements for public utilities and for utility companies having facilities in the right-of-way, as well as the deed of trust for dedication of the cul-de-sac at the new terminus of 118th Avenue NE. These documents are anticipated to be complete prior to the September 5, 2006 City Council meeting.

ENCLOSURES:

1. Resolution No. R4577

cc: File VAC05-00003

RESOLUTION R-4577

A RESOLUTION OF THE CITY OF KIRKLAND EXPRESSING AN INTENT TO VACATE A PORTION OF A RIGHT-OF-WAY FILED BY LMJ Enterprises Limited Partnership, FILE NUMBER VAC05-00003.

WHEREAS, the City has received an application filed by LMJ Enterprises Limited Partnership to vacate a portion of a right-of-way; and

WHEREAS, by Resolution Number R-4534 and R-4567, the City Council of the City of Kirkland established a date for a public hearing on the proposed vacation; and

WHEREAS, proper notice for the public hearing on the proposed vacation was given and the hearing was held in accordance with the law; and

WHEREAS, it is appropriate for the City to receive compensation for vacating the right-of-way as allowed under state law; and

WHEREAS, no property owner will be denied direct access as a result of this vacation; and

WHEREAS, it appears desirable and in the best interest of the City, its residents and property owners abutting thereon that said street to be vacated;

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

Section 1. The Findings and Conclusions as set forth in the Recommendation of the Department of Planning and Community Development contained in File Number VAC05-00003 are hereby adopted as though fully set forth herein, with the exception of the conclusion set forth in Section II.C.3.b.

Section 2. An independent appraisal of the subject site has been completed by CJM Investment which concluded a market value of \$19.31 per square foot.

Section 3. Except as stated in Section 4 of this Resolution, the City will, by appropriate ordinance, vacate the portion of the right-of-way described in Section 4 of this Resolution if within 90 days of the date

of passage of this Resolution the applicant or other person meets the following conditions:

(a) Pays to the City \$307,782 as compensation for vacating this portion of the right-of-way.

(b) Within seven (7) calendar days after the final public hearing, the applicant shall remove all public notice signs.

(c) Submit to the City a copy of the following recorded easements:

(1) A 20-ft minimum width easement for the sewer main.

(2) A 15-ft minimum width easement for the water main.

(3) A 15-ft minimum width easement shall for the storm main.

(4) An access easement for maintenance of the sewer manhole in the vacated right-of-way should be provided from the end of the new cul-de-sac or through the car dealership site from 120th Ave. NE.

(5) A utility easement encompassing the entire vacated right-of-way unless the applicant prepares individual legal descriptions for each specific easement based on the location and minimum size determined by each utility company.

(d) Install the required improvements as described in Attachment 3. Prior to installing these improvements, plans must be submitted for approval by the Department of Public Works.

In lieu of completing these improvements, the applicant may submit to the Department of Public Works a security device to cover the cost of installing the improvements and guaranteeing installation within one year.

(e) Dedicate the area described in Exhibit B to the city to allow installation of a 70-foot diameter paved cul-de-sac with a 6-ft wide paved parallel parking area on the north and east side of the cul-de-sac and a 4.5-ft minimum landscape strip behind the curb.

Section 4. If the portion of the right-of-way described in Section 5 of this resolution is vacated, the City will retain and reserve an easement, together with the right to exercise and grant easements along, over, under and across the vacated right-of-way for the installation, construction, repair and maintenance of public utilities and services.

Section 5. The right-of-way to be vacated is situated in Kirkland, King County, Washington and is described in Exhibit A.

Section 6. Certified or conformed copies of this Resolution shall be delivered to the following within seven (7) days of the passage to this resolution:

- (a) Applicant;
- (b) Department of Planning and Community Development of the City of Kirkland;
- (c) Fire and Building Departments of the City of Kirkland;
- (d) Public Works Department of the City of Kirkland; and
- (e) The City Clerk for the City of Kirkland.

Passed by majority vote of the Kirkland City Council in open meeting on the 16th day of May, 2006.

SIGNED IN AUTHENTICATION THEREOF on the 16th day of May, 2006.



Mayor

ATTEST:



City Clerk



Exhibit A

JIM HART AND ASSOCIATES

220 6TH STREET, KIRKLAND, WA 98033-6335, 425-822-4171 FAX 425-827-3085

05-41
1/3/06

TOTAL ROAD VACATION

LEGAL DESCRIPTION:

THAT PORTION OF 118TH AVE NE (DONALD STREET) AND THAT PORTION OF LOT 15, BLOCK 1, BURKE AND FARRAR'S KIRKLAND ADDITION, DIVISION No. 6, AS RECORDED IN VOLUME 19 OF PLATS, PAGE 68, RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 8, BLOCK 2 OF SAID PLAT; THENCE NORTH 00°15'34" WEST ALONG THE WESTERLY LINE OF LOT 7, LOT 6 AND LOT 5, SAID BLOCK 2 OF SAID PLAT 301.85 FEET, MORE OR LESS, TO THE EASTERLY RIGHT OF WAY OF S.R. 405; THENCE SOUTH 47°07'18" WEST ALONG SAID RIGHT OF WAY 119.50 FEET, MORE OR LESS, TO THE SOUTHWESTERLY LINE OF THAT PORTION OF ABOVE MENTIONED LOT 15 RELINQUISHED TO THE CITY OF KIRKLAND UNDER RECORDING No. 8006200424, BEING A CURVE TO THE SOUTHWEST; THENCE ALONG SAID CURVE HAVING A RADIUS OF 45 FEET THE CENTER OF WHICH BEARS SOUTH 72°52'58" EAST, FOR AN ARC LENGTH OF 62.92 FEET, MORE OR LESS, TO A POINT ON THE SOUTH LINE OF THE NORTHERLY 82.5 FEET OF SAID LOT 15; THENCE NORTH 89°44'26" EAST 5.60 FEET, MORE OR LESS, TO THE EASTERLY LINE OF SAID LOT 15; AND THE WESTERLY MARGIN OF 118TH AVE. NE; THENCE SOUTH 00°15'34" EAST ALONG THE WESTERLY MARGIN OF SAID 118TH AVE. NE 167.50, MORE OR LESS; THENCE NORTH 89°44'26" EAST ALONG THE SOUTHERLY LINE OF LOT 14, BLOCK 1 OF SAID PLAT, PRODUCED EASTERLY 60 FEET, MORE OR LESS, TO THE NORTHWEST CORNER OF LOT 8, BLOCK 2 AND THE TRUE POINT OF BEGINNING.

CONTAINING 18,128 SQUARE FEET, MORE OR LESS.

SITUATE IN THE CITY OF KIRKLAND, KING COUNTY, WASHINGTON

RECEIVED

JAN - 3 2006

AM _____ PM
PLANNING DEPARTMENT
BY _____





Exhibit B

JIM HART AND ASSOCIATES

220 5TH STREET, KIRKLAND, WA 98033-6335, 425-822-4171 FAX 425-827-3085

05-41
1/3-06

ROAD DEDICATION

LEGAL DESCRIPTION:

THAT PORTION OF LOT 8, BLOCK 2, BURKE AND FARRAR'S KIRKLAND ADDITION, DIVISION No. 6, AS RECORDED IN VOLUME 19 OF PLATS, PAGE 68, RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF LOT 8, BLOCK 2 OF SAID PLAT; THENCE SOUTH 00°15'34" EAST 1.18 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 46.00 FEET, THROUGH A CENTRAL ANGLE OF 37°18'31" WHOSE RADIAL CENTER BEARS SOUTH 12°42'55" WEST, AN ARC LENGTH OF 29.25 FEET TO A POINT OF COMPOUND CURVE TO THE RIGHT WITH A RADIUS 20.00 FEET, THROUGH A CENTRAL ANGLE OF 39°43'00", AN ARC LENGTH OF 13.86 FEET; THENCE SOUTH 00°15'34" EAST 33.23 FEET TO POINT OF CURVE TO THE RIGHT WITH A RADIUS OF 20.00 FEET WITH A CENTRAL ANGLE OF 39°43'00", AN ARC LENGTH 13.86 FEET TO A COMPOUND CURVE TO THE RIGHT WITH A RADIUS OF 46.00 FEET, THROUGH A CENTRAL ANGLE OF 37°18'31" WHOSE RADIAL CENTER BEARS NORTH 50°32'34" WEST AN ARC LENGTH OF 29.25 FEET TO THE WEST LINE OF LOT 8, BLOCK 2, OF SAID PLAT; THENCE NORTH 00°15'34" WEST ALONG THE WEST LINE OF LOT 8, BLOCK 2, A DISTANCE OF 89.65 FEET TO THE TRUE POINT OF BEGINNING

CONTAINING 2,189 SQ FT ±

RECEIVED

JAN - 3 2006

AM _____ PM
PLANNING DEPARTMENT
BY _____



CITY OF KIRKLAND
123 FIFTH AVENUE, KIRKLAND, WASHINGTON 98033-6189 (425) 587-3225

Date: 4/27/2006

DEVELOPMENT STANDARDS
CASE NO.: VAC05-00003
PCD FILE NO.: VAC05-00003

You can review your permit status and conditions at www.kirklandpermits.net

PUBLIC WORKS CONDITIONS

Permit Information

Permit #: VAC05-00003
Project Name: 118th Ave. NE Street Vacation
Project Address: 11845 NE 85th St.
Date: September 1, 2005

Public Works Staff Contacts

Land Use and Pre-Submittal Process:
Rob Jammerman, Development Engineering Manager
Phone: 425-587-3845 Fax: 425-587-3807
E-mail: rjammer@ci.kirkland.wa.us

Building and Land Surface Modification (Grading) Permit Process:

John Burkhalter, Senior Development Engineer
Phone: 425-587-3846 Fax: 425-587-3807
E-mail: jburkhal@ci.kirkland.wa.us

General Conditions:

1. All public improvements associated with this project including street and utility improvements, must meet the City of Kirkland Public Works Pre-Approved Plans and Policies Manual. A Public Works Pre-Approved Plans and Policies manual can be purchased from the Public Works Department, or it may be retrieved from the Public Works Department's page at the City of Kirkland's web site at www.ci.kirkland.wa.us.
2. This project will be subject to Public Works Permit Fees. It is the applicant's responsibility to contact the Public Works Department by phone or in person to determine the fees. The fees can also be review the City of Kirkland web site at www.ci.kirkland.wa.us. The applicant should anticipate the following fees:
 - o Right-of-way Fee
 - o Review and Inspection Fee (for utilities and street improvements).
3. This project is exempt from concurrency review.
4. All civil engineering plans which are submitted in conjunction with a building, grading, or right-of-way permit must conform to the Public Works Policy titled **ENGINEERING PLAN REQUIREMENTS**. This policy is contained in the Public Works Pre-Approved Plans and Policies manual.

ATTACHMENT <u>3</u>

5. All street improvements and underground utility improvements (storm, sewer, and water) must be designed by a Washington State Licensed Engineer; all drawings shall bear the engineers stamp.
6. All plans submitted in conjunction with a building, grading or right-of-way permit must have elevations which are based on the King County datum only (NAVD 88).
7. Utility easements will be retained for any franchise utility companies that express an interest in retaining a utility easement for their existing or future utilities. To date, Comcast, Verizon, and Puget Sound Energy have all expressed an interest in a utility easement. The utility easement will encompass the entire vacated right-of-way unless the applicant desires to have their surveyor prepare individual legal descriptions for each specific easement based on the location and minimum size determined by each utility company.

Sanitary Sewer Conditions:

1. The City has an existing 8-inch sewer main in the right-of-way to be vacated. If the vacation is approved, a 20-ft minimum width easement shall be retained for the sewer main. In addition, access for maintenance of the sewer manhole in the vacated right-of-way shall be provided from the end of the new cul-de-sac or through the car dealership site from 120th Ave. NE.

Water System Conditions:

1. There is an existing 8-inch water main in the right-of-way to be vacated. If the vacation is approved, a 15-ft minimum width easement shall be retained for the water main. Note: this water is being connected to a new water main that loops through the project site over to 120th Ave. NE. All of the water main will be encompassed in a 15-ft minimum width easement.

Surface Water Conditions:

1. At the end of new cul-de-sac, install surface water collection and conveyance.
2. There is an existing public storm main in the right-of-way to be vacated. If the vacation is approved, a 15-ft minimum width easement shall be retained for the storm main.

Street and Pedestrian Improvement Conditions:

1. With approval of this street vacation, a new cul-de-sac turn-around will need to be constructed at the new north end of 118th Ave. NE. The improvements in the cul-de-sac shall match the preliminary drawings submitted by Jim Hart and Associates on November 21, 2005 and include the following:
 - " 70-ft diameter paved cul-de-sac
 - " 6-ft wide paved parallel parking area on the north and east side of the cul-de-sac.
 - " 4.5-ft wide landscape strip behind the curb with street trees planted 30-ft on-center
 - " Vertical curb and gutter around the entire perimeter of the cul-de-sac.
 - " Installation of "NO PARKING ANYTIME" signs in the cul-de-sac where parking is not provided for.
 - " Surface water collection and conveyance.
 - " Fire Department access drive from the north end of the cul-de-sac.
 - " Dedication of public right-of-way north the existing 118th Ave. NE right-of-way to encompass these new cul-de-sac improvements.
 - " The existing sidewalk in front of the Spruce Villa Apartments may remain in place.
2. The required street improvements shall be installed, or a Performance Bond posted, prior to recording of the street vacation area. The bond shall be in accordance with Chapter 175 of the Kirkland Zoning Code.
3. Install a new survey monument marker in the center of the new cul-de-sac.
4. It shall be the responsibility of the applicant to relocate any above-ground or below-ground utilities which conflict with the project associated street or utility improvements.

5. Install new street lights in the new cul-de-sac Puget Power design and Public Works approval. Design must be submitted prior to issuance of a permit to install the street improvements.

ORDINANCE NO. 4055

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO VACATING A PORTION OF A RIGHT-OF-WAY BASED ON AN APPLICATION FILED BY LMJ Enterprises Limited Partnership, FILE NO. VAC05-00003.

WHEREAS, by Resolution R-4577 adopted on May 16, 2006, the City Council of the City of Kirkland established that it would vacate a portion of a right-of-way if certain conditions were met; and

WHEREAS, the conditions specified in Resolution No. 4577 have been satisfied.

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

Section 1. The portions of public right-of-way situated in Kirkland, King County, Washington and described as follows:

A portion of the 118th Avenue NE right-of-way as described in Exhibit A

be and the same hereby are vacated, except that the City shall retain and reserve an easement together with the right to grant easements along, over and under the vacated street for the installation, construction, repair and maintenance of public utilities and services.

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

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

SIGNED in authentication thereof this _____ day _____, 20__.

Mayor

Attest:

City Clerk

Approved as to Form:

City Attorney



Exhibit A

JIM HART AND ASSOCIATES

220 6TH STREET, KIRKLAND, WA 98033-6335, 425-822-4171 FAX 425-827-3085

05-41
1/3/06

TOTAL ROAD VACATION

LEGAL DESCRIPTION:

THAT PORTION OF 118TH AVE NE (DONALD STREET) AND THAT PORTION OF LOT 15, BLOCK 1, BURKE AND FARRAR'S KIRKLAND ADDITION, DIVISION No. 6, AS RECORDED IN VOLUME 19 OF PLATS, PAGE 68, RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 8, BLOCK 2 OF SAID PLAT; THENCE NORTH $00^{\circ}15'34''$ WEST ALONG THE WESTERLY LINE OF LOT 7; LOT 6 AND LOT 5, SAID BLOCK 2 OF SAID PLAT 301.85 FEET, MORE OR LESS, TO THE EASTERLY RIGHT OF WAY OF S.R. 405; THENCE SOUTH $47^{\circ}07'18''$ WEST ALONG SAID RIGHT OF WAY 119.50 FEET, MORE OR LESS, TO THE SOUTHWESTERLY LINE OF THAT PORTION OF ABOVE MENTIONED LOT 15 RELINQUISHED TO THE CITY OF KIRKLAND UNDER RECORDING No. 8006200424, BEING A CURVE TO THE SOUTHWEST; THENCE ALONG SAID CURVE HAVING A RADIUS OF 45 FEET THE CENTER OF WHICH BEARS SOUTH $72^{\circ}52'58''$ EAST, FOR AN ARC LENGTH OF 62.92 FEET, MORE OR LESS, TO A POINT ON THE SOUTH LINE OF THE NORTHERLY 82.5 FEET OF SAID LOT 15; THENCE NORTH $89^{\circ}44'26''$ EAST 5.60 FEET, MORE OR LESS, TO THE EASTERLY LINE OF SAID LOT 15; AND THE WESTERLY MARGIN OF 118TH AVE NE; THENCE SOUTH $00^{\circ}15'34''$ EAST ALONG THE WESTERLY MARGIN OF SAID 118TH AVE NE 167.50, MORE OR LESS; THENCE NORTH $89^{\circ}44'26''$ EAST ALONG THE SOUTHERLY LINE OF LOT 14, BLOCK 1 OF SAID PLAT, PRODUCED EASTERLY 60 FEET, MORE OR LESS, TO THE NORTHWEST CORNER OF LOT 8, BLOCK 2 AND THE TRUE POINT OF BEGINNING.

CONTAINING 18,128 SQUARE FEET, MORE OR LESS.

SITUATE IN THE CITY OF KIRKLAND, KING COUNTY, WASHINGTON.

RECEIVED

JAN - 3 2006

AM _____ PM
PLANNING DEPARTMENT
BY _____





CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: Dave Ramsay, City Manager
From: Marilynne Beard, Assistant City Manager
Date: August 18, 2006
Subject: RECOMMENDED INCREASE IN JUDICIAL HOURS

RECOMMENDATION:

City Council approve the attached ordinance adjusting the Kirkland Municipal Court Judge's salary effective immediately for the balance of 2006.

BACKGROUND DISCUSSION:

In May 2006, the Kirkland Municipal Court's presiding Judge, Michael Lambo, reported to the Public Safety Committee his concerns about managing the Court's caseload with his present, part-time position of .85 FTE. He noted that he consistently works a full-time schedule in order to attend to scheduled calendars and the administrative duties associated with his position. The Public Safety Committee requested that Judge Lambo detail his concerns and recommendations in a memo (see Attachment A).

On August 17th, the Public Safety Committee reviewed Judge Lambo's recommendation and voted unanimously to recommend to the City Council that the Kirkland Municipal Court Judge be increased to 1.0 FTE. The recommendation also includes increasing Court commissioner hours to provide additional calendars for hearings.

The cost for the balance of 2006 is estimated at \$8,253. Funding for the increase in 2006 will come from new court revenue received this year from the passage of E2SSB 5454 by the State legislature last year. The legislation increased various court filing fees and staff estimates that the City will receive \$8,205 from this source in 2006 (see attached fiscal note).

The legislation also dedicated additional funds from the fee increase to pay a portion of the salary of elected municipal court judges. By increasing Kirkland's judge to full-time status, it will automatically require an election. In order to be eligible for additional funding, the City must certify that the judge is serving in an elected position and that the judge is compensated at 95% of the district court judge salary. District court salaries are established by the State Salary Commission. The 2006 salary in effect for Kirkland's Municipal Court Judge is equivalent to 95% of the 2005/06 district court judge benchmark

established by the state. The State Salary Commission's 2006/07 salary schedule will be the basis for the coming year's salary for Kirkland's Judge and reflects a 2.9% salary increase which will be effective until September 2007. The ongoing request to increase the FTE will come to the Council as a service package request in the 2007-08 Budget. The annual ongoing marginal cost is \$24,760 (based on the 2006-07 salary established by the State). As discussed in the attached memo, the City is eligible for additional state funding of up to \$28,178 which will fully offset the additional costs.



CITY OF KIRKLAND

Kirkland Municipal Court

11515 NE 118th Street, P.O. Box 678 - Kirkland, WA. 98083-0678 425-587-3160

www.ci.kirkland.wa.us

MEMORANDUM

To: Dave Ramsay, City Manager

From: Honorable Michael J. Lambo, Municipal Court Judge
Tracy Jeffries, Court Administrator

Date: July 18, 2006

Subject: PROPOSED INCREASE IN JUDICIAL HOURS

BACKGROUND

At a recent Public Safety Committee meeting, The Municipal Court Judge and Court Administrator shared concerns about the ability of the current part-time judicial staff to address the growing caseload at the Kirkland Municipal Court. Specifically, Judge Lambo is recommending that the City make the presiding Judge position full time and increase the hours for our current part time Court Commissioner.

The Presiding Judge is responsible for leading the management and administration of the court's business, recommending policies and procedures that improve the court's effectiveness, and allocating resources in a way that maximizes the court's ability to resolve disputes fairly and expeditiously. This includes supervising the preparation of the court's annual budget, promulgating local rules, supervising the preparation and filing of reports required by statute and court rule, acting as the official spokesperson for the court in all matters with the executive or legislative branches of local government, and determining the qualifications of and establishing a training program for pro-temp judges and court commissioners.

Still, the primary function of the Presiding judge is to hear the daily court calendars, including "in-custody" matters. This includes hearing both Bench and Jury Trials, ordering and signing warrants of arrest, reviewing and ruling on complex legal motions, as well as "mail-in" contested and mitigation hearings.

To the extent possible, the judicial caseload should be adjusted to provide the Presiding Judge with sufficient time and resources to devote to the management and administrative duties of the office, as well as hear cases in open court with due diligence, study and contemplation in order to make lawful and well-reasoned decisions for each case presented. The presiding judge must accomplish this without violating a defendant's right to a Speedy trial and adequate due process of law, or causing court customers and attorneys to wait several hours to have their matters heard.

At the beginning of the year, the typical number of cases on a morning or afternoon calendar was between 70 and 90 cases. This number should not be higher than 40 to 50 cases to allow for proper attention to each case.

Large calendars create the potential for mistakes. If the judge is feeling the pressure to hurry, he or she may miss a legal issue or important fact. Mistakes endanger the community and result in appeals, both of which can cost the City time and money.

The Public Safety Committee asked staff to prepare a report providing caseload statistics, comparisons with other similar jurisdictions and a recommendation regarding additional judicial and support resources needed to address the current caseload.

CURRENT CASELOAD AND TRENDS

The Kirkland Municipal Court has seen a steady increase in caseload.

1999 – 24,147 (Kirkland filings)

2000 – 29,390 (Kirkland 26,876, Point Cities 2,514)

2001 – 29,765 (Kirkland 27,042, Point Cities 2,723)

2002 - 26,562 (Kirkland 23,940, Point Cities 2,622)

2003 – 28,253 (Kirkland 25,008, Point Cities 3,245)

2004 - 30,702 (Kirkland 28,207, Point Cities 2,495)

2005 - 26,386 (Kirkland 24,077, Point Cities 2,309)



(This number dropped due to the Supreme court case of *City of Redmond v. Moore*, **151 Wn.2d 664**, 668, 91 P.3d 875 (2004) that held the Driving while suspended (DWLS) statute facially unconstitutional and rendered the statute totally inoperative. As such, the police stopped arresting for this offense. Subsequently however, the authorities corrected the error. Now, police are increasingly citing and arresting defendants for Driving while suspended. It is reasonable to expect that this figure will meet or possibly surpass filings reached in 2004.)

Important to note, is that the court's responsibility does not end with the caseload filed in that calendar year. In most cases, the court has jurisdiction over criminal cases for two years. For DUI matters, jurisdiction continues for five years. The Court, ultimately the Judge, is responsible for managing all cases until the end of the jurisdictional period.

In breaking down the above-mentioned statistics, it is important to follow the trend of the more serious and time-consuming cases filed with the court. For instance, Criminal Traffic, Criminal Non-traffic, Domestic Violence (DV) and DUI offenses require mandatory court appearances and multiple hearings throughout the two or five year jurisdiction.

A conviction for the crime of DUI or Domestic Violence (DV) related offenses, carry harsh consequences. Consequently, these matters tend to be zealously defended and prosecuted, resulting in protracted hearings and motions that are labor intensive and time consuming for the court.

Below is the recent trend in DUI matters filed with the Kirkland court:

1999 – 149 (Kirkland filings)

2000 – 190 (Kirkland 150, Point Cities 40)

2001 – 345 (Kirkland 284, Point Cities 61)

2002 – 356 (Kirkland 276, Point Cities 80)

2003 – 462 (Kirkland 403, Point Cities 59)
 2004 – 599 (Kirkland 470, Point Cities 129)
 2005 – 609 (Kirkland 434, Point Cities 175)

By comparison, the chart below shows the recent trend in DUI matters filed in other Courts:

City	2004 DUI Caseload	2005 DUI Caseload
Auburn	193	197
Bellingham	260	258
Bremerton	144	107
Edmonds	107	84
Everett	331	536
Federal Way	411	376
Kent	294	321
Lakewood	135	202
Olympia	214	254
Pasco	268	295
Renton	211	216
Yakima	452	401
Kirkland	599	609

Additionally, other criminal traffic and criminal non-traffic matters such as Assault, Reckless driving, Negligent driving 1°, Hit and Run, Malicious Mischief, Theft, Trespass, Possession of marijuana, Possession of drug paraphernalia, Obstructing law enforcement, Resisting arrest and Driving while suspended offenses require multiple court hearings. The numbers below represent the filings at Kirkland Municipal Court for the above-mentioned offenses, including 194 Domestic Violence related charges filed in 2004 and 217 filed in 2005.

1999 – 1,648 (Kirkland filings)
 2000 – 2,285 (Kirkland 2,102, Point Cities 183)
 2001 – 2,199 (Kirkland 1,912, Point Cities 287)
 2002 – 2,518 (Kirkland 2,060, Point Cities 458)
 2003 – 2,366 (Kirkland 1,976, Point Cities 390)
 2004 – 1,898 (Kirkland 1,605, Point Cities 293)
 2005 – 1,370 (Kirkland 1,081, Point Cities 289)

↳ (Again, this number dropped due to the reduction in arrests and citations for the offense of DWLS 3°. This figure is rising: DWLS 3° charges filed for 2003...1124; for 2004...755; for 2005...239; for **2006 year-to-date...471**. Filings for 2006 year-to-date have already surpassed filings for 2005 and it is reasonable to expect that this number will soon surpass the filings of 2003.

Traffic infractions also steadily increase, as is the number of drivers asking for contested hearings on these matters. Each “contested” hearing requires Judge, court clerk, and in more and more cases, prosecutor time. For traffic and non-traffic infraction matters, as well as parking tickets, a defendant has three options once the police issue a ticket. One option is to pay the ticket. The second option is to ask

for a court hearing to explain the circumstances in an effort to persuade the judge or commissioner to reduce the fine. The third option is to contest the ticket. This option is similar to a trial where witnesses testify and the prosecutor and defense attorney argue their case before the Judge or Commissioner. If the defendant does not respond by requesting a court hearing or paying the fine, the account is referred to Collection. Approximately 40% request a court hearing.

Below is the trend in traffic infractions filed with the court:

1999 – 6,542	(Kirkland filings)
2000 – 9,066	(Kirkland 7,007, Point Cities 2,059)
2001 – 9,581	(Kirkland 7,502, Point Cities 2,079)
2002 – 9,432	(Kirkland 7,564, Point Cities 1,868)
2003 – 9,937	(Kirkland 7,380, Point Cities 2,557)
2004 – 10,934	(Kirkland 8,984, Point Cities 1,950)
2005 – 9,931	(Kirkland 8,172, Point Cities 1,759)

The Police Department issue and file thousands of parking tickets every year. For each ticket, the same options as above are available. Most pay the ticket or do not respond, resulting in the court referring the matter to Collection; approximately 35% request a court hearing.

MANAGEMENT OF CRIMINAL CASES

As indicated, 40 cases is a reasonable number of matters a judge should hear on a pre-trial calendar. A “Calendar” is ½ day; 9:00 AM to noon, or 1:30 PM to 4:30 PM. This gives the staff and the Judge time to hear argument of counsel, research the docket and file, hear changes of plea, and preside over other omnibus related matters that come up prior to the case proceeding to trial. Our court hears an average of 62 cases on a single pretrial calendar. (i.e., 76 on the morning of 2/8/06; 62 on the morning of 3/6/05; 69 on morning of 4/10/06; 58 on the morning of 4/26/06; 53 on the morning of 5/10/06; and 55 on the morning of 5/22/06.)

Caseloads this large require that the judge and staff work continuously in the courtroom, with out a break, from 8:30 AM to 1:00 or 2:00 PM. The Judge must forgo lunch on theses days and immediately begin hearing the afternoon calendar.

Motions and Bench Trials per Calendar should be limited to 10. The court hears on an average of 15. (i.e., 14 scheduled for the afternoon of 7/26/06; 18 scheduled for the morning of 7/27/06; 15 scheduled the morning of 8/3/06; and 14 scheduled for the morning of 8/17/06.) Recently, a Point City Police officer, prosecutor and private lawyer arrived at court for the 9:30 AM motions/bench trial calendar. Due to sheer caseload, the court was not able to begin testimony on that case until 4:00 PM. The officer, private counsel and his client sat in court all day waiting for their case to be heard. The judge and staff worked continuously through the entire day, without a break, in order to hear all of the cases.

JUDICIAL TIME COMPARSION

The Kirkland Municipal Court currently has a .85 FTE judge position and a court commissioner who works up to 23 hours per month. In addition to the Kirkland caseload, the Judge also manages the Point Cities caseload.

Concerning Judicial time, when compared to other courts, Kirkland Municipal Court is clearly understaffed. The Office of the Administrator of the Courts (AOC) produced a 2004 summary of independent Municipal Courts in Washington State. Below is a summary of courts similar to Kirkland relative to caseload and judicial services. As one can readily see, Kirkland has the highest caseload per

judicial FTE, even compared to courts that have two full time judges. (See Kent and Yakima Municipal Court)

City	2004 Population	2004 Caseload	Number of Judges	Number of Commissioners	Cases per Judicial FTE
Kirkland & Point Cities*	52,985	30,702	0.75	0.10	36,120
Pasco	40,840	10,738	0.75	0	14,317
Renton	55,360	13,482	1.00	0	13,482
Auburn	46,135	12,478	1.00	0	12,478
Lakewood	59,010	8,588	0.73	0	11,764
Edmonds	39,620	5,766	0.53	0	10,879
Kent	84,560	19,987	2.00	0	9,994
Federal Way **	83,590	15,166	0.80	0.75	9,785
Bremerton	37,520	7,515	1.00	0	7,515
Bellingham	71,080	14,855	1.00	1.00	7,428
Olympia	43,040	6,257	1.00	0	6,257
Everett	96,840	9,287	1.55	0	5,992
Yakima	79,480	16,042	2.00	0.93	5,475

*Kirkland increased their Judge to .85 in 2006.

**Federal Way increased their Judge to full time in 2005.

JUDICIAL TIME NEEDED:

Kirkland Municipal Court must add additional “Calendars” to keep the number of cases scheduled for each calendar at a workable level. The court must also provide the Presiding Judge enough office time to meet with staff, perform managerial duties, engage in legal research, review and rule on lengthy and complex written motions, review and rule on affidavits for probable cause, review and rule on motions for DV “No contact Orders,” review probation files, issue warrants for arrest and author written opinions. In order to do this, the court must increase the presiding judge’s hours to that of full time. Further, the court must increase the hours for the commissioner and/or Pro-temp judge to handle the additional “Calendars,” as well as give the Presiding Judge the option to operate two courtrooms simultaneously one to three times a month, as volumes require.

RECOMMENDATIONS

Based on the current workload, our recommendation is to increase the Presiding Judge from .85 FTE to 1.0 FTE and increase commissioner / pro temp hours from 23 hours per month to 30 hours per month. The annual cost of providing additional judicial hours as proposed is \$24,760 (\$21,400 for the Presiding Judge FTE and \$3,360 commissioner hours).

ESTIMATED E2SSB 5454 FUNDING

In 2005, the state legislature passed SHBB5454 providing State funding for municipal courts that have elected judges. Although Kirkland has historically appointed its judge, once the position is made full-time, it will necessarily become an elected position (beginning with the next term of office in 2010). In the interim, the City is still eligible to collect the State funding because the position is effectively an elected judicial position. Once the Judge is serving in an elected position the City will qualify for the state contribution under SHBB 5454. The State Administrator of the Courts has estimated that Kirkland's 2007 contribution will be \$28,198. The city will benefit from this contribution by funding improvements to the municipal court's staffing, programs, facilities, or services, as appropriated by the city or town legislative authority. In this case, the increase in judicial time will allow for improved court calendar management, reduce the time defendants have to wait for their case to be heard and provide additional time for the Judge to attend to administrative matters of the Court.

FISCAL NOTE

Source of Request							
Marilynne Beard, Assistant City Manager							
Description of Request							
<p>Request for an increase in judicial hours for the Municipal Court for the remainder of 2006 at a cost of \$8,253. Due to increasing caseloads and insufficient available time for administrative duties, the judges' FTE needs to be increased to a full time FTE (1.0). Additional hours for pro-temp commissioners are also needed for additional hearing calendars. The additional cost for 2006 will be funded by new revenue created from the passage of SHBB 5454 by the State Legislature in 2005 that provided partial funding for full-time judges.</p> <p>The ongoing increase in additional cost for 2007-08 will be submitted as a service package with the State funding fully offsetting the additional cost.</p>							
Legality/City Policy Basis							
Fiscal Impact							
One-time cost of \$8,253 to be funded by new State revenue.							
Recommended Funding Source(s)							
Reserve	Description	2006 Est End Balance	Prior Auth. 2005-06 Uses	Prior Auth. 2005-06 Additions	Amount This Request	Revised 2006 End Balance	2006 Target
Revenue/ Exp Savings	The one time cost for 2006 will be offset by new State funding passed by the legislature during 2005 that provides partial funding for full-time judges.						
Other Source							
Other Information							

Prepared By	Sandi Miller, Financial Planning Manager	Date	August 22, 2006
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ORDINANCE NO. 4056

AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE SALARY FOR THE MUNICIPAL COURT JUDGE AND REPEALING ORDINANCE NO. 4019.

WHEREAS, under state law the salary for municipal court judges must be established by ordinance; and

WHEREAS, the salary for the Kirkland Municipal Court Judge was last established by Ordinance No. 4019; and

WHEREAS, the City Council finds there is a need to increase the current part-time position of the Kirkland Municipal Court Judge to a full-time equivalent judicial position; and

WHEREAS, under state law full-time municipal court judge positions must be filled by election; and

WHEREAS, in order to be eligible for state contribution to the Municipal Court Judge's compensation, the City must make the Judge's position elective and compensate the Judge at a rate equivalent to at least ninety-five percent of a district court judge salary; and

WHEREAS, the salary of district court judges is set by the Washington Citizens' Commission on Salaries for Elected Officials and is currently set at \$125,672 a year; and

WHEREAS, the City Council desires that the Kirkland Municipal Court Judge's salary be adjusted automatically to reflect future adjustments made by the Washington Citizens' Commission on Salaries for Elected Officials.

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

Section 1. Effective immediately, the salary for the Kirkland Municipal Court Judge position shall be 95% of a district court judge's annual salary or the sum of \$119,388 annually.

Section 2. Commencing September 1, 2006, and thereafter on the first day of September of each successive year, the salary paid the Kirkland Municipal Court Judge shall automatically be adjusted to an amount equal to 95% of the salary of district judges as set by the Washington Citizens' Commission on Salaries for Elected Officials for the succeeding year.

Section 3. Ordinance No. 4019 is repealed effective immediately.

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 _____, 2006.

Signed in authentication thereof this _____ day of _____, 2006.

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.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

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

Date: August 18, 2006

Subject: Council adoption of the City's Investment Policy revisions

Recommendation

Council adopt the attached resolution revising the City of Kirkland Investment Policy (Attachment A).

Background

The City's Fiscal Policies require that an external review of the investment policy and procedures be conducted every two years. The most recent review was completed June 1, 2006 by Davidson Fixed Income Management and is provided as Attachment B.

The review concluded that the investment portfolio structure is in compliance with the City's policy regarding legality, liquidity, safety and return as of March 31, 2006, the date of the portfolio provided for the review. The evaluation also concluded that the policy includes proper constraints to control the risks which are applicable to public fund investing and that the risk exposure of the portfolio is low for interest rate risk, credit risk and reinvestment rate risk.

The review provided a number of policy updates to meet current market standards which are detailed in the review, page 3 item number 4. Most of these changes are included to meet the certification criteria required by the Washington Municipal Treasurer's Association (WMTA). The City will be applying for the WMTA Investment Policy Certification Program after these changes are adopted.

The most notable changes include:

Adding:

- Language allowing the ability to sell a security if needed
- A section on ethics and conflict of interest
- More description for allowable securities
- A section on investment pools and mutual funds
- A section on collateralizations for repurchase agreements
- City Council adoption of the investment policy

Eliminating:

- The requirement that a broker maintain an office in the State of Washington. Due to the consolidation of the broker/dealer community over the past 10 years limiting brokers to those with offices in the State of Washington may unnecessarily limit investment opportunities.

August 18, 2006

Page 2

The review also provided the following recommendations to ensure proper broker relations and to enhance efficiency and improve safeguards related to the investment process.

1. Have the investment committee review the broker dealer relationships checklist annually to ensure best practices.
2. The City should reduce the agency callable exposure to 30% or lower.
3. The City should increase the position sizes to \$2,000,000, \$3,000,000 or even \$5,000,000 in par amounts. This will allow the investment officer to more efficiently manage the portfolio holdings.
4. The City should extend the duration of the overall portfolio as interest rates rise.
5. Consider purchase of Federal National Mortgage Association (FNMA) securities only when there is a beneficial yield over the other names or when the negative news on FNMA ends.

The report and revised policies were reviewed by the finance committee at their July 17 meeting.

CITY OF KIRKLAND REVIEW

June 1, 2006

1) Review of Investment Policy for consistency with accepted practices.

The Investment Policy of any organization is the key to a successful investment program. It is the guideline for the investments and encompasses investment constraints, best practices and the risk and return expectations for the City. It provides the City Council with a tool to ensure that their fiduciary responsibilities have been disclosed and are being implemented. It also, provides the City employees with the guidelines that allow them to execute the investment role in an efficient and effective manner.

WMTA (Washington Municipal Treasurer's Association) provides for all public funds to have their investment policy certified by the Association of Public Treasurers. It is recommended that the City submit their policy for certification in the near future. There are eighteen required subjects that must be addressed in the policy to achieve certification:

Requirements	Kirkland Checklist
1. Policy	X
2. Scope	X
3. Prudence	X
4. Objective	X
5. Delegation of Authority (change wording)	0
6. Ethics and Conflicts of Interest	0
7. Authorized Financial Dealers and Institutions	X
8. Authorized and Suitable Investments	X
9. Investment Pools/ Mutual Funds	0
10. Collateralization	0
11. Safekeeping and Custody	X
12. Diversification	X
13. Maximum Maturities	X
14. Internal Control	X
15. Performance Standards	X
16. Reporting	X
17. Investment Policy Adoption	0
18. Glossary	X

Conclusion: Policy updates reflect any changes to the investment objectives, changes in statutes and changes in standards. There are updates that are needed in order for the policy to meet current market standards. The specific change recommendations are listed under question number four.

2) Review the policy for proper constraints related to risk control of the portfolio.

Three types of risk are applicable to public fund investing:

1. Credit Risk
2. Reinvestment Rate Risk
3. Interest Rate Risk

Risk controls in place at the City to address the above:

Credit Risk:

The City only invests in high quality securities, Treasury and Agency's as required by Washington Code R.C.W. 35.39.030, R.C. W. 36.29.020 and R.C.W. 39.58.08. These securities are high quality and have very little default risk associated with them.

Reinvestment Rate Risk:

The City has implemented a liquidity/core fund management process that diversifies the maturity structure of the portfolio. A portion of the portfolio is maintained in the LGIP fund to meet daily cash needs while the core funds are invested directly in open market securities. This process of diversification will limit the amount of reinvestment rate risk. The practice of the City is to target 15% of the portfolio balances in the LGIP.

Interest Rate Risk:

All investors that purchase fixed income securities that have maturities longer than 1 month are exposed to price change due to interest rate changes. This exposure is controlled by managing the overall average maturity of the portfolio. The City has a stated maximum average maturity of three years and a maximum maturity of a single issue at 5 years. The practice of the City is to maintain an overall average maturity of the portfolio under 1.5 years.

Conclusion: Proper constraints to control the risk of the portfolio are in place.

3) Review the policy to determine if industry standards are followed with regard to broker relationships, trading authorizations, etc.

Industry standards require for all public entities to require a broker/dealer to be approved by the investment committee upon receipt of the entities broker /dealer questionnaire. Also, it is required to have the individual salesperson to certify that the entities investment policy has been read and that annual financials will be provided.

It is also prudent to provide a trading authorization to each broker/dealer that the City transacts business to ensure that only persons allowed to trade on behalf of the City are identified.

Conclusion: A check list was submitted to the City regarding broker/dealer questionnaires, certifications and trading authorizations. The policy requires that the financials of all broker/dealers must be provided to investment staff annually, this procedure is in place. However, the practice of maintaining the broker/dealer questionnaire, certification document

and trading authorization is not being implemented and the investment committee should review to determine that this practice is implemented. The checklist is shown below and should be reviewed annually to ensure best practices.

Annual Review for Broker Dealer Relationships

City of Kirkland

Date May 17, 2006

List the current Broker/Dealers that are approved to do business with the City of Kirkland? Under questionnaire, certification and financials, provide the date of the most recent document. Also note the date the trading authorization was sent.

<u>Firm Name</u>	<u>B/D Questionnaire</u>	<u>B/D Certification</u>	<u>Current Financials</u>	<u>Trading Authorization</u>
Washington Mutual Bankno	no		2005	November 2, 2005
Piper Jaffray	no	no	2005	April 5, 2004
Vining Sparks	no	no	2005	no
D.A. Davidson & Co	no	not dated	2005	no
Seattle Northwest Securities	no	no	2005	no
Wells Fargo	no	no	2005	no

Conclusion: Utilize the broker dealer questionnaire, certification and trading authorization that is being submitted as attachments with this review. Use the check sheet annually to ensure that the process is in compliance.

4) Document suggested changes to existing policy.

All changes are reflected on the following pages titled revision document. The red highlights are the additions, the blue highlights are the deletions and the purple are the changes.

1. Title lines: Note the date of adoption by the council.
2. 2.0 Scope: Add bullet points to fund types and move the last sentence, referring to new funds, as last bullet.
3. 3.0 Objective: add to section 3.1 – in the State of Washington
4. 3.0 Move up the Liquidity priority to 3.2
5. 3.0 Objective: Add section regarding to incorporate the ability to sell a security if need.
6. 4.0 Change the tile from Investment Committee to Delegation of Authority
7. 5.0 Change title from Prudent Person Standard to Prudence
8. 6.0 Add the Ethics and Conflicts of Interest Section
9. 7.0 The broker/dealer community has consolidated over the past 10 years. Consider eliminating the requirement that the broker/dealer has an office in Washington.

10. 7.0 Eliminate the statement that the financial statement is required and expand the verbiage to include financials, Broker/Dealer Questionnaire, Broker Certification and Trading Authorization.
11. 8.0 Add in the Title Suitable.
12. 8.2 change the implicit guarantee to moral obligation. There is no government guarantee on agency securities.
13. 8.0 Replace all municipal corporations with "The City is".
14. 8.2 Add the description of agency securities to GSEs.
15. 9.0 Add a section on Investment pools and Mutual Funds.
16. 10.0 Add a section on Collateralizations for repurchase agreements.
17. 12.0 Add the first line to read, "The City will diversify its investments by security type and institution.
18. 12.0 Add the section "With the exception of U.S. Treasury securities and authorized pools..."
19. 12.0 Eliminate sentence commenting on failure of a transaction.
20. 13.0 Change the title from Maturities to Maximum Maturities.
21. 13.0 Add the maximum weighted average maturity of the total portfolio.
22. Old section 11 – remove the Overall maturity section as it is moved to 13.00
23. 15.0 External Controls – Add the line that investment advisors may be contracted for services as required.
24. 18.0 Add Investment Policy Adoption Section.

CITY OF KIRKLAND INVESTMENT POLICY

Date 6/1/2006

Adopted:

REVISIONS DOCUMENT

1.0 Policy Statement

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

2.0 Scope

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

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

3.0 Objective

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

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

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

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

4.0 Delegation of Authority

In accordance with City of Kirkland Municipal code, Ordinance No.2455, an Investment Committee was created consisting of the City Manager and Finance Director. Authority is granted to these individuals to invest any portion of the monies in the City's inactive funds or other funds in excess of current needs. The Finance Director may designate a person to coordinate the day to day operations of the investment portfolio.

5.0 Prudence

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

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

6.0 Ethics and Conflicts of Interest

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

7.0 Authorized Financial Dealers and Institutions

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

[A current financial statement is required to be on file for any financial institution and broker/dealer with whom the City is investing.](#)

Vs

All brokers/dealers and financial institutions who desire to do business with the City must supply the Finance Director with the following: Annual audited financial statement, proof of National Association of Securities Dealers Certification, certification of having read the City's investment policy and receipt of the City's Trading Authorization. The Investment Committee will conduct an annual review of the financial condition and audit of documents on file.

8.0 Authorized and Suitable Investments

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

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

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

Specific listing:

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

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

- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. If the banker's acceptance is rated by more than two NRSROs., it must have the highest rating from all the organizations.
- Commercial Paper, provided that the Finance Director adheres with the policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7));
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission;
- Local Government Investment Pool, for proceeds of bonds, liquidity funds or other debt obligations;
- Obligations of the State of Washington or its political sub-divisions.
- The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation on interest rates.

9.0 Investment pools / Mutual Funds

The City is allowed to invest in the Washington State Local Government Investment Pool as authorized by City of Kirkland Resolution 3370. The City is restricted from investing in mutual funds by State Statute.

10.0 Collateralization

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

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

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

11.0 Safekeeping and Custody

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

12.0 Diversification

The City will diversify its investments by security type and institution. By investing in several different instruments with different issuers, failure of a particular transaction to occur as planned is not likely to cause a major cash flow crisis. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the entity's total investment portfolio will be invested in a single security type, issuer or financial institution. Diversification strategies shall be determined and revised periodically by the investment committee.

13.0 Maximum Maturities

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

The maximum weighted maturity of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure.

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

11.0 Overall Portfolio Components

The maximum weighted maturity of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure.

14.0 Internal Control

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

15.0 External Control

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

16.0 Performance Standards

The City of Kirkland's investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs

17.0 Reporting Requirements

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

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

18.0 Investment Policy Adoption

The City's investment policy shall be adopted by City Council. The policy shall be reviewed every three years by the investment committee and modifications shall be submitted and approved by City Council.

5) Review the overall portfolio structure.

Purpose: To evaluate the portfolio structure to confirm compliance to the existing policy as of 3/31/06.

Total Portfolio Characteristics By Type		
<u>Investment Type</u>	<u>Market Value</u>	<u>% Portfolio</u>
State Investment Pool	\$10,974,302.70	13.24%
Certificates of Deposit – Bank	\$4,000,000.00	4.83%
Passbook/Checking Accounts	\$1,146,103.32	1.38%
Federal Agency Issues	\$64,824,828.37	78.16%
Treasury Securities	\$ 2,000,000.00	2.38%

Portfolio Characteristics By Maturity Sector		
<u>Maturity</u>	<u>% of Portfolio</u>	
0-1 Year	38.633%	
1-2 Year	48.03%	
2-3 Year	12.15%	
3-4 Year	0.00%	
4-5 Year	1.18%	
Average Maturity	1.17 years	Effective Duration .97

Portfolio Characteristics By Issuer based on Par Amount	
<u>Maturity</u>	<u>% of Portfolio</u>
Cash	14.62%
Certificates of Deposit	4.82%
US Treasury	2.40%
FFCB	20.56%
FHLB	16.48%
FHLMC	21.70%
FNMA	19.33%

**Portfolio Characteristics Compared to Standard Public Fund Benchmark Merrill Treasury
0-3 year Index**

	YTM	Average Coupon (%)	Average Maturity (Years)	Average Quality	Effective Duration
	----	-----	-----	-----	-----
Kirkland, City of	5.036	4.025	1.17	AGY	0.974
ML 0-3 YR TSY INDEX	4.818	3.677	1.353	TSY	1.279
DIFFERENCE	0.218	0.348	-0.183		-0.305

	PORT	BNCHMK			PORT	BNCHMK	
MATURITY YRS	(%)	(%)	DIFF	EFF DUR	(%)	(%)	DIFF
	----	----	----	-----	----	----	----
0.0-1.0	37.1	33.6	3.5	0.0-1.0	44.6	37.5	7.1
1.0-3.0	61.7	66.5	-4.8	1.0-3.0	54.2	62.5	-8.3
3.0-5.0	1.2	0	1.2	3.0-4.0	1.2	0	1.2
5.0-10.0	0	0	0	4.0-6.0	0	0	0
10.0-20.0	0	0	0	6.0-8.0	0	0	0
20.0 +	0	0	0	8.0 +	0	0	0

	PORT	BNCHMK	
CALLS/SINKS/PUTS	(%)	(%)	DIFF
	----	----	----
			-
NONE	54.3	100	45.7
W/DEF CALL	40.7	0	40.7
W/CURR CALL	5	0	5
PRICE TO CALL	0	0	0
W/SINK FUND	0	0	0
W/PUT	0	0	0
PRICE TO PUT	0	0	0

PORTFOLIO HOLDINGS REPORT

IDENTIFR	Par [000]	Issuer	Coupon	Maturity	Call Date	Acq Date	Book Yield	% Port- M	Eff Dur (Par)	Gain/Loss [000]
00000CM	16120	Pool, CD's, Passbk	4.50	3/31/2006	00/00/0000	00/00/0000	4.75	19.524	0.07	0
3136F3HX	2000	FEDERAL NATL MTG ASSN FEDERAL HOME LN MTG CORP	2.53	4/7/2006	00/00/0000	4/7/2003	2.53	2.451	0.02	-0.62
3128X1HW	2000	MTN	2.125	6/12/2006	00/00/0000	6/12/2006	0	2.425	0.19	-19.38
31331TMF	2000	FEDERAL FARM CR BANKS	2.88	6/29/2006	00/00/0000	12/29/2003	2.88	2.428	0.24	-10
3136F5S2	2000	FEDERAL NATL MTG ASSN	3.26	6/29/2006	00/00/0000	6/29/2004	3.26	2.433	0.24	-8.12
3133MGVA	1730	FEDERAL HOME LN BKS FEDERAL HOME LN MTG CORP	5.25	8/15/2006	00/00/0000	10/18/2001	4.369	2.111	0.36	-3.77
3128X36V	2000	MTN	3.875	12/29/2006	6/29/2006	4/27/2005	3.925	2.424	0.71	-17.9
31359MLU	2000	FEDERAL NATL MTG ASSN	4.75	1/2/2007	00/00/0000	10/7/2004	3.12	2.442	0.73	-30.86
912828DN	2000	UNITED STATES TREAS NTS	3.375	2/28/2007	00/00/0000	2/10/2006	4.625	2.396	0.88	-5.27
31331TB8	2000	FEDERAL FARM CR BANKS	2.9	4/12/2007	4/12/2006	11/30/2005	4.688	2.402	0.99	-8.7
31331SBM	2000	FEDERAL FARM CR BANKS	3.13	4/26/2007	00/00/0000	10/26/2004	3.13	2.405	1.02	-41.24
31331SCK	2000	FEDERAL FARM CR BANKS	3.25	4/27/2007	00/00/0000	10/27/2004	3.25	2.409	1.02	-38.74
31359MVB	2000	FEDERAL NATL MTG ASSN	3.125	5/4/2007	00/00/0000	11/5/2004	3.154	2.402	1.04	-41.23
3128X4BL	2000	FEDERAL HOME LN MTG CORP FEDERAL HOME LN MTG CORP	4	6/1/2007	6/1/2006	6/6/2005	3.75	2.434	0.96	-18
3128X32D	2000	MTN	3.64	7/11/2007	7/11/2006	1/11/2005	3.712	2.398	1.21	-34.46
3133X7XB	2000	FEDERAL HOME LN BKS	3.77	8/9/2007	2/9/2007	8/9/2004	3.77	2.392	1.29	-35.93
3128X4HM	2000	FEDERAL HOME LN MTG CORP	4.5	8/22/2007	8/22/2006	8/22/2005	4.474	2.411	1.19	-19.15
3128X4GU	2000	FEDERAL HOME LN MTG CORP	4.5	8/24/2007	00/00/0000	8/24/2005	4.832	2.424	1.33	-13.36
3133X4VM	2000	FEDERAL HOME LN BKS	3	9/28/2007	00/00/0000	3/28/2004	3	2.351	1.44	-59.38
3136F5RK	2000	FEDERAL NATL MTG ASSN	3.125	10/26/2007	00/00/0000	4/26/2004	3.125	2.384	1.49	-58.74
3133X5ZQ	2000	FEDERAL HOME LN BKS	3.375	10/30/2007	4/30/2006	4/30/2004	3.375	2.394	1.49	-51.88
31359MWS	2000	FEDERAL NATL MTG ASSN	3.375	11/9/2007	00/00/0000	11/9/2004	3.53	2.391	1.52	-47.65
3133XDQW	2000	FEDERAL HOME LN BKS FEDERAL HOME LN MTG CORP	5	11/23/2007	4/23/2006	11/30/2005	5.002	2.456	0.94	-7.93
3128X3FC	2000	MTN	3.75	11/23/2007	5/24/2006	5/24/2004	3.75	2.403	1.53	-42.14
3136F6PG	2000	FEDERAL NATL MTG ASSN	4.5	12/14/2007	00/00/0000	12/14/2004	4.524	2.431	1.6	-18.22
3136F6SB	2000	FEDERAL NATL MTG ASSN	3.77	12/28/2007	6/28/2006	12/28/2004	3.77	2.393	1.62	-43.74
3133XABL	2000	FEDERAL HOME LN BKS	4	2/4/2008	5/4/2006	2/4/2005	4	2.391	1.66	-38.12
3133XAHL	2000	FEDERAL HOME LN BKS FEDERAL HOME LN MTG CORP	4	2/11/2008	5/11/2006	2/11/2005	4.011	2.389	1.68	-38.27
3128X3RQ	2000	MTN	3.875	2/12/2008	8/12/2006	1/27/2005	3.892	2.376	1.74	-48.42
3128X4HK	2000	FEDERAL HOME LN MTG CORP	4.625	8/15/2008	8/15/2006	8/18/2005	4.628	2.412	1.69	-19.92
31331S3K	2000	FEDERAL FARM CR BANKS	4.6	9/8/2008	9/8/2006	9/8/2005	4.611	2.399	1.84	-24.45
31331VCK	2000	FEDERAL FARM CR BANKS	4.9	10/17/2008	1/17/2006	11/17/2005	4.897	2.454	1.54	-18.12
31331VDW	1000	FEDERAL FARM CR BANKS	4.92	10/27/2008	10/27/2006	10/27/2005	5.049	1.226	1.71	-5.64
31331VJN	2000	FEDERAL FARM CR BANKS	5.05	12/8/2008	3/8/2006	12/8/2005	5.047	2.444	1.47	-13.74
31331VNK	1000	FEDERAL FARM CR BANKS	5	1/20/2009	4/20/2006	2/10/2006	5.143	1.213	1.58	-4.36
31331VAS	1000	FEDERAL FARM CR BANKS	4.75	9/28/2010	9/28/2007	3/29/2006	5.379	1.183	3.23	1.37
	82850	Total	3.935	1.17			4.008	100.001	0.97	-886.08

Legality: All security holdings are in compliance with City's policy and state and local statutes.

Liquidity: Cash and Cash Equivalents including CD's represent 19.54% of the portfolio. This is appropriate and within the policy guidelines of 15%. Securities held with maturities less than one year, including cash is 37.1%, which also provides for liquidity needs.

Safety: The portfolio is diversified by maturity and issuer name, providing for prudent safety measures.

Return: The book yield on the portfolio is 3.935% and is fair based on the average maturity and purchase dates of the portfolio. The longer investments that were locked in during the low interest rate cycle will keep the book yield lower than pool rates for a period of time. It is important to focus on the long term benefits of the core fund portfolio during longer term budget cycles. The total return of the portfolio for the calendar year was 2.553 compared to the 0-3 year benchmark of 2.103%. The portfolio outperformed during this period due to the shorter average maturity positioning of the portfolio while interest rates were rising.

6) Evaluate the risk exposure of the portfolio.

Interest Rate Risk: Rating - Low

Risk management in public fund investing is targeted at managing the market to market value exposure of the portfolio given interest rate changes. Portfolio duration is the tool that is used to measure this exposure. The City's portfolio principal value will move by approximately \$729M and \$-879M when rates move up or down by 1%.

PORTFOLIO MARKET VALUE CHANGE BASED ON INTEREST RATE CHANGES

Yield Change (bp)	Total	Price	YTM/C	Dur	USD	
-300	1.95	1.95	2.04	0.46	84173	
-250	1.71	1.71	2.54	0.48	83980	
-200	1.47	1.47	3.04	0.52	83784	
-150	1.21	1.21	3.54	0.61	83562	
-100	0.88	0.88	4.04	0.73	83296	729
-50	0.48	0.48	4.54	0.86	82960	
0	0	0	5.04	0.97	82567	
50	-0.52	-0.52	5.54	1.04	82134	
100	-1.06	-1.06	6.04	1.07	81688	-879
150	-1.6	-1.6	6.54	1.07	81247	
200	-2.12	-2.12	7.04	1.07	80813	
250	-2.65	-2.65	7.54	1.06	80382	
300	-3.16	-3.16	8.04	1.06	79956	

Credit Risk: Low

Credit risk is low based on the types of securities that the City is purchasing and the diversification that is being implemented.

Reinvestment Rate Risk: Low

Reinvestment rate risk is exposed in a portfolio when there is excess liquidity and or too much callable exposure. The City implements a core/liquidity fund strategy that maintains a minimum balance in targeted liquidity and invests the excess into open market securities. The balance of the core fund and liquidity accounts is an appropriate and diversifying the exposure to reinvestment rate risk. However, the callable exposure is high in this portfolio as over 40% is in callable securities. Note in the table above, how the duration of the portfolio shifts from .97 down to .73 when rates fall 100bp. This illustrates how much influence the callable sector has on the composition of the portfolio without the investment officer making any changes. A balance of callable and non callable securities is important and we recommend at 30% maximum.

7) Document comments on the structure of the portfolio.

The overall portfolio positioning has been invested with a shorter duration through the lower rate environment. This has benefited the City in two ways: 1) protected the mark to market exposure 2) provided for maturities coming due to be reinvested at higher rates.

Asset allocation by issuer is appropriate

Call exposure needs to be reduced

8) List recommendations that will enhance the efficiency and improve safeguards to the investment process.

The City has implemented a liquidity and core fund strategy to assist in the decision making process. Past analysis identified the appropriate risk profile for the City's core investment to be a 1-3 year treasury structure. This index duration is 1.65. It is important to utilize duration as a key tool in strategy and investment decisions to control risk and manage return. The neutral position for the core fund is 1.65 (the index) . As interest rates move up above the 10 year average the core fund portfolio should move out closer to this target. The current core fund duration is 1.19 as of March 31, 2006.

Recommendation:

1. Reduce the agency callable exposure to 30% or lower.
2. Increase position sizes to \$2,000,000, \$3,000,000 or even \$5,000,000 in par amounts. This will allow the investment officer to more efficiently manage the portfolio holdings.
3. Extend the duration of the overall portfolio as interest rates rise. Note the attached sheet that reviews historical levels. The two year note has a 10 year average rate of 4.28%. Today the market is at 4.96%.
4. News continued to be negative on FNMA yet the market is not pricing FNMA issues at a discount. Look to add FNMA's only when there is a beneficial yield over the other names or when the negative news ends.

RESOLUTION R - 4595

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

WHEREAS, the City Council of the City of Kirkland deems to have City funds invested in secure depositories and maximize returns on these investments; and

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

WHEREAS, the Kirkland City Treasurer has recommended a proposed policy for investment of City funds; and

WHEREAS, the City of Kirkland investment policy has been written in accordance with the Washington Municipal Treasures Model Investment Policy.

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

Section 1. The policy for investment of City funds set forth in the document entitled "City of Kirkland Investment Policy June 1, 2006" which is attached hereto as Attachment A and incorporated herein by this reference as if set forth in full is hereby adopted as official policy for investment of City funds.

Section 2. That the document entitled City of Kirkland Investment Policy June 1, 2006, replaces all previous City of Kirkland Investment Policies.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2006.

Signed in authentication thereof this ____ day of _____, 2006.

MAYOR

Attest:

City Clerk

Attachment A***CITY OF KIRKLAND
INVESTMENT POLICY****Draft 6/1/2006*

Adopted:

1.0 Policy Statement

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

2.0 Scope

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

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

3.0 Objective

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

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

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

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

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

4.0 Delegation of Authority

In accordance with City of Kirkland Municipal code, Ordinance No.2455, an Investment Committee was created consisting of the City Manager and Finance Director. Authority is granted to these individuals to invest any portion of the monies in the City's inactive funds or other funds in excess of current needs. The Finance Director may designate a person to coordinate the day to day operations of the investment portfolio.

5.0 Prudence

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

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

6.0 Ethics and Conflicts of Interest

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

7.0 Authorized Financial Dealers and Institutions

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

All brokers/dealers and financial institutions who desire to do business with the City must supply the Finance Director with the following: Annual audited financial statement, proof of National Association of Securities Dealers Certification, certification of having read the City’s investment policy and receipt of the City’s Trading Authorization. The Investment Committee will conduct an annual review of the financial condition and audit of documents on file.

8.0 Authorized and Suitable Investments

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

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

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

Specific listing:

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

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

- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. If the banker's acceptance is rated by more than two NRSROs., it must have the highest rating from all the organizations.
- Commercial Paper, provided that the Finance Director adheres with the policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7));
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission;
- Local Government Investment Pool, for proceeds of bonds, liquidity funds or other debt obligations;
- Obligations of the State of Washington or its political sub-divisions.
- The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation on interest rates.

9.0 Investment pools / Mutual Funds

The City is allowed to invest in the Washington State Local Government Investment Pool as authorized by City of Kirkland Resolution 3370. The City is restricted from investing in mutual funds by State Statute.

10.0 Collateralization

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

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

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

11.0 Safekeeping and Custody

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

12.0 Diversification

The City will diversify its investments by security type and institution. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the entity's total investment portfolio will be invested in a single security type, issuer or financial institution. Diversification strategies shall be determined and revised periodically by the Investment Committee.

13.0 Maximum Maturities

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

The maximum weighted maturity of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure.

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

14.0 Internal Control

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

15.0 External Control

The City will have an external review of the investment policy and procedures every 2 years. The City may enter contracts with third-party investment advisory firms when their services are required.

16.0 Performance Standards

The City of Kirkland's investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs

17.0 Reporting Requirements

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

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

18.0 Investment Policy Adoption

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

GLOSSARY

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

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

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

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

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

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

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

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

FEDERAL HOME LOAN BANKS (FHLB) - The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

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

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE) -

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

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

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

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

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

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

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

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

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

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

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

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

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



CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Eric R. Shields, AICP, Planning Director
Janice Soloff, AICP, Senior Planner

Date: August 25, 2006

Subject: MERRILL GARDENS AT KIRKLAND STREET VACATIONS, FILE VAC06-00001

RECOMMENDATION

The Department of Planning and Community Development recommends that the City Council hold a public hearing and adopt a Resolution of Intent to Vacate granting a vacation of the south portion of 1st Street So. and an east/west oriented alley between Kirkland Avenue and 1st Avenue So. adjacent to the proposed Merrill Gardens mixed use project at 201 Kirkland Avenue.

RULES FOR CITY COUNCIL CONSIDERATION

The Kirkland Municipal Code states that the City Council shall consider the vacation at a public hearing. Any interested person may participate in the public hearing by either or both submitting written comments to the City Council or by appearing in person, or through a representative, at the hearing and make oral comments directly to the City Council.

After the public hearing, the City Council shall, by motion approved by a majority in a roll call vote, do one of the following:

- a. Adopt an ordinance granting the vacation; or
- b. Adopt a motion denying the vacation; or
- c. Adopt a resolution of intent to vacate stating the City Council will by Ordinance, grant the vacation if the applicant meet specified conditions within 90 days, unless otherwise specified in the resolution.

Staff recommends option C above and the conditions listed in the Recommendations Section I.B. of the Staff Advisory Report (enclosed). Staff recommends that private property be exchanged for the vacated portion of rights of way in lieu of monetary compensation. The amount of land to be dedicated is 306 sq. ft. larger and is valued at \$76,500 more than the area to be vacated. In addition, the applicant plans on installing new public improvements to comply with the Downtown Plan policies regarding street vacations and replacing 20 public parking stalls located in the areas to be vacated. Further information is provided in the Staff Advisory Report.

Staff recommends that City Council extend the time for final adoption and the applicant to comply with the conditions of approval in the resolution of intent to vacate from 90 days to one year from the date of the adoption of the resolution. This would allow the development proposal to be further along in the permit process, allow the applicant and City to enter into a "voluntary agreement" to ensure the improvements described in the applicant's proposal will be provided, and allow time to submit a complete building permit (See staff report recommendation Section II.B.2 and Attachment 5).

BACKGROUND INFORMATION

The petitioner, Merrill Gardens at Kirkland LLC, proposes a 5 story, mixed use assisted living project at 201 Kirkland Avenue. Entrance to the project will be along the 1st Street So., a dead-end street. The Public Works Department recommends that the applicant widen and move the driveway entrance to the east to align with Main Street in order to improve vehicular turns at the intersection. As a result, Merrill Gardens is required to dedicate private property (reducing floor area) to accommodate the new right of way configuration.

To make up for the loss in floor area, Merrill Gardens submitted a petition to vacate the south 1,041 sq. ft. portion of 1st Street So. at the foot of the stairs leading to the Portsmouth Condominiums. A second east/west alley is proposed for vacation in its entirety because it divides their property in two and is no longer needed for vehicular access. Merrill Gardens plans on constructing a portion of their garage (with residential units above) into the vacated portion of 1st Street So. along with new street improvements along both sides of the street and new pedestrian stairs leading to the public paths extending along the west and north sides of Portsmouth Condominiums.

On August 1, 2006, City Council adopted Resolution No. 4586 setting a public hearing date of September 5, 2006 for the proposed vacation.

ENCLOSURES

1. Staff Advisory Report
2. Resolution of intent to approve vacation

cc: File VAC06-00001



CITY OF KIRKLAND

Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.828.1257
www.ci.kirkland.wa.us

ADVISORY REPORT

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

To: Kirkland City Council

From: _____ Eric R. Shields, AICP, Planning Director

_____ Janice Soloff, AICP, Senior Planner

Date: August 28, 2006

File: MERRILL GARDENS AT KIRKLAND RIGHT-OF-WAY VACATION AND LAND DEDICATION-
PUBLIC HEARING, (FILE NO. VAC06-00001)

Hearing Date and Place: September 5, 2006
City Hall Council Chamber
123 Fifth Avenue, Kirkland

I. INTRODUCTION

A. APPLICATION

1. Applicant: SRM Development, LLC for Merrill Gardens at Kirkland, LLC.
2. Site Location: Portion of 1st Street South and an east/west oriented alley located between Kirkland Avenue and 1st Avenue So. adjacent to proposed Merrill Gardens at Kirkland mixed use project at 201 Kirkland Avenue (see Attachments 1 and 2).
3. Street Vacation Request: The applicant's proposal includes the following requests: (See Attachments 2, 3 and 4)
 - a) Vacate an east/west oriented alley or Alley A, (2,326 SF).
 - b) Vacate 1,041 SF of the southern portion of 1st Street So. or Alley B.
 - c) Dedicate a 3,673 SF area of private property to the City for public right of way purposes. In lieu of monetary compensation for vacated public right of ways the applicant proposes a land exchange.
 - d) Extinguish existing recorded public ingress and egress easements on the subject property.
4. Related Development Proposal: The Design Review Board is currently reviewing the Merrill Gardens at Kirkland development application contained in File DRC06-00002. The project includes a 5 story, mixed use, 116 unit assisted living residential project with ground floor retail along Kirkland Avenue (See Attachment 5). Parking will be provided in a two level parking garage. The applicant is requesting a parking modification to reduce the number of parking spaces required by the Zoning Code for the assisted living portion of the project based on parking demand studies of their other projects. As a result, the applicant proposes to construct an excess number of parking stalls exceeding their needs. The applicant has

indicated that these excess parking stalls will be accessible to the public as paid parking for surrounding Downtown businesses (See Attachment 6). As a public benefit associated with the street vacation, the applicant also plans to install new street improvements in the remaining portion of 1st Street So., (typically only the property frontage improvements are required) including replacing public parking stalls in the vacated areas. The Parking Advisory Board has reviewed the parking modification, replacement of the public stalls and plan to construct the excess parking stalls and supports the idea. The proposed east/west alley vacation is needed in order for the project to move forward because it divides the subject property in two.

5. Review Process: City Council conducts public hearing on street vacations. Following the public hearing, the Council shall make the final decision by motion approved by a majority of the entire membership in a roll call vote.
6. Summary of Key Issues For Council Consideration: Key issues with this street vacation proposal are:
 - a) Compliance with right-of-way vacation criteria (See Section II.B.2)
 - b) Land exchange of private property for public right of way for widening 1st Street So in lieu of monetary compensation for the proposed street vacations. (See Section II.B.2.d)
 - c) Public benefits of new public improvements and pedestrian amenities in remaining 1st Street So. (See Section II.A.4 and II.d.2.)
 - d) Replacement of 20 existing public parking stalls located in 1st Street So. by constructing 20 new public parking stalls (a combination in street and within the Merrill Gardens parking garage) and recommendation that a use agreement be recorded to ensure public access to the parking stalls within the garage. (See Section I.A.4. and II.B.2.d.2).
 - e) Extending the time for compliance with specified conditions of approval from 90 days to one year from the date of the resolution of intent to vacate resolution (See Section II.B.2.d).

B. RECOMMENDATIONS

1. Rules for city council consideration of a street vacation- The City Council shall consider the vacation(s) at a public hearing. Any interested person may participate in the public hearing by with or both submitting written comments to the City Council or by appearing in person or thorough a representative, at the hearing and make oral comments directly to the City council.

After the public hearing, the City Council shall, by motion approved by a majority, in a roll call vote, do one of the following:

- a) Adopt an ordinance granting the vacation; or
- b) Adopt a motion denying the vacation; or
- c) Adopt a resolution of intent to vacate stating that the City Council will, by ordinance, grant the vacation if the applicant meets specified conditions within 90 days, unless otherwise specified in the ordinance.

2. Recommendation - Based on Statements of Fact and Conclusions (Section II), and Attachments in this report, staff recommends adoption of a resolution of intent subject to the following conditions:
 - a) The applicant shall file a complete application for a building permit based on the development proposal contained in File DRC06-00002, and described in Attachment 5, within one year of the date of the passage of this Resolution. The complete building permit shall comply with the Development Standards contained in Attachment 7 of this report and shall include the following items:
 1. Installation of required street improvements along 1st Street South;
 2. Location and design of new public parking stalls;
 3. Location and description of pedestrian amenities and any necessary pedestrian easements;
 4. Location and general description of public art installations; and
 5. Location and design of a new north/south public stairway connecting the subject property with public access paths on the adjoining Portsmouth Condominium property;
 - b) Convey to the City, by statutory warranty deed, title to the area of the subject property to be dedicated as public right of way, described in Attachment 5, Exhibit D (see Conclusion II.B.2.c. and d).
 - c) Execute a voluntary agreement with the City in which the applicant agrees to install the improvements described in Attachment 5, and which includes the following provisions: (See Conclusion II.B.2.c. and d):
 1. A provision that the applicant shall install 20 replacement public parking stalls to compensate for the 20 parking spaces displaced as a result of the street vacations and development proposal located in 1st Street So. The location of the new stalls shall be distributed within 1st Street So. and within the Merrill Gardens parking garage (See Conclusion I.A.4 and II.B.2c).
 2. A provision that the applicant shall, prior to issuance of a building permit, execute a public parking easement over the replacement public parking stalls located within the Merrill Gardens parking garage, and granting public access to the stalls. The parking easement shall be recorded with King County Records Department. The easement shall include the following terms which shall be identified in the voluntary agreement: the public shall have permanent access to the public stalls; the City shall have sole discretion as to how these stalls in the garage are managed including whether or not they are priced (including whether a gate, attendant/or pay meter should be installed); the parking stalls shall be located closest to the parking garage door entrance; the public may access the stalls during hours to be mutually agreed upon but not less than 7 am – 10 pm; the stalls shall be designed to meet city standards; directional signage or stall marker signs shall be installed by the applicant in a mutual agreeable location and meet city standards for design and material; and the agreement shall address who maintains the stalls (See Conclusion II.B.2.b).

3. A provision that, within 10 days of entering into the voluntary agreement, the City will release its interest in the following recorded documents: King County recording numbers: 19990709001997, 19990709001998, and 19990809000569.
- d). Submit to the City a copy of the recorded easement as requested by Puget Sound Energy (See Conclusion II.B.2.b).

II. FINDINGS OF FACT AND CONCLUSIONS:

A. SITE DESCRIPTION AND STREET VACATION PROPOSAL

1. East/West Facing Alley (Alley A)
 - a) Existing conditions: The east/west oriented alley or Alley A, is located in the middle of the proposed Merrill Gardens at Kirkland (See Attachment 3 and 4). Alley A contains 2,326 sq. ft., and is currently used for parking for the existing one story building located on the subject property. A recorded use permit allows the existing businesses to use the public alley for parking. Adjacent to the alley on private property is a recorded access easement granting the public access to public parking stalls located at the base of the hill (See Attachment 3).
 - b) Proposal: The proposal is to vacate Alley A in its entirety and extinguish the public ingress and egress easements used for parking in and adjacent to Alley A (See Attachment 3 and 5).
2. South portion of 1st Street So (Alley B)
 - a) Existing Conditions: The south portion of 1st Street So, also referred to as Alley B, runs north/south from Kirkland Avenue and dead-ends at the stairs leading to the Portsmouth Condominiums. The existing public stairs are located on the west half of the right of way (not proposed for vacation). Alley B contains approximately 15 public parking stalls, and access to several "community" garbage dumpsters and a grease container used by surrounding businesses in the block (See Attachment 3).
 - b) Proposal: To make up for lost floor area due to dedication of private property (see below), the applicant requests to vacate a 22.92' x 45.42' area (1,041 sq. ft.) portion of the 1st Street So. street end (Alley B). Once vacated the applicant plans to build into the vacated area the entrance to the Merrill Gardens parking garage and upper story assisted living units (See Attachment 4 and 5).
3. Dedication of Private Property to the City For 1st Street So. Right of Way
 - a) Vehicular access to the Merrill Gardens mixed use project is planned from Kirkland Avenue down 1st Street So to a parking garage entrance at the base of the hillside. A circular drop off area will be provided at the main entrance (See Attachment 4).
 - b) Proposal: As a condition of the development proposal (DRC06-00002), the Public Works Department recommends that the 1st Street So. driveway entrance at Kirkland Avenue be widened and moved to the east to align with Main Street to improve turning at the intersection (See Attachment 7). As a result, the applicant will need to dedicate private property (3,673 sq. ft.) to the City for public right of way and pedestrian improvements in the new design for 1st Street So (see discussion below). The applicant proposes to do a "land exchange" for the area to be vacated in lieu of monetary compensation (See Attachment 2 and 5).

4. New Public Improvements in 1st Street So.

In keeping with the Downtown Plan policies regarding street vacations, the applicant proposes the following public improvements as public benefits related to the street vacations (See Comprehensive Plan discussion below) (See Attachments 4 and 5):

- a) Construct new street improvements on both sides of 1st Street So. including: new decorative sidewalks, decorative pavement, decorative pedestrian lighting, street furniture, street trees, public art, and new public stairway replacing existing stairs leading up to Portsmouth. The applicant provided a cost estimate of \$136,660 for construction of the improvements in Attachment 5. These new street improvements will create an enhanced pedestrian north/south walkway from downtown to the residential neighborhood to the south and contribute to the retail tenants along Kirkland Avenue.
- b) The applicant has agreed to replace 20 public parking stalls currently located in the areas to be vacated. Of the 20 stalls, a portion will be constructed in the new street and in the street level of the Merrill Gardens parking garage (plans need more refinement to determine exact distribution). In addition, the applicant plans on providing an excess number of parking stalls in the garage available to the public to serve local surrounding businesses (these will be privately managed (See Attachment 6).

5. Easements –Relinquishment of Recorded Easements

The following recorded easements located on the areas to be vacated will need to be relinquished by the City (See Attachment 2 and 5):

- a) Public ingress and egress easement running north/south on subject property (King County Recording No. 19990709001997).
- b) Public pedestrian right of way easement (2' wide) along Kirkland Avenue sidewalk (King County Recording No. 19990709001998).
- c) Public right of way easement (King County Recording No. 19990809000569).

Conclusions: In order for the development proposal to move forward, the east/west alley must be vacated. There are no existing conditions that would preclude approving the street vacation proposal. As part of the final approval of the street vacation the above easements should be relinquished. Staff supports the applicant's proposal to install the new street improvements in the remaining portion of 1st Street So., new pedestrian stairs, and replacement of the existing public parking stalls in the street and in the Merrill Gardens parking garage. A public access easement will need to be recorded granting public access to the public stalls in the garage.

B. KIRKLAND MUNICIPAL CODE- COMPLIANCE WITH STREET VACATION CRITERIA:

The following section outlines provision of the Kirkland Municipal Code (KMC) as it relates to the street and alley vacation.

1. Initiation of Vacation Procedure

- a) Section 19.16.030 of the KMC allows a vacation to be initiated by the City Council or by owners of more than two thirds of the property abutting the part of the street or alley to be vacated.
- b) Section 19.16.040 of the KMC states that the owners of an interest in any real estate abutting street or alley, or underlying any public easement may petition the City Council for vacation of the subject property by submitting the necessary application materials to

the City. A petition signed by all the abutting property owners of the proposed street vacation has been submitted (See Attachment 8).

- c) Section 19.16.060 of the KMC states that the City Council shall by resolution establish a date not more than sixty days nor less than twenty days after the date of the resolution scheduling the public hearing. On August 1, 2006, City Council adopted Resolution R-4586 setting a public hearing date of September 5, 2006 for the street vacations (See Attachment 9).

Conclusion: A petition signed by all the abutting property owners of the proposed street vacation has been submitted. Attachment 9 is Resolution 4586. The requirements of Section 19.16.030, 040 and 060 have been met.

2. Street Vacation Approval Criteria

Staff comments are italicized.

a) Public Interest

Section 19.16.130 of the KMC states that the City Council may, in its discretion vacate a street, alley or public easement if it determines that the vacation is in the public interest and that:

1. The street, alley, or public easement is not currently necessary for travel or other street purposes, nor likely to be in the future; and

The portion of 1st Street So. to be vacated currently contains several public parking stalls and garbage dumpsters for the surrounding businesses in the block. The applicant has agreed to replace the existing public stairs, community dumpsters and public parking stalls (See Attachment 5).

The east/west alley runs down the middle of the subject property and is currently used for parking. It is likely that any redevelopment of 201 Kirkland Avenue would need to vacate the east/west alley because it splits the property in two. With the newly constructed Kirkland Central Project to the east, the alley is not needed for vehicular travel in the future.

2. No property will be denied all access as a result of the vacation.

No property will be denied access as a result of the vacations and relinquishment of easements. Properties to the west currently have access to Kirkland Avenue and Lake Street So. and will continue to have access to the new 1st Street So.

3. The City Council may consider any other fact or issue it deems relevant when deciding whether to vacate a street, alley or public easement.

Attachment 5 states that the applicant proposes as part of the street vacation request to:

- a) *Dedicate private property for right of way and alignment purposes for new 1st Street So.*
- b) *Construct new public stairway leading from 1st Street So. to Portsmouth public pedestrian walkways.*

- c) *Construct replacement public parking stalls (20) within the new 1st Street So. and upper level of the parking garage and garbage dumpsters for other businesses in the area.*

Conclusion: The above requirements have been met. No property will be denied access as a result of the vacations. Pedestrian access and vehicular circulation within the block will be enhanced compared to what exists now. Vacating the portion of 1st Street So., and the east/west alley is in the public's interest provided provisions for replacing the public stairs, the 20 public parking stalls and dumpsters are made.

Staff recommends that prior to final adoption of the street vacation ordinance, the applicant and the City enter into a voluntary agreement to ensure that the above improvements (and planned improvements described in Attachment 4) will be installed and dedication will occur (See Section B.2.c. below). As part of the building permit application the applicant shall indicate on the plans that the above improvements will be installed. The voluntary agreement should also include a mutual agreement on how the public parking stalls in the garage will be managed, that they will be accessible to the public in perpetuity and other items that may relate to the proposed public improvements.

b) Street Vacation – Right to Reserve Easements

1. KMC Section 19.16.140 allows the City Council to reserve for the city any easement or the right to exercise and grant any easements for public utilities and services, pedestrian trail purposes; and any other type of easement relating to the City's right to control, use and manage rights-of-way.

The applicant obtained written comments from Puget Sound Energy regarding the need to retain a utility easement over the area to be vacated (see Attachment 10).

Conclusion: A public utility or services easement from Puget Sound Energy is required with the proposed vacation. Prior to occupancy of the Merrill Gardens parking garage, a public access agreement for the public parking stalls in the garage shall be agreed upon by both the applicant and City and recorded with King County Records and Elections Division.

c) Voluntary Agreement Between City And Applicant

1. Section 19.16.150 of the KMC establishes that at any time prior to the City Council's final decision on the vacation, the applicant and city staff may enter into a voluntary agreement containing special terms that would apply to the vacation if the application is approved. City staff will advise the City Council of the terms contained in the voluntary agreement. The City Council may vacate a street, alley or easement pursuant to such an agreement as a condition of approval of the vacation.

The proposal for a voluntary agreement is in Attachment 4. The proposal includes construction of the following improvements as part of the Merrill Gardens development proposal (File DRC06-0002): installing new street improvements within 1st Street So. (sidewalks on both sides, street trees, decorative pedestrian lighting, street furniture, and public art), replacement of 20 public parking stalls.

Conclusion: Staff recommends the City Council approve the applicant's proposal as the voluntary agreement (See also Recommendations Section I).

d) Street Vacation – Final Decision and Compensation

1. Section 19.16.160 of the Kirkland Municipal Code indicates that following the public hearing, the City Council shall, by motion approved by a majority of the entire membership in a roll call vote, either (a) adopt an ordinance granting the vacation; or (b) adopt a motion denying the vacation, or (c) adopt a resolution of intent to vacate stating that the City Council will, by ordinance, grant the vacation if the applicant meets specified conditions within 90 days, unless otherwise specified in the resolution.

Staff recommends that the City Council extend the time to comply with the conditions of approval from 90 days to one year from the date of the resolution of intent to vacate. This extension would allow the development proposal to be further along in the permit process and provides additional time for the City and the applicant to enter into the voluntary agreement.

2. The City may require the following as conditions:
 - a) Monetary compensation to be paid to the City in an amount of up to one-half the appraised value for the subject property; provided, that compensation may be required in an amount of up to full appraised value of the subject property if either of the following applies to the street vacation:
 1. It has been part of a dedicated public right-of-way for twenty five years or more; or
 2. The subject property or portions thereof were acquired at public expense.
 - b) The grant of a substitute public right-of-way which has value as right-of-way at least equal to the subject property; or
 - c) Any combination of (1) and (2) above, provided that the total value of the combined conditions shall not total more than the maximum amount of monetary compensation allowed under subsection (2) (a) of this section.

The applicant proposes (c), dedicating private property to the City for public right of way and installing other public improvements in exchange for the vacated rights of ways (See Attachment 4 and 5).

3. *The City has acquired an independent appraisal of the subject site from Appraisal Group of the Northwest LLP of Bellevue Washington concluding a fair market land value of \$250.00 per square foot (see Attachment 11).*
4. *The value of the area to be vacated is \$841,750 (3,367 square feet times \$250.00 per square foot).*
5. *The value of private property to be dedicated is \$918,250 (3,673 square feet times \$250.00 per square foot).*
6. *The applicant provided an estimate of the costs of installing the new public improvements in the 1st Street So. right of way as \$136,660 (See Attachment 4).*

7. *The east/west alley right-of-way was dedicated with the recording of the plat of Burke and Farrar's Kirkland Business Center Addition, Division No 25 in November 21, 1941 and recorded on July 28, 1942.*
8. *Since the right-of-way was dedicated more than 25 years ago, typically, payment to the City would be of the full-appraised value of the subject site.*

Conclusion: In lieu of financial compensation to the City, the City Council may consider a land exchange of an equal or greater value. The amount of land the applicant is dedicating is 306 sq. ft. greater than the amount of right of way being vacated and valued \$76,500 more. Staff recommends the Council accept the land exchange as compensation for the street vacations. If Council concurs, then a statutory warranty deed shall be submitted transferring the property.

C. ZONING PROVISIONS:

The property is located within the Central Business district 1 (CBD 1) zone. CBD 1 allows a number of uses including retail, restaurant, office and housing. Office and housing uses are only allowed on the ground floor if there is intervening retail or restaurant use fronting the sidewalk. No setbacks are required and 100% lot coverage is allowed. The base height range is 2-4 stories. The Design Review Board has discretion to approve an additional 5 story if the upper 3 stories are housing, stories above the second story are set back significantly from the street, building form is stepped back at the 3-5 floors, and superior retail space is provided at the street level.

Conclusion: The zoning for the proposed vacated area relates to the valuation of the land. The applicant's planned development for the proposed street vacations is consistent with the CBD 1 zoning.

D. COMPREHENSIVE PLAN:

1. Land Use- The subject property is located in the core area of the Downtown Plan. Kirkland Avenue is designated as a major pedestrian route and north south pedestrian routes are encouraged to link the downtown with the neighborhoods south of Kirkland Avenue. This block is targeted for public parking opportunities. Developers are encouraged to include surplus public parking in their projects to increase the amount of parking available in the downtown. Residential is encouraged on the upper 3 stories. Superior retail is encouraged on the ground floor by allowing a fifth story for residential use (See Attachment 12).
2. Street Vacations- Street vacations and alleys in the core area are only recommended if they will not result in increased building mass and there is a substantial public benefit such as providing superior pedestrian or vehicular linkage or superior public open space. The proposal includes dedicating a greater amount of substitute right of way in exchange for the vacated public right of way (See Attachment 12).
3. Urban Design-Design considerations of importance in this area are those related to pedestrian scale and orientation particularly along the street. Buildings over two stories in height must reduce the building mass above the second story.

Conclusions: It is likely that any development proposal for the subject property would require at least the east/west alley to be vacated. The vacation of right of way exchange results in a development site that is 306 sq. ft. smaller than the existing parcel. Therefore, no increase in building mass is proposed as a result of the street vacation. The proposed street vacation is consistent with the Comprehensive Plan polices.

E. STATE ENVIRONMENTAL POLICY ACT (SEPA):

Street Vacations are categorically exempt from SEPA pursuant to WAC 197-77-800 (2) (h).

F. PUBLIC COMMENT:

To this date, no public letters have been received commenting on the street vacation.

III. APPENDICES

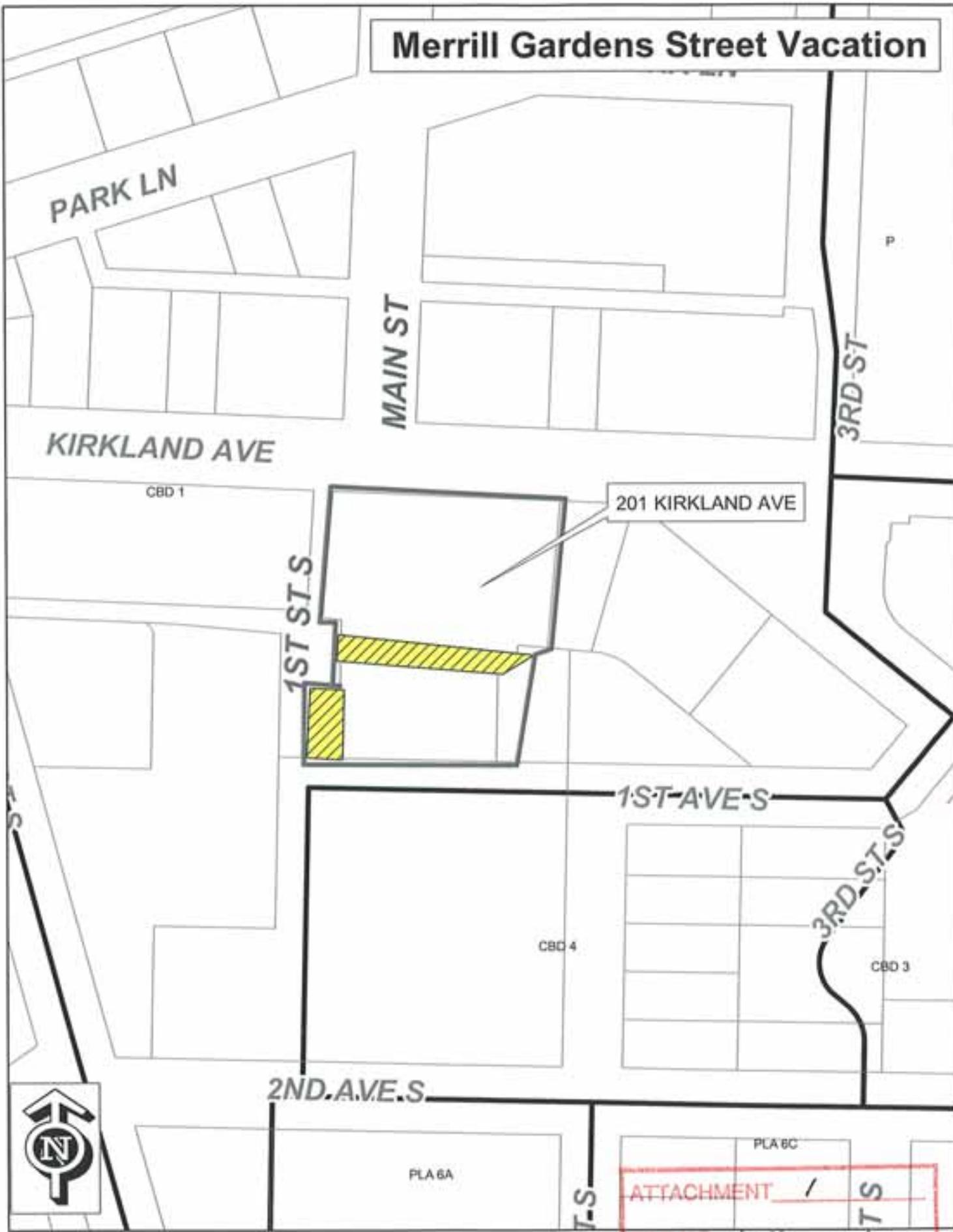
Attachments 1 through 12 are attached.

1. Vicinity map/zoning
2. Proposed street vacation and dedication areas
3. Existing conditions site plan
4. Merrill Gardens development proposal site plan
5. Merrill Gardens street vacation proposal
6. Letter from SRM Development LLC, August 16, 2006 regarding intent for excess parking stalls
7. Development Standards
8. Petition to Vacate Right-of-Way
9. R- 4586 setting hearing date
10. Email from Puget Sound Energy
11. Land Appraisal Report from Appraisal Group of the NW LLP
12. Comprehensive Plan Downtown Plan policies

IV. PARTIES OF RECORD

Andy Loos, SRM Development, LLC, 808 5th Avenue North, Seattle, WA 98109
Chad Lorentz, Runberg Architects, One Yesler Way, Suite 200, Seattle, WA 98104
Ken Dayton, 2339 11th Avenue E. Seattle, WA 98102
Brian Leibsohn, Linc Properties, 11715 Southeast 5th Street, Suite #111, Bellevue WA 98005
Department of Planning and Community Development
Department of Public Works, Rob Jammerman
Department of Building and Fire Services

Merrill Gardens Street Vacation



201 KIRKLAND AVE

CBD 1

1ST ST S

1ST AVE S

CBD 4

3RD ST S

CBD 3

2ND AVE S

PLA 6A

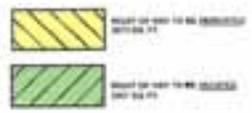
PLA 6C

ATTACHMENT / TS
FILE NO. VAC06-0001



RECEIVED
JUN - 8 2006

PLANNING DEPARTMENT
BY _____



FILE NO. Vacole - 00001
ATTACHMENT 2

PORTION OF BLOCK 19, BURKE-FARRARS KIRKLAND BUSINESS CENTER ADDITION DIVISION 25
IN SECTION 25, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.
CITY OF KIRKLAND
KING COUNTY, WASHINGTON

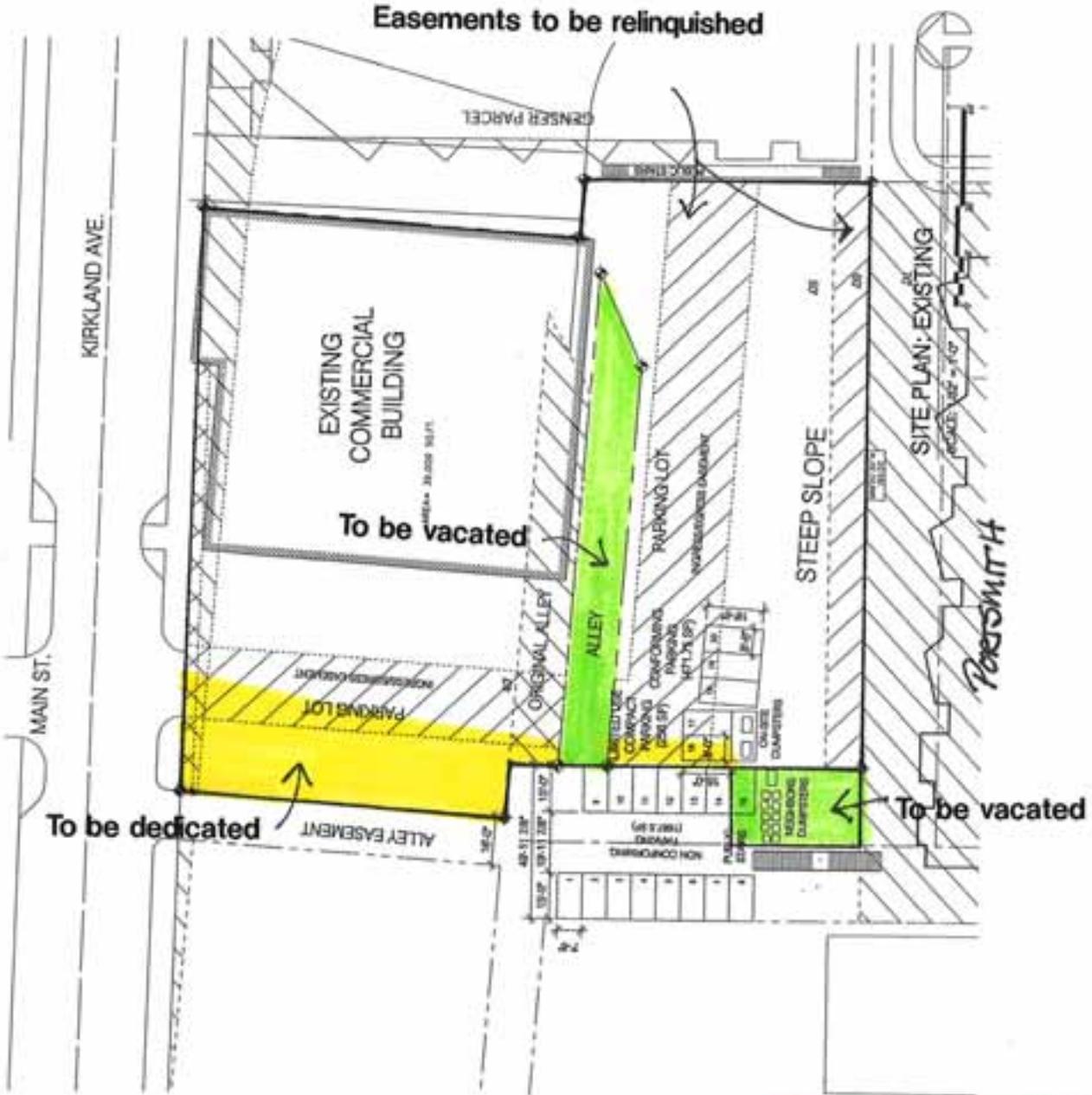


One Yearly Way
 Suite 200
 Seattle, WA 98104
 p 206-955-1970
 f 206-955-1971

PROPERTY PLAN
Existing Conditions

Merrill Gardens
 at
 Kirkland
 Assisted Living
 6/27/05

CURRENT SITE	CITY PARKING STALLS 15 NON-CONFORMING 2 LIMITED USE 3 CONFORMING GARBAGE ON-SITE 2 DUMPSTERS ALLEY 10 CANS 1 GREASE DISPOSAL
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ATTACHMENT 3
 FILE NO. VAC06-00001

Street Vacation Narrative
August 18, 2006

Description:

The subject property is located at 201 Kirkland Avenue. It is located on the South side of Kirkland Avenue and is bounded by the Bank of America and retail stores with surface parking lots on the West; the Portsmouth Condominiums on the South and Kirkland Central Condominiums and retail on the East. Access to the property is along Kirkland Avenue (East/West) and a platted alley (North/South) that terminates at the Southern boundary.

Current Use of Alleys

- Alley "A", located in the center of the property running East/West, together with a Public Ingress & Egress Easement is being used to provide private parking for the tenants on the subject property and five public parking spaces.
- 1st Street South, which runs North/South from Kirkland Avenue to a dead-end at the stairs leading to the Portsmouth Condominiums, is being used as access for the South portion of Alley "A" which contains 15 public parking stalls. However, the parking area does not meet City of Kirkland minimum code requirements for parking areas. This street also provides access to several dumpsters and a grease container used by the subject property and adjacent properties to the West.

It is our intent to do the following:

1. Vacate the portion of Alley "A" in the middle of the property (Deeded Alley AFN 3254642 and AFN 3254643)
2. Vacate a portion of the North/South 1st Street South See Exhibit "A"
3. Extinguish the Public Ingress and Egress Easement that is adjacent to Alley "A" (AFN 3254642 and AFN 3254643)
4. Extinguish the Public Ingress and Egress Easement (AFN 19990709001997) running North/South between Kirkland Avenue and the Alley "A". Create a new Public Ingress and Egress Easement along the new right-of-way.
5. Extinguish the Public Pedestrian Right-of-Way Easement along Kirkland Avenue.
6. Dedicate private property to the City of Kirkland to the East side of 1st Street South to allow for street alignment with Main Street and vehicle and pedestrian improvements to 1st Street South. See Exhibit "A"
7. Replace the public parking that will be removed as a result of the vacation of Alley "A" property and extinguishing of easements. See Exhibit "A" (approximately 6 stalls will be replaced at grade in the existing alley with 14 stalls being replaced in the upper level of the proposed parking garage. It is estimated there will be a surplus of 50+ additional stalls in the parking garage(if the parking modification is approved).
8. Provide for public parking in the future development
9. Provide roadway, pedestrian, lighting and public art improvements in 1st Street South.

ATTACHMENT <u>5</u>
FILE NO. <u>VAC06-00001</u>

Petitioner's Proposal

The petitioner wishes the City of Kirkland to vacate Alley "A". Alley "A" is not of a dimension that could be used as a street, bisects the petitioner's property and will have no affect on adjacent properties. It serves only to access surface parking on the site which will be replaced in the proposed development.

The petitioner wishes the City of Kirkland to vacate a portion of 1st Street South. This will enable the petitioner to recoup some of the area that the petitioner is dedicating to the City along Kirkland Avenue. The area to be vacated is at the termination of the street and is currently used as a dumpster location for the subject and two adjacent properties.

This land area will contain the entrance to the parking garage and will have residential structure above.

The pedestrian access will be enhanced, the vehicular access will be improved by providing a turn-around and the public parking spaces will be replaced by the petitioner.

The petitioner wishes to dedicate approximately the same amount of land to the City that the City is vacating to the petitioner. The petitioner is however dedicating 306 square feet more of land than is being vacated by the City. The value of the land has been appraised by the Appraisal Group of the Northwest engaged by the City of Kirkland to perform the appraisal. The appraisal indicates that the City of Kirkland is gaining \$76,500 in value in the land swap.

The petitioner will provide street improvements along the entire length of 1st Street South and on both sides of the street with accent paving, landscaping and public art. The cost of these improvements are estimated at \$136,660 (Estimate Attached).

The petition will eliminate 20 surface public parking spaces and will be replaced with six surface parking spaces and 14 spaces in the parking garage for a total of 20 spaces. In addition the petitioner has agreed to allow public parking in the development for approximately 50 more spaces. The petitioner has agreed to commit a minimum of 25 spaces for public use for a 10-year period. All spaces will be privately managed.

We believe that there is a significant public benefit from the vacation of Alley "A" and that portion of 1st Street South and the extinguishing of those easements adjacent to these areas.

There will be no negative impact on adjacent properties.

With a monetary benefit of approximately \$213,160 and the practical and aesthetic benefits of pedestrian and vehicle movements along with replacement of public parking and the addition of supplemental public parking it seems clear that the public benefits outweigh any negative impacts. The City is actually receiving more land than it is vacating.

Street Vacation Approval Criteria

Street or Alley Vacation is in the Public Interest

- Alley "A" is a dead end and is used only to access private parking on the petitioner's property.
- Alley "A" does not provide a pedestrian or vehicular benefit to the public.
- The vacation of Alley "A" will not adversely affect any neighboring property.
- The vacation of Alley "A" will not affect utility services as these services can be accessed from Kirkland Avenue.

- The portion of 1st Street South to be dedicated is at the termination of the alley
- The portion of 1st Street South to be dedicated will not have any adverse affect on pedestrian or vehicular movements.
- The portion of 1st Street South to be dedicated does allow for increased public parking. Those parking spaces will be replaced by the petitioner.
- The vacation of that portion of 1st Street South to be vacated will not affect utility services.

Public Benefit

Street or Alley Vacation is of Public Benefit

- The vacation of the portion of 1st Street South and of Alley "A" will result in the development of the property which will provide for superior pedestrian connections, improved road alignments, a turn-around in 1st Street South, expanded open space, vitalizing both Kirkland Avenue and the current 1st Street South and provide for the potential for increased public parking in the downtown core.

Downtown Plan

The Downtown Plan states that in general the City should avoid vacating streets and alleys in the core area so as to limit the consolidation of properties. The reason to avoid the consolidation of properties is because they generally have less pedestrian scale to them. The Downtown Plan states that vacations will be considered when they will not result in increased building mass and there is substantial public benefit.

Examples of benefit might include superior pedestrian or vehicular linkages or superior public open space.

This petition addresses the Downtown Plan criteria for alley vacation as follows:

Alley "A"

- Alley "A" bisects the site from East to West. Two buildings could be built on either side of the alley within the zoning code with substantially the same massing albeit in a different configuration. With the land swap that the petitioner is proposing the massing would actually be less on Kirkland Avenue if the street vacation is approved. In effect the massing is being moved from Kirkland Avenue to the center of the site.
- The proposal creates a superior pedestrian connection between Kirkland Avenue and the Portsmouth Condominiums. Currently there is no sidewalk or pedestrian walkway and pedestrians are walking in a vehicle drive lane and asphalt parking lot. The development will allow for a pedestrian walkway with landscaping and public art to provide a safe and attractive pedestrian connection.
- The proposal of the street vacation and land swap enables the current alley to be re-aligned along Kirkland Avenue so that it can align with Main Street to the North and thereby vastly improve safety and vehicular circulation per the City traffic engineer.
- The street vacation and land swap will provide for an open space pedestrian muse running from Kirkland Avenue to the Portsmouth Condominium stairs.

1st Street South

- The proposal is to vacate a portion of 1st Street South to make the "land swap" more equitable and to reimburse the property owner for property dedicated along Kirkland Avenue.
- The vacation of a portion of 1st Street South will enhance the pedestrian connection by allowing for the land swap to occur- and thereby providing the needed right-of-way- by trading the land along Kirkland Avenue for the street area on the South end of 1st Street South.
- The land swap will not result in an increase in building mass. The proposal would move the massing from Kirkland Avenue to the Southwest portion of the property.
- The vacation of the portion of 1st Street South will result in a parking entrance that will be more conducive to retail parking and the addition of public parking now and in the future. It will make signage easier to see from Kirkland Avenue. It will make for improved vehicular circulation and parking.

Summary of Downtown Plan Objectives Met by Proposed Development

- Enhance North-South pedestrian linkages from Kirkland Avenue with brick pavers crosswalks, pedestrian islands, lighting, street furniture, art and landscaping.
- Pedestrian safety would be increased as the conflict with cars in the alley will be reduced with the proposed plan.
- Reducing the number of curb cuts on Kirkland Avenue. There are currently three adjacent to each other.
- Structured parking is encouraged as a better use of available space and is more pleasing aesthetically than surface lots.
- The proposal provides the potential for either public parking or off-site parking for other developments or employers.
- The proposal will reduce parking and vehicular traffic in the core as the use is assisted living which has a minimal impact on traffic and parking.
- The proposal preserves the retail frontage along Kirkland Avenue by utilizing the existing 1st Street South to the West and dedicating private property to avoid a curb cut on Kirkland Avenue.
- The proposal for a Merrill Gardens Assisted Living Community is a use that has a low impact on the City's streets and services.
- Merrill Gardens Communities are well maintained, staffed and show pride of ownership. Merrill Gardens continues to own and operate its facilities for the long term.
- The development will feature superior retail spaces and has received favorable responses from the Design Review Board in design, massing, materials and colors.

Attachemnts include:

- Exhibit "A" Title Map
- Proposed Site Plan
- Cost Estimate of Improvements to 1st Street South

RECEIVED

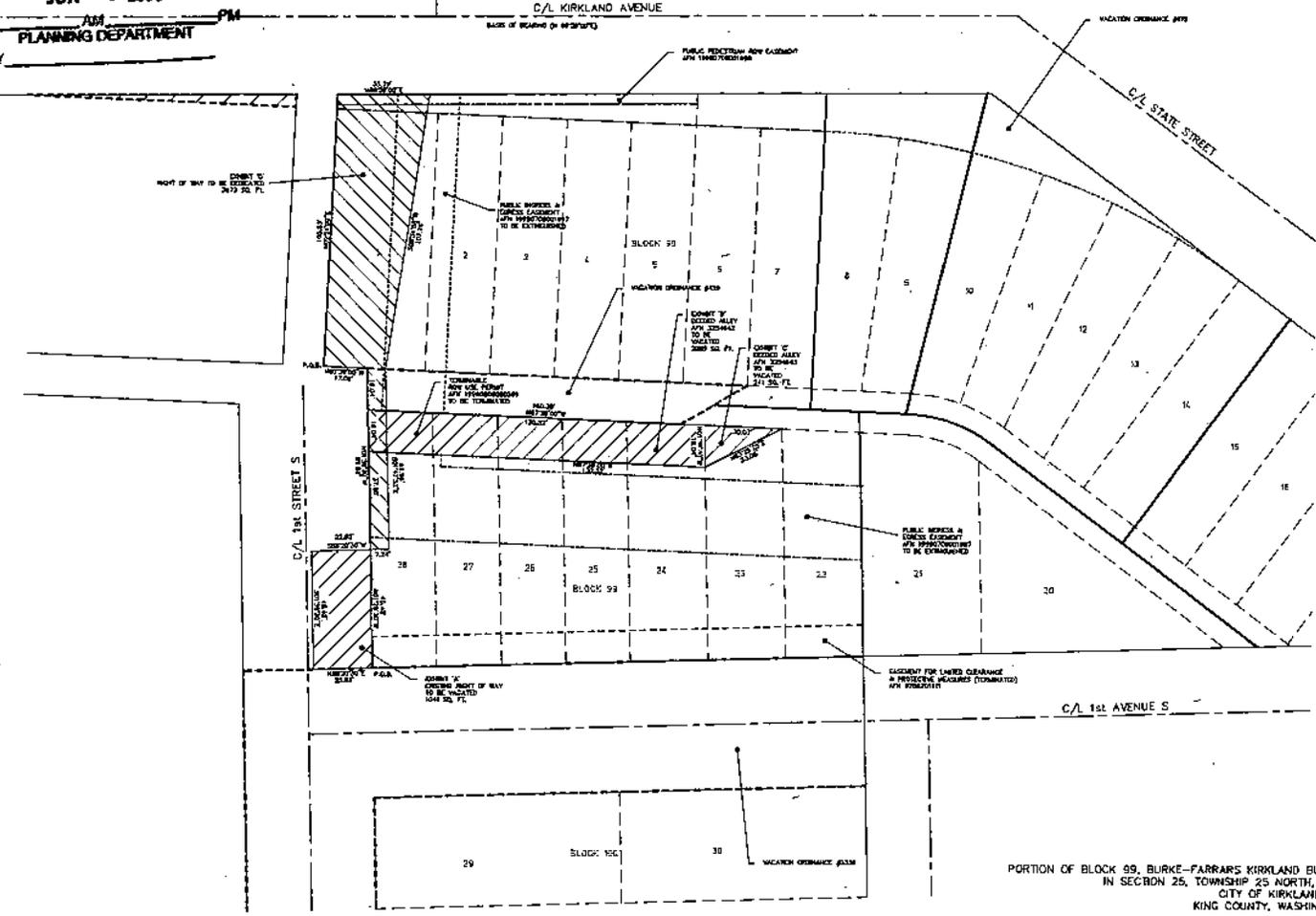
JUN - 8 2006

AM PM
PLANNING DEPARTMENT



GRAPHIC SCALE
1" = 20 FEET

Diagonal hatching legend:
Top-left to bottom-right hatching: PORT OF WAY TO BE DEDICATED INTO SAFT.
Bottom-left to top-right hatching: PORT OF WAY TO BE WALKED OUT OF PL.



PORTION OF BLOCK 99, BURKE-FARRARS KIRKLAND BUSINESS CENTER ADDITION DIVISION 25
IN SECTION 25, TOWNSHIP 25 NORTH, RANGE S EAST, W.M.
CITY OF KIRKLAND
KING COUNTY, WASHINGTON

201 KIRKLAND AVENUE
EXHIBIT MAP

SRMK, LLC
808 BERTH AVENUE NORTH
SEATTLE, WA 98105
(206) 352-7873

D.R. STRONG
CONSULTING ENGINEERS
REGISTERED PROFESSIONAL ENGINEERS
EXPIRES FOR PRACTICE STATE OF
WASHINGTON IN 2013
COLLECTING FEE FOR
RENEWING FEE FOR
RENEWAL FEE
www.drseng.com

TABLE WITH 2 COLUMNS: NAME, ADDRESS. The table contains a list of names and their corresponding addresses, likely related to the project or the engineering firm.

DRAWN BY: JS
FIELD BOOK:
PROJECT SURVEYING WORK
DATE: 6-25-06
PROJECT NO.: 0306
SHEET 1 OF 1

Group	Phase	Description	Takeoff Quantity	Labor \$/Unit	Total Labor \$	Material \$/Unit	Total Material \$	Subcontract \$/Unit	Total Sub \$	Total \$	Notes
02000.000		SITWORK-DEMO									
	02310.000	Grading									
		Reachway Excavation	309 cy	-	-	-	-	15.00	4,600	4,600	
	02310.000	Finish Grading									
		Final Grading	8,100 sf	-	-	-	-	0.75	6,825	6,825	
	02614.000	Underground Utilities									
		Adjust Valve Boxes & Man Holes	1 lb	-	-	-	-	4,500.00	4,500	4,500	
	02864.000	Alley Improvements									
		Alley Improvements - Asphalt Paving	7,227 sf	-	-	-	-	2.50	18,068	18,068	
	02770.000	Curbs & Gutters									
		Paving: Curbs & Gutters - Sub F	450 lf	-	-	-	-	20.00	9,000	9,000	
	02775.000	Sidewalks & Flatwork									
		Sidewalks & Flatwork - Sub F	1,875 sf	-	-	-	-	22.50	42,188	42,188	
	02870.000	Site/Street Furn.									
		Site/Street Furn. - Sub LB	1 lb	-	-	-	-	7,500.00	7,500	7,500	
	02902.000	Landscaping & Irrigation									
		Landscaping & Irrigation - Sub LB	1 lb	-	-	-	-	6,500.00	6,500	6,500	
03000.000		CONCRETE									
	03420.000	Stair Finishes									
		Stair Finishes - Sub F	212 sf	-	-	-	-	45.00	9,540	9,540	
	03468.000	Sawcut Sub									
		Sawcut Sub - Sub F	240 lf	-	-	-	-	2.00	480	480	
05000.000		METALS									
	05520.000	Metal Handrails									
		Metal Handrails - Sub F	224 lf	-	-	-	-	66.00	14,860	14,860	
12000.000		FURNISHINGS									
	12100.000	Artwork									
		Public Art	1 ea	-	-	-	-	10,000.00	10,000	10,000	

Estimate Totals

Description	Amount	Totals	Rate
Labor			
Material			
Subcontract	136,660		
	136,660	136,660	
Total		136,660	

RECEIVED

JUN - 8 2006

EXHIBIT A

AWI PM
PLANNING DEPARTMENT

BY _____ (PORTION TO BE VACATED)

Beginning at the Southwest corner of Lot 28, Block 99, Burke & Farrar's Kirkland Business Center Addition, Division No. 25, according to the Plat thereof recorded in Volume 25 of Plats at Page 14, Records of King County, Washington;

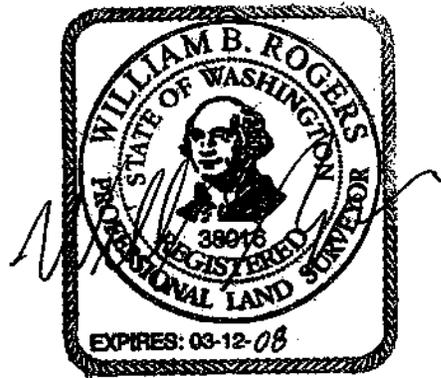
Thence North $01^{\circ}39'30''$ West along the West line of said Lot 28, a distance of 45.42 feet;

Thence South $88^{\circ}20'30''$ West, a distance of 22.92 feet;

Thence South $01^{\circ}39'30''$ East, a distance of 45.42 feet;

Thence North $88^{\circ}20'30''$ East, a distance of 22.92 feet, to the Point of Beginning.

Containing 1,041 square feet, more or less.



06/05/2006

EXHIBIT B

(PORTION TO BE VACATED)

That portion dedicated to the City of Kirkland November 21, 1941 and recorded July 28, 1942 under Auditor File No. 3254642, Records of King County, Washington.

Beginning at the intersection of the Northwest corner of Lot 28, Block 99, Burke & Farrar's Kirkland Business Center Addition, Division No. 25, according to the Plat thereof recorded in Volume 25 of Plats at Page 14, Records of said county;
Thence Southeasterly along the North lines of Lots 28, 27, 26, 25, and 24, to the Northeast corner of Lot 24;
Thence South, along the Easterly line, 16 feet;
Thence Northwesterly to a point on the West line of Lot 28, 16 feet South of the Northwest corner;
Thence North 16 feet, to the Point of Beginning.

Dedicated to the City of Kirkland for street and alley purposes only.

Containing 2,085 square feet, more or less.

EXHIBIT C

(PORTION TO BE VACATED)

That portion dedicated to the City of Kirkland December 4, 1941 and recorded July 28, 1942 under Auditor File No. 3254643, Records of King County, Washington.

Starting at the Northwest corner of Lot 23, Block 99, Burke & Farrar's Kirkland Business Center Addition, No. 25, in the City of Kirkland, Washington;

Thence Easterly along said North line of Lot 23, to the Northeast corner of same;

Thence Southwesterly 34 feet, more or less, to a point on the West line of said Lot 23, which point is 16 feet South of the Northwest corner of said Lot;

Thence 16 feet North to the Point of Beginning.

Dedicated to the City of Kirkland for street and alley purposes only.

Containing 241 square feet, more or less.

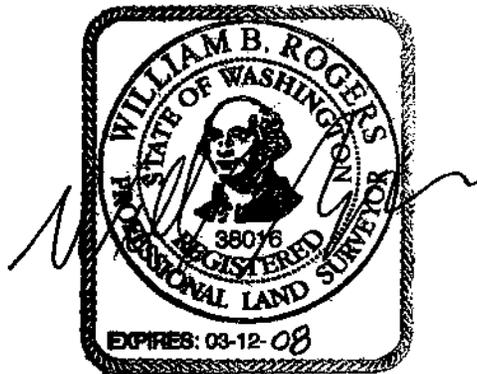
EXHIBIT D

(PORTION TO BE DEDICATED)

Beginning at the Southwest corner of Lot 1, Block 99, Burke & Farrar's Kirkland Business Center Addition, Division No. 25, according to the Plat thereof recorded in Volume 25 of Plats at Page 14, Records of King County, Washington;

Thence North $02^{\circ}21'00''$ East along the West line of said Lot 1, a distance of 105.53 feet;
Thence North $89^{\circ}39'00''$ East, a distance of 35.79 feet;
Thence South $08^{\circ}34'58''$ West, a distance of 107.26 feet;
Thence South $01^{\circ}47'52''$ East, a distance of 69.96 feet;
Thence South $88^{\circ}20'30''$ West, a distance of 7.24 feet;
Thence North $01^{\circ}39'30''$ West, a distance of 69.88 feet;
Thence North $87^{\circ}39'00''$ West, a distance of 17.06 feet, to the Point of Beginning.

Containing 3,673 square feet, more or less.



06/05/2006

August 16, 2006

Janice Soloff
Senior Planner
Kirkland Planning & Community Development
City Hall
123 5th Avenue
Kirkland, Washington 98033-6189

RE: 201 Kirkland Avenue – Merrill Gardens Excess Parking Spaces

Dear Janice:

It is our intention to build excess parking in our private parking garage which will be used by the public. It is estimated that we will be providing 50 parking spaces that will be available for public parking. The exact number may fluctuate depending upon the requirements for retail parking within the project. However it is our intention to commit 25 spaces for public parking for a period of 10 years.

These spaces will be privately managed to serve short term public parking and daily employee parking. The spaces will not be used for vehicle storage.

The public shall have access to the parking spaces seven days per week between the hours of 6am and 10pm.

The project is including a separate elevator to access the public parking spaces leading to Kirkland Avenue.

Andy Loos
Development Manager

ATTACHMENT 6
FILE NO. VAC06-00001

CITY OF KIRKLAND
123 FIFTH AVENUE, KIRKLAND, WASHINGTON 98033-6189 (425) 587-3225

Date: 8/16/2006

DEVELOPMENT STANDARDS

CASE NO.: DRC06-00002

PCD FILE NO.:DRC06-00002

PRELIMINARY CONDITIONS

You can review your permit status and conditions at www.kirklandpermits.net

PUBLIC WORKS CONDITIONS

Permit Information

Permit #: DRC06-00002

Project Name: Merrill Gardens at Kirkland

Project Address: 201 Kirkland Ave.

Date: July 20, 2006

Public Works Staff Contacts

Land Use and Pre-Submittal Process:

Rob Jammerman, Development Engineering Manager

Phone: 425-587-3845 Fax: 425-587-3807

E-mail: rjammer@ci.kirkland.wa.us

Building and Land Surface Modification (Grading) Permit Process:

John Burkhalter, Senior Development Engineer

Phone: 425-587-3846 Fax: 425-587-3807

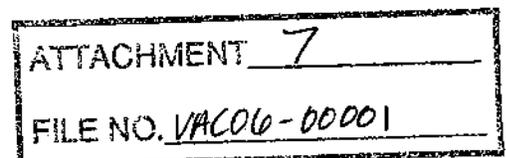
E-mail: jburkhal@ci.kirkland.wa.us

General Conditions:

1. All public improvements associated with this project including street and utility improvements, must meet the City of Kirkland Public Works Pre-Approved Plans and Policies Manual. A Public Works Pre-Approved Plans and Policies manual can be purchased from the Public Works Department, or it may be retrieved from the Public Works Department's page at the City of Kirkland's web site at www.ci.kirkland.wa.us.

2. This project will be subject to Public Works Permit and Connection Fees. It is the applicant's responsibility to contact the Public Works Department by phone or in person to determine the fees. The fees can also be review the City of Kirkland web site at www.ci.kirkland.wa.us. The applicant should anticipate the following fees:

- o Water and Sewer connection Fees (paid with the issuance of a Building Permit)
- o Side Sewer Inspection Fee (paid with the issuance of a Building Permit)
- o Water Meter Fee (paid with the issuance of a Building Permit)
- o Right-of-way Fee
- o Review and Inspection Fee (for utilities and street improvements).
- o Traffic Impact Fee (paid with the issuance of Building Permit). For additional information, see notes below.



3. Prior to submittal of a Building or Zoning Permit, the applicant must apply for a Concurrency Test Notice. Contact Thang Nguyen, Transportation Engineer, at 425-576-2901 for more information.
4. Building Permits associated with this proposed project will be subject to the traffic impact fees per Chapter 27.04 of the Kirkland Municipal Code. The impact fees shall be paid prior to issuance of the Building Permit(s).
5. All civil engineering plans which are submitted in conjunction with a building, grading, or right-of-way permit must conform to the Public Works Policy titled ENGINEERING PLAN REQUIREMENTS. This policy is contained in the Public Works Pre-Approved Plans and Policies manual.
6. All street improvements and underground utility improvements (storm, sewer, and water) must be designed by a Washington State Licensed Engineer; all drawings shall bear the engineers stamp.
7. All plans submitted in conjunction with a building, grading or right-of-way permit must have elevations which are based on the King County datum only (NAVD 88).
8. A completeness check meeting is required prior to submittal of any Building Permit applications.
9. Prior to issuance of any commercial or multifamily Building Permit, the applicant shall provide a plan for garbage storage and pickup. The plan shall be approved by Waste Management and the City. The plans depict that the existing dumpsters located on the property will be located to the neighboring property to the west. This proposed relocation needs to be coordinated with Waste Management and the property owners using these dumpsters.

Sanitary Sewer Conditions:

1. The existing sanitary sewer main within the alley right-of-way along the west side of the property is adequate to serve the proposed project.
2. Provide a new 6-inch minimum side sewer stub to the building, or the existing line may be utilized provided that it is video inspected and in good condition.

Water System Conditions:

1. The existing 12-inch water main in the Kirkland Ave. public right-of-way along the front of the subject property is adequate to serve this proposed development.
2. Provide water service to the building sized per the uniform building code. A separate irrigation service and meter is suggested. Any existing services that are not used shall be abandoned at the water main.
3. Provide fire hydrants per the Fire Departments requirements.

Surface Water Conditions:

1. Provide temporary and permanent storm water control per the 1998 King County Surface Water Design Manual.
2. Provide an erosion control plan with Building or Land Surface Modification Permit application.
3. Construction drainage control shall be maintained by the developer and will be subject to periodic inspections. During the period from April 1 to October 31, all denuded soils must be covered within 15 days; between November 1 and March 31, all denuded soils must be covered within 12 hours. If an erosion problem already exists on the site, other cover protection and erosion control will be required.
4. All roof and driveway drainage must be tight-lined to the storm drainage system.

Street and Pedestrian Improvement Conditions:

1. The subject property abuts Kirkland Avenue (a Collector type street) and two public alleys along the west and south side of the property. Zoning Code sections 110.10 and 110.25 require the applicant to make half-street improvements in rights-of-way abutting the subject property. Section 110.30-110.50 establishes that this street must be improved with the following:

Kirkland Ave.

- A. Remove and replace any cracked curb and gutter.
- B. Since the crosswalk is being relocated, the existing bump-out shall be relocated to the southeast corner of the new intersection. The existing crosswalk ramp and curb opening on the north side of the street shall also be removed (new landscaping will be required)
- C. Replace the existing sidewalk with a new 10 ft. wide (min.) sidewalk with street trees in tree grates 30 ft. on-center.
- D. Install downtown CBD standard pedestrian lighting 60 ft. on-center. There is one existing pedestrian light that can be re-used. This light powered from the existing building electrical panel. The new lights should be connected to an existing City power source.

East/West Alley

E. The alley that bisects the site in the east/west direction does not serve any utility or transportation needs and Public Works supports the vacation or relocation of the alley to help facilitate the redevelopment of this project.

North/South Alley

F. The alley that runs along the west side of the property has approximately 20 public parking stalls located within it and has a public sewer main within it. Public Works supports the proposal to enlarge this alley into a standard street section that will provide primary vehicular access to the parking garage for this project as well as access for the properties to the west.

G. The public parking that is displaced by the rebuilding of the alley shall be replaced in the new parking garage or other approved locations.

H. The new street into the project (former alley) shall be improved with the following:

- " Provide a minimum 22 ft in width of paving.
- " Align the intersection with Main Street to the north (site plan reflects this).
- " Provide standard vertical curb and gutter along both sides of the street.
- " Provide storm drainage collection and conveyance.
- " Behind the curb on both sides of the new street, install an 8 ft wide sidewalk with street trees in tree grates 30 ft on-center and standard downtown pedestrian lighting at 60 ft. on center. The sidewalk along the east side of the street may be reduced to 5 ft. in width at the points identified on the site plan. Note: There is one existing street light at the landing of the existing stairs that can be reused. It will need to be connected to a City owned power source.
- " Any portion of sidewalk that can be used by the public, but is outside the public right-of-way, shall be encompassed in a public pedestrian easement.
- " The parking stalls at the south end of the street will be marked after the improvements are installed. The final number of stalls will be determined after reviewing the improvements and evaluating the area for safety and function.
- " If the existing stairway is relocated, replace it with a concrete stairway at least 5 ft wide (similar to the stairway that was recently installed with the Kirkland Central project).
- " The size of the cul-de-sac at the south of the street is not large enough to allow for a center water feature. In-lieu of a water feature, the center of the turn-around could be raised with a 4-inch high rolled curb with a stamped asphalt or concrete feature in the center that can be driven over if needed.
- " If art work is to be located in the public right-of-way, the final location shall be reviewed and approved by Public Works.

2. A 2-inch asphalt street overlay will be required where more than three utility trench crossings occur with 150 lineal ft. of street length or where utility trenches parallel the street centerline. Grinding of the existing asphalt to blend in the overlay will be required along all match lines.

3. It shall be the responsibility of the applicant to relocate any above-ground or below-ground utilities which conflict with the project associated street or utility improvements.
4. Underground all new and existing on-site utility lines and overhead transmission lines.

PETITION TO VACATE A STREET, ALLEY OR PUBLIC EASEMENT

Red Notes from J. Sobel

Name of Person Filing Petition (Agent): Andy Loss, ORIM Development LLC

Address: 808 5th Avenue N., Seattle WA 98109

Phone: (206) 352-7873

Name of additional recipient of staff report, meeting agendas and final decision:

KEN DAYTON

Address: 2339 11th Ave E Seattle 98102

Daytime Phone: 206-790-5525

Legal Description of Street, Alley, or Public Easement to be Vacated:

Tax parcel number: 124400 - 0120, 0005, 0110

Does the Street, Alley, Public Easement or Part Thereof abut any body of water? No If so, please describe:

Will the vacation result in any parcel of land being denied direct access? No

How is the vacation in the public interest? SEE ATTACHED

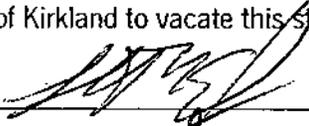
Size of Street, Alley, Public Easement, or Part Thereof to be vacated (in square feet):

- Ⓐ 3,367 TOTAL (1,041 sqft 1st St so + 2,326 sqft of alley) *east west*
- Ⓑ 3,673 sq.ft. private property dedicated for 1st St so right of way to align with main street *to be*

ATTACHMENT <u>8</u>
FILE NO. VA <u>006-00001</u> ^{1/27/05}

PETITION TO VACATE A STREET, ALLEY OR PUBLIC EASEMENT

We, the owners of two-thirds of the real property abutting the street, alley, or part thereof, or underlying the public ease-ment, or part thereof, legally described on page 1 of this Petition, petition the City Council of the City of Kirkland to vacate this street, alley, public easement, or part thereof:

NAME	ADDRESS	LEGAL DESCRIPTION
	Stuart McLeod 213 Lake St. South Kirkland, WA.	
	Ken Dayton Contract Seller 205 Kirkland Ave Kirkland, WA.	

(Attach additional sheets if necessary)

NOTE: If any petitioner is purchasing the property under a real estate contract, the signature of the contract seller is also required.

Ken Dayton - Signature Above is contract seller.

RESOLUTION R-4586

A RESOLUTION OF THE CITY OF KIRKLAND FOR THE VACATION OF A PORTION OF 1ST STREET SOUTH AND ALLEY RUNNING WEST TO EAST LOCATED BETWEEN KIRKLAND AVENUE AND 1ST AVENUE SOUTH AND PROVIDING NOTICE OF HEARING TO CONSIDER THE VACATION OF SAID RIGHT OF WAYS, (FILE NO. VAC06-00001).

WHEREAS, a petition has been filed with the City of Kirkland signed by the owners of real property representing more than two-thirds of the property abutting upon the hereinafter described portions of 1st Street South and the alley located between Kirkland Avenue and 1st Avenue So.

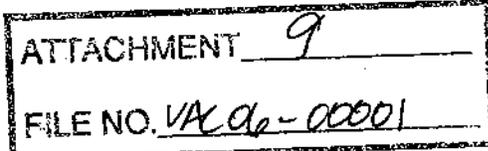
WHEREAS, it appears that the public interest of the City of Kirkland, Washington, would be served by holding a public hearing to consider the vacation of said portion of said right of ways.

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

1) That a public hearing be held to consider whether the public interest and general welfare of the City of Kirkland will be served by the vacation of said right of ways, situate in Kirkland, King County, Washington, and described as follows:

Portion of 1st Street So. described as follows: Beginning at the southwest corner of Lot 28, Block 99, Burke and Farrar's Kirkland Business Center Addition, Division No. 25, according to the Plat thereof recorded in Volume 25 of Plats at Page 14, Records of King County, Washington; Thence North $01^{\circ} 39' 30''$ West along the West line of said Lot 28, a distance of 45.42 feet; Thence South $88^{\circ} 20' 30''$ West, a distance of 22.92 feet; Thence South $01^{\circ} 39' 30''$ East, a distance of 45.42 feet; Thence North $88^{\circ} 20' 30''$ East, a distance of 22.92 feet, to the Point of Beginning. Containing 1,041 square feet, more or less.

Alley described as follows: That portion dedicated to the City of Kirkland November 21, 1941 and recorded July 28, 1942 under Auditor file No. 3254642, Records of King County, Washington. Beginning at the intersection of the Northwest corner of Lot 28, Block 99, Burke and Farrar's Kirkland Business Center Addition, Division No. 25, according to the Plat thereof recorded in Volume 25 of Plats at Page 14, Records of said county; Thence Southeasterly along the North lines of Lots 28, 27, 26, 25, and 24, to the Northeast corner of Lot 24; Thence south, along the Easterly line, 16 feet; Thence Northwesterly to a point on the West line of Lot 28, 16 feet South of the Northwest corner; Thence North 16 feet, to the Point of Beginning. Dedicated to the City of Kirkland for street and alley purposes only. Containing 2,085 square feet, more or less.



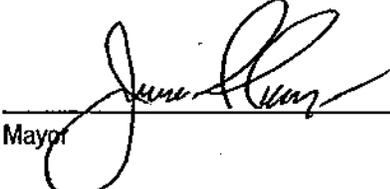
Alley described as follows: That portion dedicated to the City of Kirkland December 4, 1941 and recorded July 28, 1942 under Auditor file No. 3254643, Records of King County, Washington. Starting at the Northwest corner of Lot 23, Block 99, Burke and Farrar's Kirkland Business Center Addition, No. 25, in the city of Kirkland, Washington; Thence Easterly along said North line of Lot 23, to the Northeast corner of same; Thence southwesterly 34 feet, more or less, to a point on the West line of said Lot 23, which point is 16 feet South of the Northwest corner of said Lot; Thence 16 feet north to the Point of Beginning; Dedicated to the City of Kirkland for street and alley purposes only. Containing 241 square feet, more or less.

BE IT FURTHER RESOLVED AND NOTICE OF HEARING:

2) That said public hearing will be held before the Kirkland City Council in the Kirkland City Hall, 123 Fifth Avenue, on September 5, 2006, at 7:00 p.m.

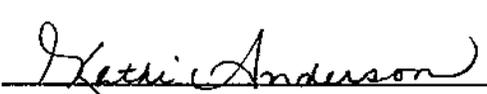
PASSED by majority vote of the Kirkland City Council in open meeting this 1st day of August, 2006.

SIGNED IN AUTHENTICATION thereof this 1st day of August, 2006.



Mayor

Attest:



City Clerk

Janice Soloff

From: McGill, Kelly C [kelly.mcgill@pse.com]
Sent: Wednesday, August 09, 2006 8:28 AM
To: janenzia@aol.com
Subject: Merrill Gardens ROW vacation

Hi Jan-

Thanks for faxing everything to me. PSE will need to retain an easement right in the area to be vacated. We are analyzing exactly what size, dimension, etc. now.

We will likely send an easement directly to the owner (to-be).

Thanks

I've Moved! Please note new mailstop below

Kelly C. McGill
Puget Sound Energy
Right of Way Representative
81-2667 or 425-456-2667
EST-06W

Easement will be needed in both areas.

ATTACHMENT <u>10</u>
FILE NO. <u>VAC06-00001</u>

**APPRAISAL GROUP
OF THE NORTHWEST LLP**

*Summary Appraisal
of the
Kirkland Central Project
Located at
200 Block of Kirkland Avenue
Kirkland, Washington 98033*

for

**Janice Soloff, AICP
Senior Planner
City of Kirkland
Planning & Community Development
123 5th Avenue, Suite 206
Kirkland, WA 98033-6189**

by

**James G. Poliyanskiy
James B. Price, MAI, SR/WA
Appraisal Group of the Northwest LLP
1980 112th Avenue NE, Suite 270
Bellevue, WA 98004**

C-3164

ATTACHMENT 11
FILE NO VACORE-00001



APPRAISAL GROUP OF THE NORTHWEST LLP

Central Park Building
1980 112th Ave. N.E., Suite 270
Bellevue, WA 98004-2940

(425) 453-9292
(800) 453-4408
FAX: (425) 455-9740
E-Mail:
agnw@appraisalgroupnw.com

July 26, 2006

Janice Soloff, AICP
Senior Planner
City of Kirkland
Planning & Community Development
123 5th Avenue, Suite 206
Kirkland, WA 98033-6189

Re: Summary Appraisal of land located on the corner of Main Street and Kirkland Avenue in Kirkland, Washington.

Dear Ms. Soloff:

In accordance with your request, we have completed a summary appraisal of the subject property referenced above to provide its market value. This appraisal is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Foundation. The market value estimate represents the value of the fee simple estate, as of the date of inspection.

The purpose of this appraisal is to assist the exchange of private property for public right of way. There are two alleys affected by this vacation request. One is in the center of the property that, along with an easement, provides access for surface parking for the property and five spaces for the public. The other runs north/south from Kirkland Avenue and is 16 feet on the northern portion and 50 feet at the southern portion. The private property being dedicated is on the southeast corner of Kirkland Avenue and Main Street. The benefits of the land swap are: the realignment of Main Street; improvement of vehicular access for ingress and egress; and enhanced pedestrian access with paving, curb and gutter, sidewalk, drainage, lighting, and public art.

The evidence best supports a market value of the fee simple estate, in the subject property (land value only), as of July 7, 2006, of:

Market Value Estimated	Size (SF)	Value Estimate
Dedicated	3,673	\$ 918,250
Vacated	3,367	\$ 841,750

The value is subject to a hypothetical condition that the dedicated portion is not a separate lot.

Ms. Janice Soloff/ City of Kirkland

July 26, 2006

Page ii

The appraisal report is subject to the General Certification, Assumptions, and Limiting Conditions found within the body of the report. Thank you for the opportunity to be of service. If you have any questions regarding this appraisal, please feel free to contact me.

Sincerely,



James G. Poliyanskiy
Real Estate Appraiser, WA
Certification No. 1101745



James B. Price, MAI, SR/WA
Real Estate Appraiser, WA
Certification No. 1100229

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. 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.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. 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, the Uniform Standards of Professional Appraisal Practice (USPAP) and the Standards of Professional Appraisal Practice of the Appraisal Institute.
8. I, James G. Poliyanskiy, and I, James B. Price, MAI, SR/WA, have made a personal inspection of the property that is the subject of this report.
9. Rick Westman has provided significant real property appraisal consultation to the persons signing this certification.
10. The use of this report is subject to the requirements of the Appraisal Institute regarding review by its duly authorized representatives.



James G. Poliyanskiy

Date July 26, 2006



James B. Price, MAI, SR/WA

Date July 26, 2006

SUMMARY OF FACTS AND CONCLUSIONS

Subject Property

The subject properties consist of four pieces of land. The subject parcels are located on the south side of Kirkland Avenue near the intersection of Kirkland Avenue and Main Street in Kirkland, Washington.

Lot Size

The subject land being dedicated is 3,673 SF (Parcel – D).

The subject right-of-way being vacated are three separate pieces of land: 1,041 SF (Parcel – A), 2,085 SF (Parcel – B), and 241 SF (Parcel – C) with the total of 3,367 SF.

Zoning

The subject sites are zoned CBD-1, a Mixed-Use zoning designation by the City of Kirkland. This zoning district encourages a variety of professional office and mixed-use commercial development along populated arterials, residential, including offices and business support services, and retail development.

Date of Report

July 26, 2006

Date of Valuation

July 7, 2006

Date of Inspection

June 22 and July 7, 2006

Highest and Best Use

As if Vacant: To be assembled with an adjacent property and developed with a mixed-use building.

Appraisal Type

This is a summary appraisal report.

Valuation Summary

The following chart summarizes the value conclusions of the appraisal:

Market Value Estimated	Valuation Date	Size (SF)	Value Estimate
Dedicated	7-Jul-06	3,673	\$ 918,250
Vacated	7-Jul-06	3,367	\$ 841,750

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Ms. Janice Soloff/ City of Kirkland

July 26, 2006

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ADDENDA

35

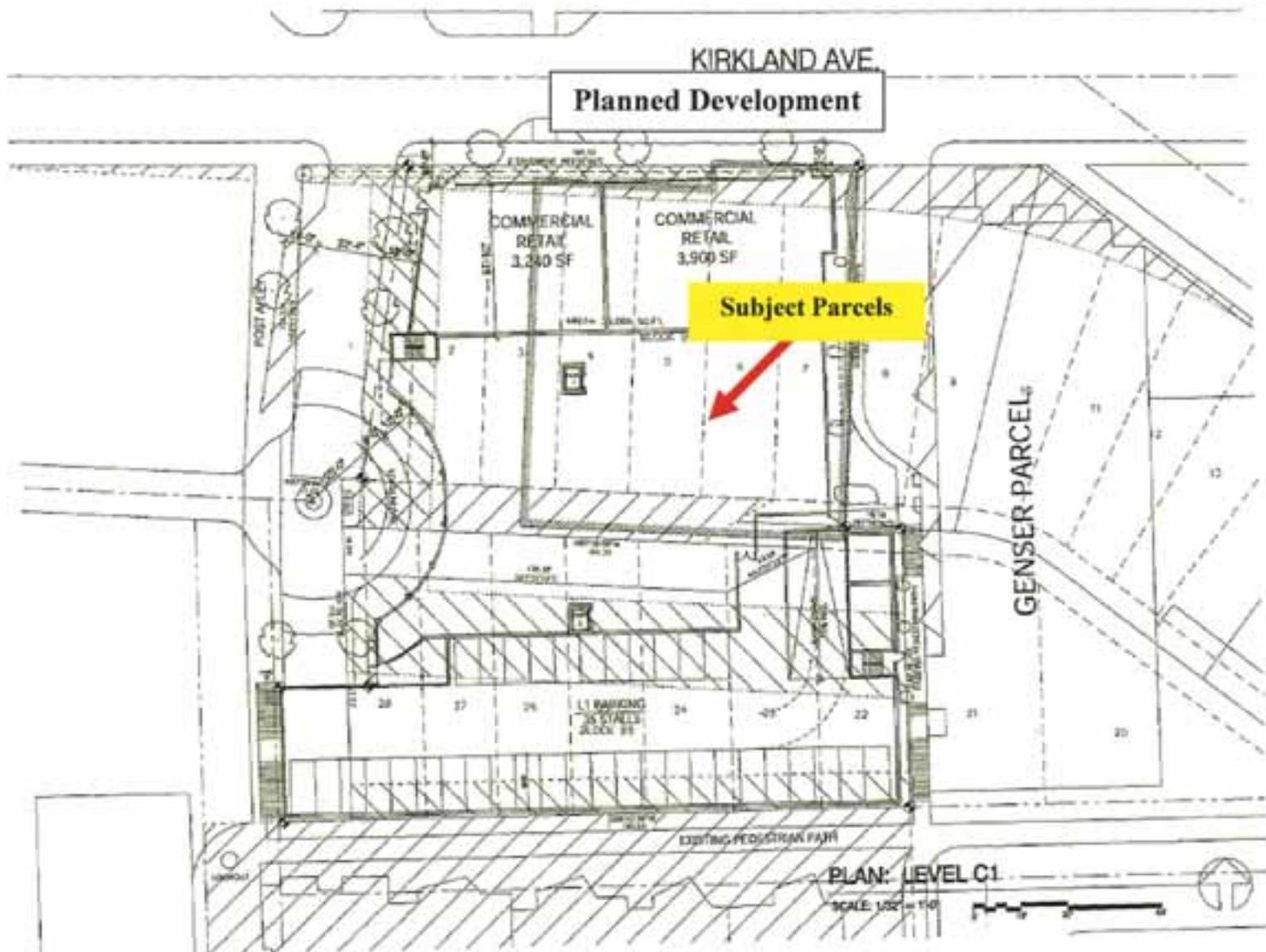
PURCHASE AND SALE AGREEMENT

TITLE REPORT

QUALIFICATIONS OF APPRAISERS



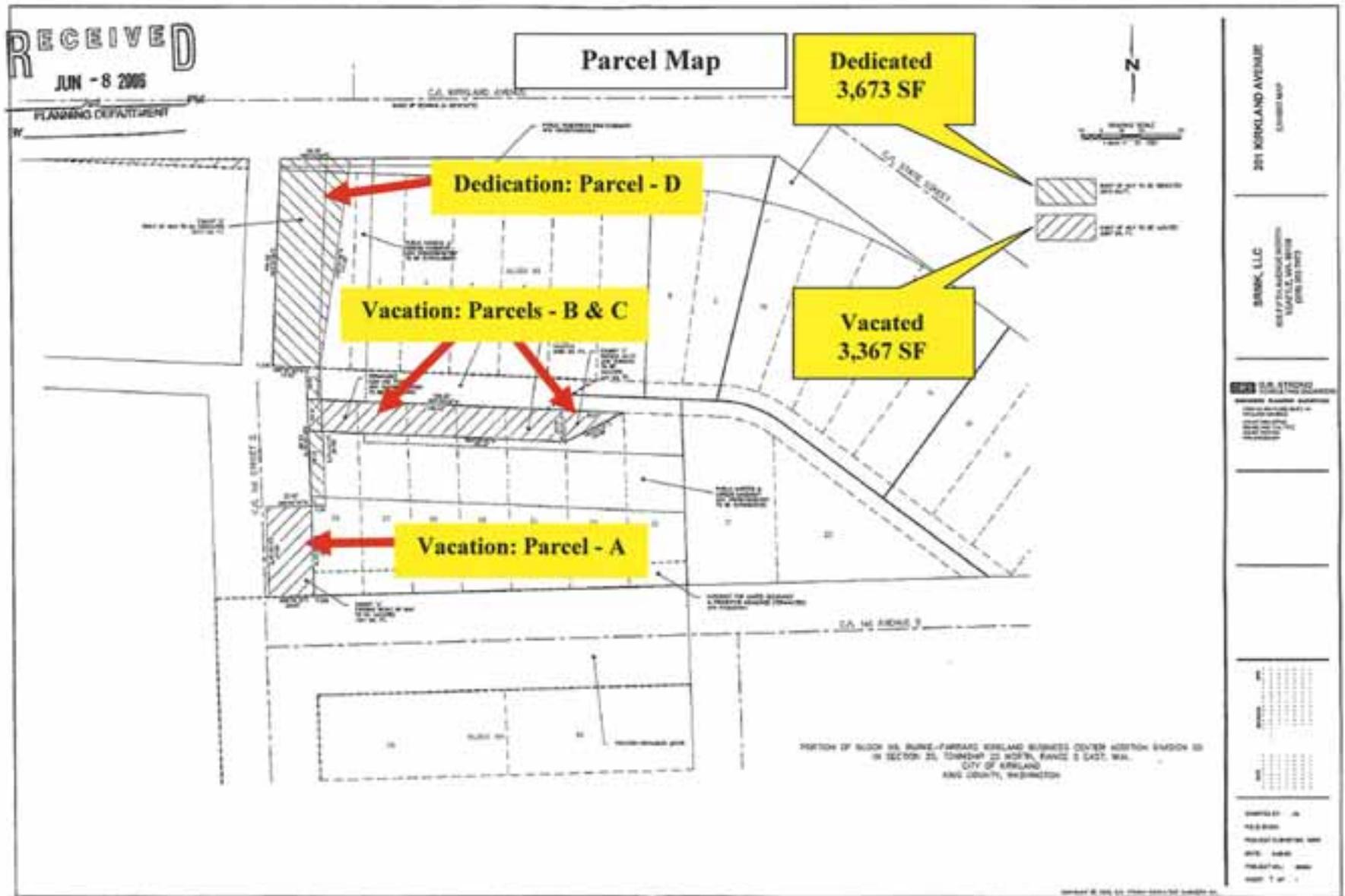
PLANS



1 Yeale Way
Suite 200
Seattle, WA 98104
p 206-596-1970
f 206-556-1071

Merrill Gardens
at
Kirkland
Assisted Living
5/26/06

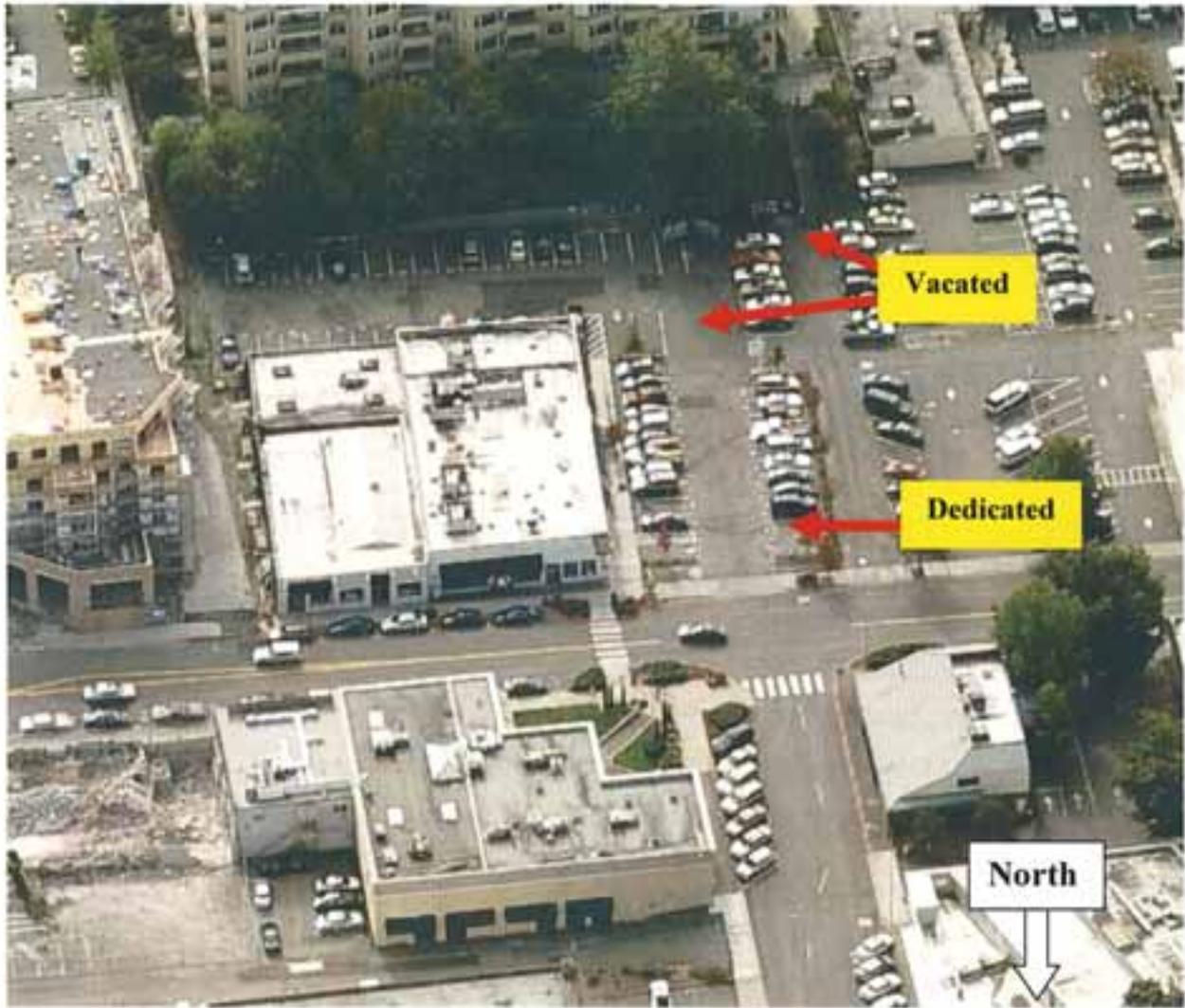
PLANS

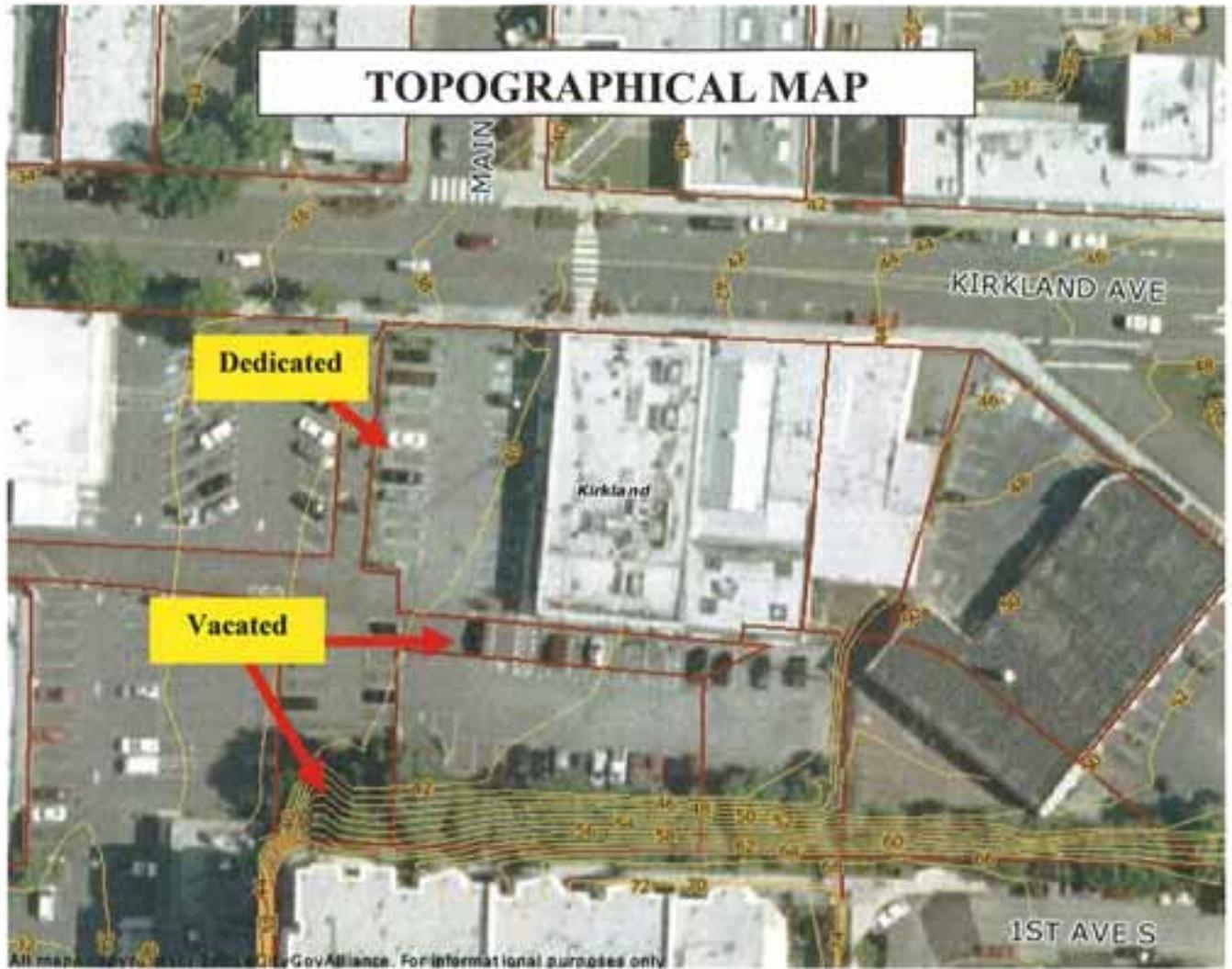


AERIAL MAP

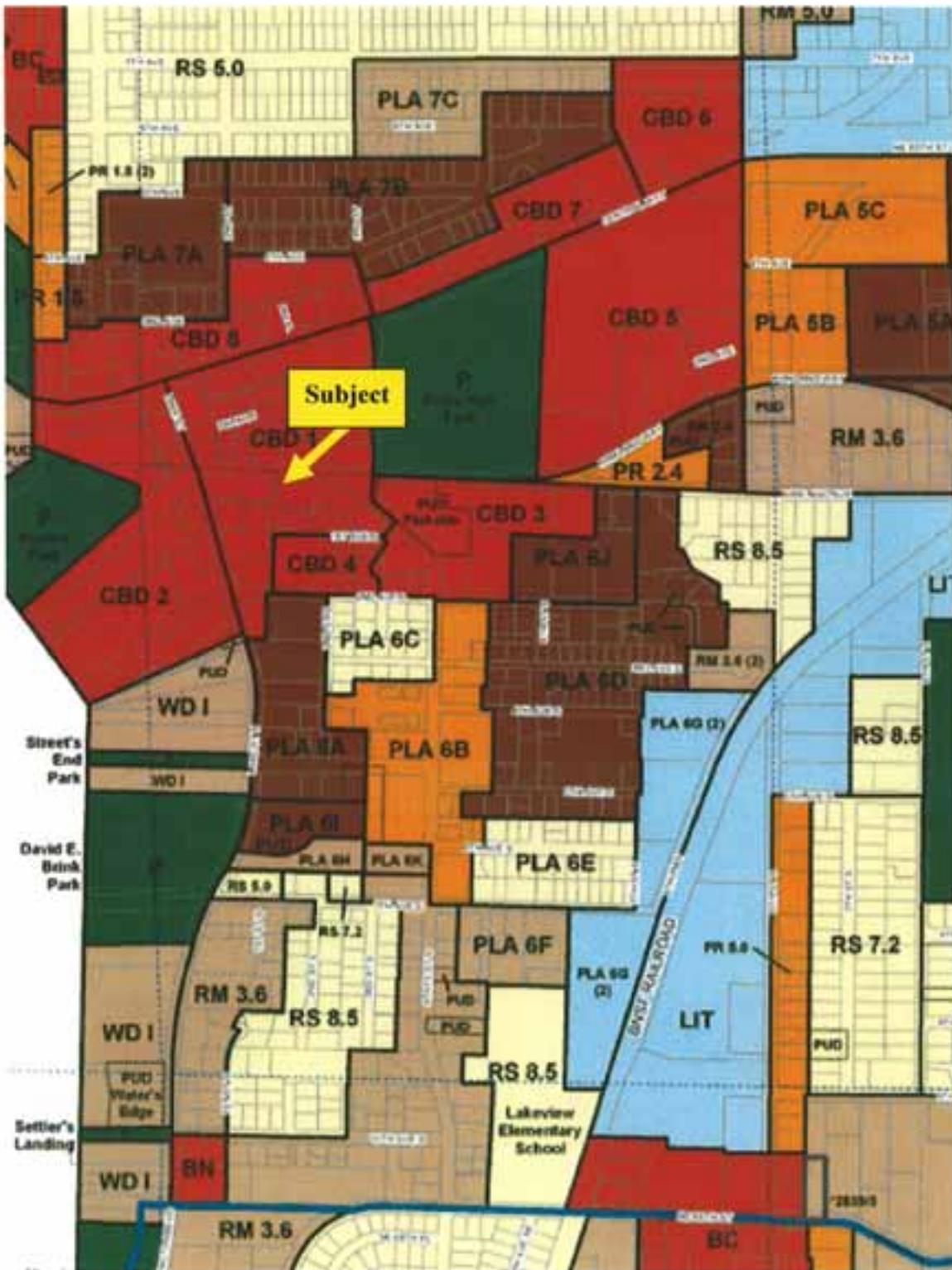


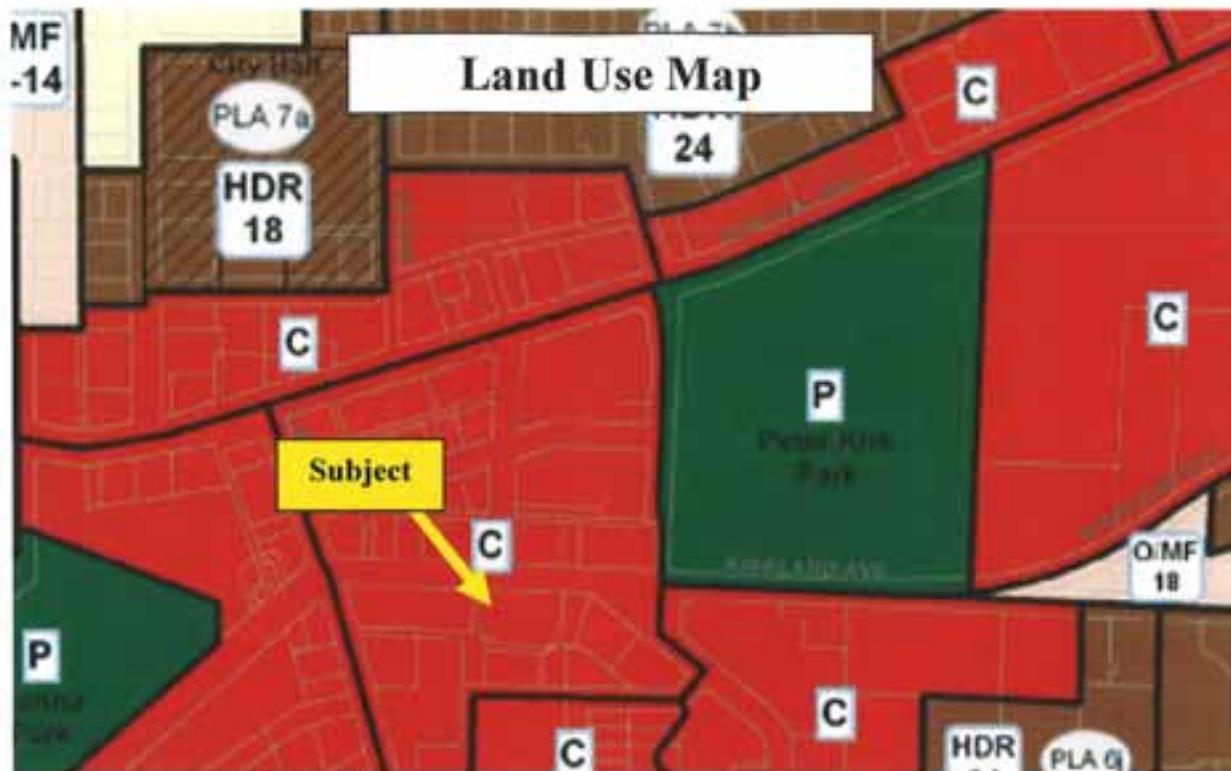
AERIAL MAP





Zoning Map





Bridle Trails State Park

ORDINANCE NO. 4028
 ADOPTED by the Kirkland City Council
 December 13, 2005

LAND USE CODES

- C- COMMERCIAL
- IND- INDUSTRIAL
- LMP- LIGHT MANUFACTURING PARK
- O- OFFICE
- O/MF- OFFICE/MULTI-FAMILY
- HDR- HIGH DENSITY RESIDENTIAL
- MDR- MEDIUM DENSITY RESIDENTIAL
- LDR- LOW DENSITY RESIDENTIAL
- I- INSTITUTIONS
- P- PARK/OPEN SPACE
- BP- BUSINESS PARK
- RH- ROSE HILL BUSINESS DISTRICT
- NRH- N. ROSE HILL BUSINESS DISTRICT
- JBD- JUANITA BUSINESS DISTRICT

- COMMERCIAL
- INDUSTRIAL
- LIGHT MANUFACTURING PARK
- OFFICE
- OFFICE/MULTI-FAMILY
- HIGH DENSITY RESIDENTIAL
- MEDIUM DENSITY RESIDENTIAL
- LOW DENSITY RESIDENTIAL
- INSTITUTIONS
- PARK/OPEN SPACE
- LAND USE BOUNDARIES
- SUBAREA BOUNDARY
- TOTEM CENTER
- PUBLIC FACILITIES
- PARCEL BOUNDARIES

(PLA) PLANNED AREA NUMBER

LDR ——— LAND USE CODE
 5' ——— DENSITY (UNITS/ ACRE)

NOTE: WHERE NOT SHOWN, NO DENSITY SPECIFIED
 * INDICATES CLUSTERED LOW DENSITY

SUBJECT PHOTOGRAPHS



Facing East, Along Kirkland Avenue
Subject property is on the right.



Facing South, Along Kirkland Avenue
Subject property is to the left.

SUBJECT PHOTOGRAPHS



Facing South, From the Intersection of Main Street and Kirkland Avenue



Facing North, Towards the Intersection of Main Street and Kirkland Avenue

SUBJECT PHOTOGRAPHS



Facing West



Facing East

SUBJECT PHOTOGRAPHS



Facing North, Stairs From Portsmouth Condominiums



Facing Southeast, Stairs Leading to Portsmouth Condominiums

PROPERTY IDENTIFICATION - DESCRIPTIVE DATA

This is a summary appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses may be retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and to the intended use stated below. The appraisers are not responsible for unauthorized use of this report.

CLIENT: Ms. Janice Soloff, AICP
Senior Planner
City of Kirkland
Planning & Community Development
123 5th Avenue, Suite 206
Kirkland, WA 98033-6189

APPRAISERS: James G. Poliyanskiy, Appraiser
James B. Price, MAI, SR/WA
Appraisal Group of the Northwest LLP
1980 112th Avenue NE, Suite 270
Bellevue, WA 98004

SUBJECT: Four pieces of land
200 Block of Kirkland Avenue
Kirkland, Washington

IDENTIFICATION

Property Identification

The subject property consists of four parcels of land. The subject properties are located on the south side of Kirkland Avenue near the intersection of Kirkland Avenue and Main Street, in Kirkland, Washington. (See Parcel Map)

Ostensible Owner

According to the King County Assessor's records, the portion of the private property that is being dedicated is owned by SRM Development Company, the current owner of the larger parcel, according to a purchase and sale agreement.

Legal Description

Legal descriptions of the parcels were not provided; however, the City of Kirkland has retained the legal descriptions in their files.

Identification/Parcel Number

The dedicated land can be identified as 'Parcel – D'; however, it currently is a portion of the bigger lot that is identified by the tax parcel number 124400-0005.

The vacated land can be identified as 'Parcel – A', 'Parcel – B', and 'Parcel – C' which are a portion of the site plan map in the introduction section of this report.

MARKET OVERVIEW

Marketing Time

The term "marketing period" is defined by the Office of the Comptroller of the Currency as "the term in which an owner of a property is actively attempting to sell that property in a competitive and open market."

For purposes of this report, the term "market period" is defined as: a normal market period is the amount of time necessary to expose a property to the open market in order to achieve a sale. Implicit in this definition are the following conditions:

- The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar types of properties.
- The property will be offered at a price reflecting the most probable mark-up over market value used by sellers of similar property.
- A sale will be consummated under the terms and conditions of the definition of market value stated in this report.

Alternatively, marketing time is the anticipated time required to expose a property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by market conditions.

Marketing times for properties with characteristics similar to the subject's may vary due to location and a realistic listing price. On the basis of the location, and interviews with local realtors, buyers and sellers, it is concluded that a reasonable marketing period for the subject, the marketing time would be one to six months.

Exposure Time

The term "exposure time" is defined by the *Uniform Standards of Professional Appraisal Practice*, 2005 Edition, as the "estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market." Exposure time differs from marketing time, in that exposure time is always presumed to precede the effective date of the appraisal.

Based on the supply and demand conditions as of the effective date of this appraisal, the exposure time for a property with characteristics similar to the subject, if placed on the open market at a reasonable list price, is estimated at one to three months.

Prior Sales

According to the property owners and King County Assessor's records, the property (Including Parcel - A) was purchased on 01/31/2006 by the current owner SRM Development Company from Kenneth A. Dayton and Lynn E. Gitlin for \$10,000,000.

The public right-of-way (Parcels A, B, and C) has no known recorded transactions over the past 5 years.

REPORT CRITERIA

Dates of the Inspection

June 22 and July 7, 2006

Effective Date of Valuation

July 7, 2006

Date of Appraisal Report

July 26, 2006

Function of the Appraisal Report

It is our understanding that the report will be used by the client as supporting documentation for a land exchange between private property and public right-of-way.

Purpose of the Appraisal

The subject property consists of one piece of land being dedicated in exchange for 3 pieces of land being vacated by the city.

Property Rights Appraised

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property.

The appropriate ownership interest subject to the appraisal is the fee simple estate.

Fee simple estate is 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 Appraisal of Real Estate, 12th Ed. (Chicago: Appraisal Institute, 2001; p. 68.)

Definition of Market Value

Market value is defined as follows:

Market value is the most probable price 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 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. The buyer and seller are typically motivated;
2. Both parties are well-informed or well-advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. 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.

Scope of the Appraisal

The scope of the investigation included the following:

A physical inspection of the subject property was performed. The appraiser also made an exterior inspection of the sales.

Economic issues influencing value were considered in the report, including market-related issues of supply, demand, and absorption.

Real estate brokers, leasing agents, city and county officials, principals, investors, and others knowledgeable in the market were interviewed by the appraiser to obtain data considered relevant to the analysis.

Social, economic, governmental, and environmental issues influencing value were considered in the analysis.

A complete highest and best use analysis was provided in the report.

The sales comparison approach was used to estimate the land value.

This report is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP). It is intended to be a summary report. As such, a description and analysis of the region and city is included, together with a description of the immediate neighborhood. The description of the site and proposed project is thorough, but not in elaborate detail. The highest and best use analysis is complete. The report summarizes the development of one major approach to valuation: the sales comparison approach.

In the sales comparison approach, similar sale properties are described and analyzed in order to estimate the subject property's value by various physical units of comparison and to obtain an appropriate value estimate for the subject property. While the descriptions of the sale properties are summarized, the investigation and analysis are considered to be thorough. While much of the data, reasoning, and analyses used in the appraisal process are presented within the report, some supporting documentation is retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and for the function, as stated previously. Reported sale information was confirmed through interviews with parties involved in the transactions.

Unavailability of Information

We were not provided with a soils report, structural engineering report, or an environmental report. This appraisal is based on the belief that none of this unavailable information would indicate the presence of any detrimental factors that would impact the value of the property, and if they do, we reserve the right to alter our value conclusion if necessary.

Disclosure of Competency

The appraisers have performed appraisals for a variety of properties throughout the Puget Sound region, and have had recent experience in the valuation of proposed projects similar to the subject. Please see the appraisers' qualifications in the Addenda.

Assumptions

This appraisal is contingent upon the following assumptions:

1. The legal description is correct, and title to the property is good and marketable.
2. The title to the property is free and clear of liens or encumbrances.
3. The property has responsible owner(s) and competent property manager(s).
4. The information furnished by others is reliable, but no warranty is given for its accuracy.
5. All engineering is correct. (The illustrative material in this report is included only to assist the reader in visualizing the property.)
6. There are no hidden, unapparent conditions of the property, subsoil, or structures that render it more or less valuable. This includes any toxic waste or asbestos insulation that may be present. We take no responsibility for such conditions or for arranging for engineering studies that may be required to discover them.
7. There is full compliance with all applicable federal, state, and local environmental regulations and laws.
8. The property conforms to all applicable zoning and use regulations and restrictions.
9. All required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. The use of the land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass.
11. We did not observe any hazardous materials, which may or may not be present, on the property. We have no knowledge of the existence of such materials on or in the property, but we are not qualified to detect such substances. The presence of such substances as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value is estimated under 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 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.

Limiting Conditions

This appraisal report is subject to the following conditions:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless the proration or division of interests has been set forth in the report.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. No appraiser, by reason of this appraisal, is required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless prior arrangements have been made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of any appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
5. Appraisal Group of the Northwest and its associate appraisers and employees assume liability only to the client.
6. Appraisal Group of the Northwest and its associate appraisers and employees are not responsible for any costs incurred to discover or correct any deficiency in the property. If a lawsuit is instigated by a lender, partner, part owner in any form of ownership, tenant, or any other party wherein this report is used in evidence; in the disposition of any and all awards, settlements, or cost, regardless of outcome, Appraisal Group of the Northwest and its associate appraisers and employees will be held completely harmless.
7. No survey was furnished, so the county tax records were used to ascertain the physical dimensions and area of the property. Should a survey prove this information to be inaccurate, it may be necessary for this appraisal to be adjusted.
8. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply-and-demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

9. This is a summary appraisal report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and to the intended function stated previously. The appraisers are not responsible for unauthorized use of this report.

REGIONAL DATA

The Central Puget Sound Region consists of four counties, with 82 cities and towns, located in Western Washington from west of Puget Sound to the western slope of the Cascade Range. This strip varies in width from 30 to 50 miles, with the length approximately 100 miles. The four counties in this region - Snohomish, King, Pierce and Kitsap - contain approximately 9% of Washington State's land area and over 55% of its population with 3,460,400 people.

Population

King County has the greatest concentration of population in Washington State with an estimated 2006 population of 1,835,300. This county's largest city, Seattle, has approximately 578,700 residents. Snohomish County, to the immediate north of King County, has a population of 671,800 with its largest city, Everett, at 101,100 residents. Pierce County, adjoining King County on the south, has a population of 773,500. The largest city in this county, Tacoma, has 199,600 residents. Kitsap County, which is located across Puget Sound from Seattle, has a population of 243,400. While its largest city, Bremerton, has gained slightly in population this last year to 35,910, it is still lower than the 2004 population estimate due to the deployment of military personnel. The other cities in the county, Port Orchard, Poulsbo and Bainbridge Island, have continued to grow as more people move to the Kitsap peninsula. The Washington State Ferries, as part of the state highway system, provide commuters from Kitsap County access to the employment markets of the greater Seattle Metropolitan Area.

The trend in population growth from urban centers to suburban and outer areas has been reversing in recent years. Legislative attempts to deal with problems associated with growth and sprawl resulted in the Growth Management Act passed in 1990. Urban areas are starting to encourage residential projects as a way of stemming urban decay and providing attractive urban multi-family living and, as traffic worsens and fuel costs continue to rise, more people want to take advantage of shorter commute times. A greater emphasis on exercise for general health has also sent many residents back to cities with more pedestrian-friendly neighborhoods. The residential market continues to be strong, putting pressure on property values as well as providing more revenue in taxes. The City of Seattle has recently passed new zoning laws to encourage higher density in the downtown area. Reducing growth in non-urban areas has been addressed recently in King County by the Critical Areas Ordinance recently passed, which has been hotly debated among rural residents.

Topography and Climate

The Cascade Mountains divide the western part of Washington State from the colder winters and hotter summers of Eastern Washington. The Olympic Mountains to the west protect the Puget Sound basin from the heavy rainfall and high winds along the coast. Consequently, the area has a relatively mild climate year-round with average

daytime temperatures between 46° and 75° Fahrenheit, and an average annual rainfall of 41 inches.

Economy and Employment

From March 2005 to March 2006, 71% of the job growth originated in the Puget Sound region. The following table illustrates the top 20 employers in the region:

Top Employers (full-time only)			
Company	# of Employees	Company	# of Employees
The Boeing Company	63,804	Multicare Health Systems	5,546
Microsoft Corporation	30,255	Bank of America	5,463
University of Washington	21,358	Nordstrom's, Inc.	5,349
Kroger Co. (Fred Meyer & QFC)	17,300	Seattle School District	5,125
Starbucks Corporation	8,806	Macy's Northwest	4,905
Providence Health	8,499	Safeway, Inc.	4,881
Group Health Co-op	8,422	Sears, Roebuck & Co.	4,173
Washington Mutual Inc.	7,968	Safeco Corporation	3,700
Weyerhaeuser Co.	10,000	Swedish Health Services	3,583
Costco Wholesale Corp.	6,526	Paccar Inc.	3,000

*Puget Sound Business Journal Book of Lists 2006; www.entrprisescattle.org; www.boeing.com

The aerospace industry continues to provide the greatest number of the area's jobs, with the Boeing Company, the world's largest aircraft manufacturer, employing over 63,000 in the Puget Sound region. Although Boeing did move their headquarters out of Washington State, the commercial manufacturing division is still located in the Puget Sound area. Everett was chosen as the final assembly point of the new 7E7, generating an estimated 800 to 1,200 new jobs. Plus, with new orders for the 737 which is manufactured in Renton, Washington, more hiring was required at that site. Although Boeing's dominance in the economy has declined as growth has increased in such sectors as international trade, computer and medical technology, tourism, and natural resources, its size and influence on the Puget Sound Region is still significant.

Since companies here sell into national markets, the state of the national economy has a bearing on the local economy. But the economy is expanding, especially due to tourism, technology and construction. By March 2006, the Puget Sound area had an average unemployment rate of 4.85%, slightly below the national rate of 5.0%. Washington State's overall rate is 5.3%.

Import/Export Trade

In 2004, Washington State ranked 5th in the nation in terms of overall exports value (behind only Texas, California, New York and Michigan in that order) with 209 foreign destinations. The total value of merchandise exports from Washington State exceeded \$34 billion in 2004. Nearly three-quarters of Washington's exports are from the central Puget Sound region. Washington State is the most trade-dependent state in the nation - one out of three jobs is related to international trade.

The Port of Seattle is a municipal corporation originally created in 1911, by the voters of King County. It is a public enterprise with unique authority operating in an international, market-driven environment. The Port of Seattle's vision "is to be the most effective and respected provider of transportation facilities and services to promote international trade and commerce, and to be the best publicly-owned catalyst for sustained regional prosperity in the nation. Our services and facilities accommodate transportation of cargo and passengers by air, water and land; provide a home for the fishing industry; and foster regional economic vitality and a quality life for King County citizens."

Maritime Industry

The Ports of Seattle and Tacoma have developed modern containerized cargo facilities and have become world-class facilities that, combined, move the 2nd largest container load center in the Western Hemisphere and the eleventh largest in the world. This area is ideally positioned to connect the northern half of the United States with Alaska and the Pacific Rim countries. Puget Sound is a full day closer in sailing time to most Asian ports than Los Angeles and Long Beach.

Japan	6.3
Canada	4.0
China	3.0
Korea	2.0
Ireland	1.5
Singapore	1.4
France	1.2
United Kingdom	1.0
Australia	1.0
Netherlands	0.9

Source: World Institute for Strategic Economic Research

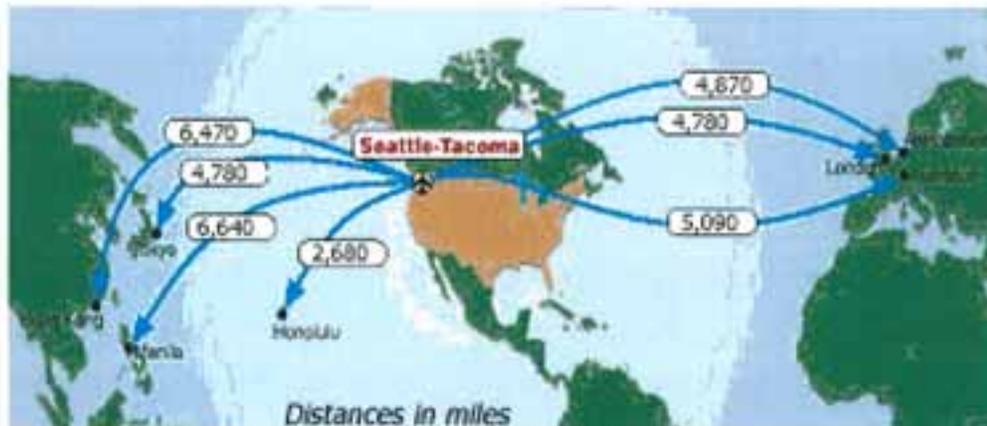
The Port of Seattle is a leading gateway for Washington State and the nation. The Port was North America's fastest growing container port in 2005, the second year in a row it has grown faster on a percentage basis than any other U.S. port. The Seaport's 2,088,000 TEUs that crossed the Port's docks in 2005 marked a 17.6% increase over the previous year. The Port has invested nearly \$1 billion in its maritime facilities and infrastructure over the past 12 years. Facilities at Terminal 46 in Seattle recently underwent a \$12.5 million upgrade, and now have state-of-the-art electronic cargo-handling equipment to move freight from Hanjin's worldwide shipping operations. Hanjin Shipping, recently signed a lease keeping them at their present location through 2015, with options for an additional 10 years. The 32-acre Terminal 25 is scheduled to reopen for container handling in July 2005. The Port has been requested to improve the northern terminal apron of Terminal 18 to accommodate larger cranes.

To the south in Pierce County, the Port of Tacoma has approved a five-year capital improvement plan implemented between 2003 and 2007. The Port of Tacoma is spending up to \$341 million on new projects and investments to meet the needs of its

existing customers and to attract additional new customers. More than 28,400 jobs in Pierce County are related to Port of Tacoma activities. The Port invested \$95 million in capital projects in 2005, highlighted by the grand opening of three new and renovated container terminals – Pierce County Terminal (Evergreen Marine, Hatsu Marine and Lloyd Triestino), Husky Terminal ("K" Line) and Olympic Container Terminal (Yang Ming Line). A recent study indicated that over 43,000 family-wage jobs are related to Port of Tacoma activities.

Air Freight

Sea-Tac International Airport is the country's 28th busiest cargo airport and offers almost 900,000 square feet (85,000 square meters) of cargo warehouse, airmail, and office space for the dynamic mix of domestic and international air cargo activity, totaling 338,591 metric tons in 2005. The airport also has more than 1.5 million square feet of aircraft parking apron.



www.portseattle.org/business/airport/aircargo.shtml

Transportation

Transportation in the area is facilitated by several local and interstate highways. Interstate Highway 5 connects the Seattle Metropolitan Area with most of the other regional economic centers along the West Coast. Interstate Highway 90, which connects with Interstates 5 and 405, provides access to markets in the East. Interstate Highway 405 and State Highways 167, 509, and 99 provide alternate routes.

The Seattle-Tacoma International Airport is located west of Interstate Highway 5, midway between Seattle and Tacoma. For business or pleasure, Sea-Tac Airport serves over 29 million passengers annually, one in 10 of them on an international flight to such destinations as Europe, Central America, and Asia. Seattle is equidistant between Tokyo and London at approximately 9 hours each way. The Port is completing a \$4.1 billion airport expansion program, including the new airport subway system, completion of the third runway, scheduled to be fully completed in 2008, and the Central Terminal, which opened May 2, 2005, and features the Pacific Marketplace, a dining and shopping mall with 20 restaurants and cafés, bookstores, museum shops and other retail stores.

Railroads/Heavy Commuter Rail/Light Rail

There are three major rail lines running through the region: Amtrak, Burlington Northern, and Union Pacific. Rail lines extend north to Canada, south to Oregon and California, and east over the Cascade Mountains to the East Coast.

Commuter transportation in the area is predominantly highway travel. However, with the recent emphasis on such problems as traffic congestion and cost of fuel, a regional rapid transit system (Sound Transit) connecting various population centers was proposed and funded by popular vote. This system is designed to be a combination of buses, light rail and commuter rail linking the region together. The construction is currently underway for the 14-mile segment of the light-rail system between downtown Seattle and Sea-Tac Airport, and by the end of 2009, it is projected that the passengers will be able to ride the new Sound Transit light rail from downtown Seattle to the airport in 33 minutes. The Sounder heavy-rail commuter train operates a train service from Tacoma to Seattle, stopping at stations in Puyallup, Sumner, Auburn, Kent and Tukwila. A service from Everett, in Snohomish County, to Seattle is also underway, stopping at a station in Edmonds and then continuing on to Seattle. Tacoma's light rail system, the Link, opened in August 2003 at a cost of \$80.4 million. It provides free shuttle service across the downtown area, serving Freighthouse Square and the Tacoma Dome, the University of Washington – Tacoma, the new convention center, and the Theater District, over a 1.6-mile route. The Link has connections with Sound Transit weekday rail service to Seattle at Tacoma Dome Station.

Education

In the Puget Sound region, there is the University of Washington in Seattle and its branch campuses in Bothell and Tacoma, eight private colleges and universities, and 17 community and technical colleges. Of residents 25 years and older, nearly 90% have completed high school, and the percentage of those who have received bachelor's degrees or higher is 35%, although in King County, it is 40%. In November 2005, Seattle received the No. 1 ranking of "America's Most Literate Cities" from Central Connecticut State University's annual survey based on six factors: a city's number of bookstores per population, educational attainment, newspaper circulation, the number of journals and magazines published there, library holdings and usage and an Internet category, which measures the number of Internet book orders per capita and the percentage of adults who've read a newspaper online, plus the number of library Internet connections and public wireless access.

Tourism

With the Puget Sound's picturesque setting, easy access to both the water and the mountains, and diversity of recreational amenities, the tourist and convention industries have grown rapidly. Tourism is the fourth largest industry in the state. There are 80 hotels in the Puget Sound region with conference or convention meeting space and 28,000 hotel rooms. Leisure and hospitality services provided 104,300 jobs to the region during 2005.

The Port of Seattle is focusing on three overseas tourism markets with the most potential for the region: Japan, the United Kingdom and France. In 2004, 8.73 million visitors to King County spent nearly \$4 billion. Also, in 2006, the new cruise ship industry in Seattle will welcome nearly 200 cruise-ship visits with nearly 735,000 in total passenger volume for an 18% increase in cruise-ship traffic. Five cruise ship companies are served at the Seattle waterfront.

High Technology

The high technology industry has been a fast-growing employment base in the regional economy. There are many companies dealing in computers, software, biotechnology, and medical technology, including Microsoft, Nintendo, Advanced Digital Information Corporation, Amgen, Icos, Cell Therapeutics, Inc., and the Fred Hutchinson Cancer Research Center. The area provides: a favorable environment for these companies because of its well-educated work force; a quality of life that is attractive to out-of-state workers; a major research university, the University of Washington, which ranks fourth in the nation in corporate grants for scientific research; and the technical training grounds that such companies as Microsoft and Boeing provide. One in 4.5 jobs in the State is dependent on technology-based industries. There has been a major emphasis on attracting biotechnology companies to the region, especially at facilities on Lake Union owned by Paul Allen, as well as at the University of Washington.

Summary

The Puget Sound region has an unemployment rate similar to the national average, and the job market is continuing to expand. Due to location and a highly educated workforce, this area remains competitive in creating and sustaining white collar industries and global trading relationships which make long-run contributions to growth.

KIRKLAND AND NEIGHBORHOOD DATA

The immediate neighborhood is known as Moss Bay, or Downtown Kirkland, a community oriented towards Lake Washington. The neighborhood composition includes good-to-luxury quality condominiums or homes, often taking advantage of the good view amenity. Peter Kirk Park is a few blocks northeast of the subject property, providing good recreation opportunities.

The Moss Bay neighborhood is the central neighborhood for Kirkland and encompasses the downtown business district. Moss Bay is bounded by the properties along Central Way (from the waterfront to Kirkland Way), the Burlington Northern Railroad/Kirkland Way on the east, NE 68th Street on the south, and the waterfront on the west. While the neighborhood is dominated by the commercial activities associated with Kirkland's Downtown, there is considerable residential development. The area contains a wide variety of land uses, including offices, well-established single-family areas, large-scale multifamily development, a baseball facility, a post office and a railroad, and downtown retail businesses. A major policy emphasis for the Moss Bay neighborhood is to encourage commercial activities in the

Central Business District, and to expand "close-in" housing opportunities by encouraging medium- to high-density residential uses in the perimeter of the CBD.¹

The subject is located in the downtown core, a waterfront community in the city of Kirkland west of Interstate 405. There is neighborhood shopping located in close proximity to the subject and the other commercial districts are stretched along the length of Central Way NE, Market Street, and Lake Street. Grocery and related retail outlets immediately surround the subject property.

A neighborhood can be defined as an area of complementary land uses. A neighborhood's boundaries identify the area that influences the value of the subject property. This area is mixed use in nature, with retail services, some commercial office space, condominiums, apartments and single-family residences. Interstate 405, Market Street, and Lake Street provide the major north/south routes. East/west arterials include Central Way, NE 85th Street and Kirkland Avenue.

The subject property is located in the established commercial district of Downtown Kirkland, in central Kirkland, Washington. Kirkland is situated along the Interstate 405 corridor in north King County. The surrounding communities of Bothell, Kenmore, Redmond and Woodinville are located in the north portion of King County, east of Lake Washington. There are connections to Interstate 405 at NE 116th Street and NE 124th Street, with Interstate 405 leading south to Bellevue and north to Lynnwood. Interstate 405 intersects with Highway 520, about 5 miles south, which runs west to downtown Seattle.

Kirkland is located along the east shore of Lake Washington with seven waterfront parks. These parks provide popular recreation sites, along with a marina in downtown Kirkland. Downtown Kirkland is a very popular pedestrian area with many shops, restaurants and art galleries. Kirkland and Juanita are also the location of many newer condominium projects, both on the waterfront and with Lake Washington views.

In summary, the City of Kirkland has emerged over the last 20 years to become a region extremely popular for residential development. Commercial growth has matched the residential growth, providing goods and services as well as entertainment and recreation opportunities. The collective physical and social environment of the subject neighborhood, within the context of Kirkland's future development trends, is conducive to continued economic vitality for the foreseeable future.

In conclusion, the subject is in an established residential neighborhood with a mix of single-family residences, rental apartments and condominium units. Overall, this area has traditionally been in strong demand for both owner-occupied and rental housing due to its proximity and good vehicular access to Interstate 405, with access about one mile away from the subject. This close proximity to the interstate, combined with the very popular Kirkland amenities, creates a strong market appeal.

The subject's neighborhood is almost 100% built out with very little vacant land available for development, and new construction is typically preceded by demolition of existing structures. The subject neighborhood is considered to be mature and stable with no major changes in land use in the foreseeable future.

¹ City of Kirkland Website – Kirkland Permits Section

The typical buyer of properties similar to the subject will continue to be a developer, due to the lack of vacant land available.

CONDOMINIUM/TOWNHOUSE MARKET OVERVIEW

Being fueled by low interest rates the regional housing market has remained relatively strong. Overall, housing sales activity has maintained consistent levels for both resale properties and new construction. Current market conditions suggest a continuation of price appreciation, especially for affordable housing, priced below \$500,000.

Statistics demonstrate strong evidence of a growing condominium and townhouse market throughout most of King County. Projects developed over recent years have, in general, performed well. As single-family housing prices continue to trend upward, more buyers will likely turn towards condominium ownership. Condominium housing has gained market acceptance over the past decade, and in most market areas, new construction sales of condominium units have been outpacing that for detached single-family housing. The trend in most markets is primarily fueled by affordability as many buyers have been priced out of the detached single-family housing market. According to statistics compiled by the Northwest Multiple Listing Service, over the past several years, the Kirkland Area market has been one of the strongest condominium and townhouse markets in King County.

The typical buyer profile for condominiums and townhouses is usually weighted toward single professionals, and move-down buyers. Single-family housing in the greater Kirkland area is becoming increasingly difficult to afford, and many buyers are now looking toward condominiums or townhomes as a reasonable alternative, particularly in new construction. Many condominium units in the Kirkland neighborhood have sold on a presale basis, before construction was completed.

SITE DESCRIPTION

Location and Access

The subject site is located on the southern side of the 200 Block of Kirkland Avenue at the intersection of Main Street and Kirkland Avenue, approximately one mile west of Interstate 405, a major access route. The address for the property is 201 Kirkland Avenue. Access to the site is via Kirkland Avenue.

Shape, Size, Topography and Physical Characteristics

Dedicated Land	Size (SF)
Parcel- D	3,673

The private property being dedicated is located on the southeast corner of Kirkland Avenue and Main Street. The site, Parcel – D, located along Kirkland Way, is level and at street-grade; however, it is generally sloping down to the west.

Vacated Land	Size (SF)
Parcel - A	1,041
Parcel - B	2,085
Parcel - C	241
Total	3,367

There are two alleys affected by this vacation request. One is in the center of the property that, along with an easement, provides access for surface parking for the property and five spaces for the public. The sites designated as Parcel - B and Parcel - C are level and at street-grade; however, they are generally sloping down toward the lake.

The other runs north/south from Kirkland Avenue and is 22 feet on the northern and southern boundaries and 45 feet on the east and west boundaries. The site designated as Parcel - A is generally level on the northern half of the site. On the southern section of the vacated portion the site's topography elevates from approximately 40 feet above sea level to nearly 52 feet above sea level. (Please refer to Topographical Map for visual illustration)

Improvements

The land to be dedicated and vacated is improved with asphalt and marked parking stalls. All of these improvements are to be razed for the planned development.

Easements and Encroachments

After a review of the title report and from visual observation, it is apparent that the land is owned free and clear and does not have any adverse easements or encroachments that would affect the value of the subject site. The Title Report is included in the Addenda section of this report.

Soils, Drainage and Toxic Hazards

A soil report was not provided for review. The existing improvements were originally constructed in 1939 and 1940 on Parcel 124400-0005 to the immediate east of 'Parcel D', and show no sign of soil subsidence or weakness.

No indications of toxic hazards were observed; however, detailed analysis of such potential is beyond the scope of this appraisal. Due to the ages of the buildings, it is likely that asbestos abatement will be required prior to demolition of the existing structures; however, that determination is beyond the scope of this report.

The property was historically used as an auto service facility and may require a Level 2 soils assessment. It is assumed that the soil conditions are stable, adequately drained, able to support the improvements under the highest and best use, and are free of toxic materials.

Identification of Possible Flood Hazard

The subject property is not located in a Federal Emergency Management Agency (FEMA) designated hundred-year flood hazard zone. (See Flood Map)

Utilities

The subject has adequate public utility services for general commercial and residential purposes. Electricity, gas, telephone, water, sanitary sewer, and refuse collection are all available.

Assessed Valuation and Taxes

For 2006, the King County Assessor's records show the larger property's assessed values as follows:

Parcel ID	Land	Improvements	Total	Taxes
124400-0005	\$ 1,335,600	\$ 1,364,900	\$ 2,700,500	\$ 27,013.58
124400-0120	\$ 562,700	\$ -	\$ 562,700	\$ 6,225.60
124400-0110	\$ 264,500	\$ -	\$ 264,500	\$ 2,506.58
		Total	\$ 3,527,700	\$ 35,745.76

Taxes may include Surface Water Management, Noxious Weed Control, Conservation, and/or State Forest Fire patrol fees. LID charges, if any, are not included.

The dedicated land is the west 3,673 square feet of Parcel 124400-0005.

The vacated land is public right-of-way and is not taxed.

Zoning

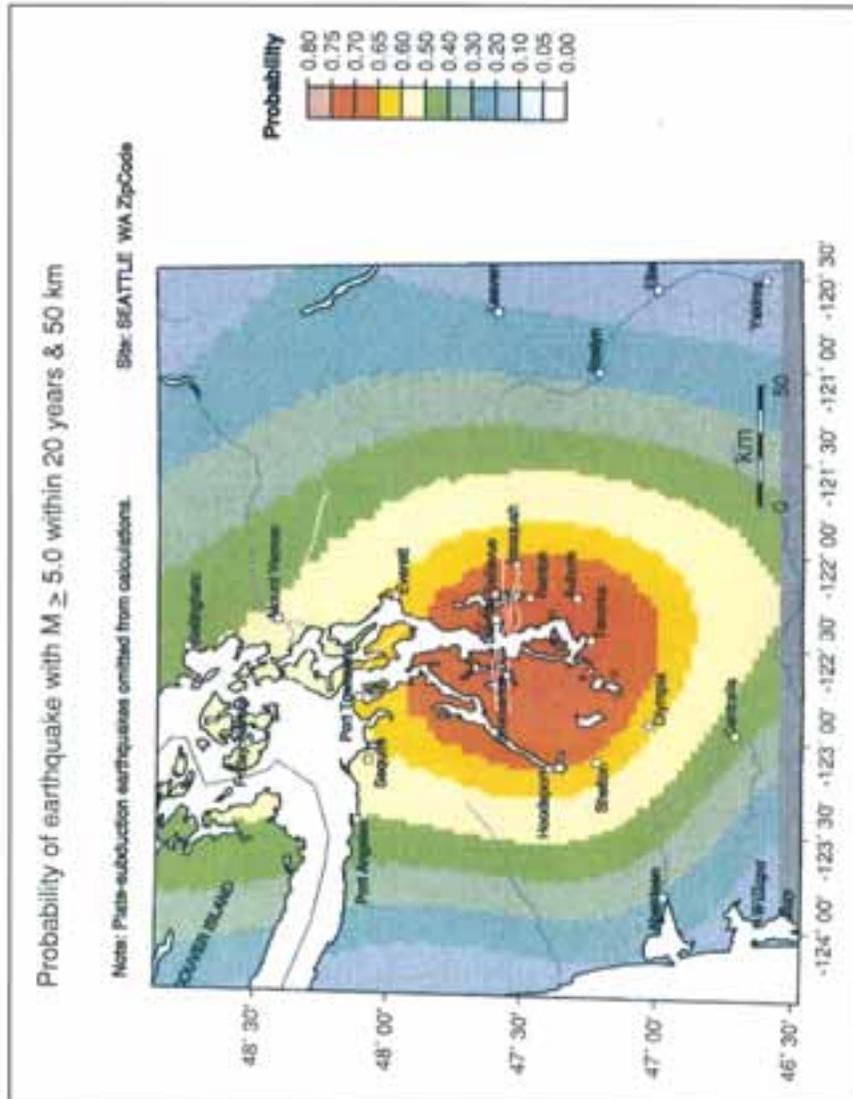
The subject lots are zoned CBD-1, a Mixed-Use zoning designation by the City of Kirkland. This zoning district encourages a variety of professional office and mixed-use commercial development along populated arterials, including office use and business support services, banking and related financial services, hotel or motel, entertainment, cultural and/or recreational facility, fast food restaurant, private club or lodge, stacked or attached dwelling units, school, day-care center, assisted-living facility, retail development, public utility, government facility, community facility, or a public park. The lot coverage allowed is 100%. Maximum structure height restriction is from 2 to 5 stories above each abutting right of way. Buildings exceeding two stories must demonstrate compliance with the design regulations of Chapter 92 KZC and all provisions contained in the Downtown Plan. The City will determine compliance with these requirements through Design Review (D.R.).

Earthquake Probability

An earthquake zone for the subject property area has not been assigned, based upon interviews with the City of Seattle Planning Department and the University Of Washington Seismology Department.

There is a 70 to 75 percent probability of a 5.0 earthquake within a 20-year period, per USGS Earthquake Hazards Program.

Earthquake Probability Mapping



HIGHEST AND BEST USE ANALYSIS

The highest and best use of a property is defined in The Appraisal of Real Estate (Twelfth Edition; Chicago: Appraisal Institute, 2001; p. 305), as “the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

Highest and best use analysis is a method of inquiry in which the optimum use of a property, in light of market conditions, is determined. Because the price that potential purchasers consider feasible to pay for a property tends to be based on the use they plan for it, the highest and best use of the property is a major factor affecting its market value. This concept aids in determining what improvements should be constructed on a site if it were vacant, and how any present improvements can best be utilized.

Land may be analyzed “as though vacant” and “as improved” to determine its highest and best use. The highest and best use of a site as though vacant may be different from the highest and best use of the same property as presently improved. For example, although a site may have a particular highest and best use if it were vacant and available for new development, the current use may be retained so long as the existing improvements continue to contribute to the overall value of the property.

To determine the highest and best use of a property, four significant factors are analyzed. These are the possible uses that are: (1) legally permitted, (2) physically possible, (3) economically feasible, and (4) maximally productive.

HIGHEST AND BEST USE – AS VACANT LAND:

Physically Possible: The use to which a site can be developed can be affected by its size, shape, topography, access, and soil type.

Dedicated Land: The dedicated land of the larger lot is an irregular-shaped site (Parcel - D) with the northern portion resembling a rectangle and extending south with a 69.88-foot-long by 7.24-foot-wide narrow rectangular strip of land on the southeast portion with a total of 3,673 square feet. The land is at street grade with ingress and egress from the fronting Kirkland Avenue. All utilities are available to site.

Vacated Land: The site to be vacated is a long narrow lot (Parcel - B and Parcel - C) containing a total of 2,326 square feet and a nearly rectangular-shaped lot (Parcel - A) containing an area of 1,041 square feet. Both sites are level at the street grade with ingress and egress from the fronting streets. All utilities are available. Both of the vacated sites are limited by their size for a stand alone development.

Legally Permissible: The legal factors which can influence the highest and best use of the subject can include governmental regulations such as zoning and other land ordinances, environmental regulations and building codes. Other factors to consider would be easements and encumbrances, which impact or restrict the use of the subject site.

Dedicated Land Any existing easements, encumbrances and permits, when considered in relationship to the other characteristics of the property, such as commercial zoning, size or soils, do not appear to hinder the development of the site.

Vacated Land: Any existing easements, encumbrances and permits, when considered in relationship to the other characteristics of the property, such as commercial zoning, size or soils, do not appear to hinder the development of the site.

Financially Feasible:

Dedicated Land: The most financially feasible use of the subject site, if vacant, is to include it with a mixed-use development. The density of this project should be the maximum allowable under the current zoning. The subject has plans under review with a proposed FAR of 3.02. Other projects reviewed within the course of this appraisal assignment have had FARs ranging from approximately 1.8 to 4.1. Consequently the subject FAR is at the upper end of the range. Therefore, the proposed subject development represents the most financially feasible use of the subject site.

Vacated Land: As stated above, the most financially feasible use of the subject site, if vacant, is to develop with a mixed-use development.

Highest Value:

Dedicated Land: The subject site, as a small site, is not suited for development possibilities that would maximize productivity. The lot location, and supporting infrastructure indicate a mixed-use development, with first floor retail services and residential dwelling units on the upper floors.

Vacated Land: The subject sites, as small parcels, are not suited for development possibilities that would maximize productivity. The lot's location and supporting infrastructure indicate a mixed-use development, with first floor retail services and residential dwelling units on the upper floors.

Conclusion of Highest and Best Use:

Dedicated Land: Considering the location of this property, its zoning, surrounding land uses, and current land-use trends in the area, the likely highest and best use of the site, assuming it were vacant and available for development, is to include it as part of a larger project.

Vacated Land: Given the location of this property, its zoning, surrounding land uses, and current land-use trends in the area, the likely highest and best use of the sites, assuming they were available for development, is to assemble the three lots together with the larger adjacent site and to improve them with a mixed-use development with retail at street level and residential units above that maximizes the density allowed under the current CBD-1 zoning designation.

HIGHEST AND BEST USE – AS IMPROVED:

The subject properties are only improved for parking, which will be removed for the proposed development.

APPRAISAL TECHNIQUES

There are three distinct approaches to valuing property: the cost approach, the sales comparison approach, and the income capitalization approach. Depending on the type of property and the data available, one or more of these approaches are used in any valuation assignment. The highest and best use would be to remove the existing improvements; therefore, this is a valuation of land only. As a result, the cost and income approaches are not applicable and are not included in this report. Consequently, only the sales comparison approach will be used in valuing the site.

SALES COMPARISON APPROACH

In the sales comparison approach, the value of a property is estimated by comparing it with similar properties in its market area. This approach is based on the premise that the value of a property is set by the prices of equally desirable substitute properties in the same area.

PROCEDURE

Recent sales of similar and competing properties are selected for comparison with the subject property. An appropriate unit of comparison is determined (e.g., entire property, price per unit, price per square foot, price per room, etc.), and adjustments are made to each comparable sale in order to account for value differences between these properties and the subject. The adjustments are made for such property and transaction characteristics as financing terms, conditions of sale, date of sale, location, and physical attributes. The result of appropriate adjustments applied to sales of comparable properties should be a relatively narrow indicated value range. From within this range, a specific estimate of the subject property's value is often selected.

A thorough research for recent sales in the subject and competing neighborhoods was completed. These sales are summarized in the table on the following page and discussed in more detail on the following pages. In comparing the subject with the comparable sale properties, the most widely recognized and market-oriented unit of comparison for properties such as the subject is the price per square foot. After being inspected, confirmed, and analyzed for their applicability and comparability with the subject, three sales were selected as the best indicators of value for the subject. Finally, a conclusion regarding the subject's market value by the sales comparison approach is formulated.

Based on conversations with developers, real estate agents familiar with the subject area, and with the City of Kirkland's Planning and Development Services, we have concluded that a retail and residential mixed-use building would be economically feasible. This conclusion is based on local supply and demand conditions, zoning restrictions and recent past history of development of similar commercial sites in the downtown Kirkland area.

The following elements of comparison were considered and adjusted, as appropriate, to the subject: property rights conveyed, financing, conditions of sale, market conditions, location, and physical characteristics. A map and a summary table of the comparable sales market data are presented on the following pages. Photographs are also enclosed with a description of sales.

LAND VALUATION

The most common method for valuing land, and the preferred method when adequate sales data are available, is the sales comparison approach. In this approach, the value of the site is estimated by comparing it with sales of similar parcels of land. For market value purposes, the site is always valued as if vacant and available for development to its highest and best use.

The subject property consists of parcels zoned for mixed-use development which is located in the Commercial Business District (Downtown) area of Kirkland. Due to their physical, legal, and economic characteristics, public road right of way and small parcels of land, such as that which is being dedicated, are rarely sold on the open market. The size and shape of the parcels does not lend itself to alternative industrial, commercial, or residential use except when combined, or assembled, with an adjacent parcel through vacation. Therefore, the utility, and hence market value, of the subject right of way is most properly measured in terms of its contributory value to the adjacent property to which it would be assembled once vacation is completed.

Instead of valuing the subject parcels as a separate and independent physical, legal, and economic entity, market value is estimated using the "across the fence" valuation methodology. Using this valuation technique, the market value of the parcels to be vacated and dedicated is based upon the market value of those adjacent and contiguous parcels that will receive the vacated and dedicated segments. The "across the fence" methodology is based on the valuation premise that the land within the right-of-way segment, once vacated, will assume a similar unit value as that of the adjacent property. This methodology assumes that the adjacent property, under combined ownership with the vacated right of way, has a common unit value if vacant and available for development.

The "across the fence" valuation process employs the Sales Comparison Approach. Comparable land sales and listings are identified that represent similar physical, legal, and economic characteristics as those of the adjacent parcel receiving the vacated right of way. Based upon the analysis of these various transactions, the market value of the subject parcels is estimated. The market value conclusion is expressed as a unit value (price per square foot of land area) that is finally applied to the subject parcels as an indication of their market value.

A search for similar sales was conducted throughout this area. Three such closed sales, including the major portion of one of the subject properties were found. These properties are summarized in the table below, and a land value conclusion is subsequently derived.

COMPARABLE LAND SALES

Subject
Kirkland Way & Main Street
Kirkland, Washington

Parameter	Subject	Sale #1	Sale #2	Sale #3
Sale Price	N/A	\$ 6,500,000	\$ 6,975,000	\$ 8,890,000
Address	200 Block of Kirkland Ave	355 Kirkland Ave	320 2nd Ave S	255 Central Way
Location	Kirkland	Kirkland	Kirkland	Kirkland
Date of Sale	N/A	1/24/2005	1/27/2006	2/17/2005
Zoning	CBD-1	CBD-3	CBD-3	CBD-1
Lot Size (SF)	Private Property/Public R/W	72,000	67,279	62,415
Proposed FAR	3.02	1.87	1.97	N/A
Price of Land	N/A	\$ 7,670,000	\$ 7,393,500	\$ 10,401,300
Price Per/SF	N/A	\$90.28	\$103.67	\$142.43



Comparable Land Sale No. 1



355 Kirkland Avenue, Kirkland, WA



Comparable Land Sale No. 2



320 2nd Avenue South, Kirkland, WA



Comparable Land Sale No. 3



255 Central Way, Kirkland, WA



ANALYSIS OF COMPARABLE LAND SALES

Each sale property is compared to the subject by making adjustments for variations in such physical and economic features as site size, zoning, date of sale, location, and various other characteristics. These adjustments are applied to a unit of comparison, which in this case, is the sale price per square foot. Adjustments should not be interpreted as being absolute, but rather are included for illustrative purposes, and reflect an attempt to systematize the comparison of the subject and sale properties.

Discussion of Comparable Sales

The preceding chart presents the comparable sales indicating sale price per lot. Based upon this, the sales indicate property values ranging from \$90.28 to \$242.04 per square foot, before adjustments for factors such as utilities, shape and other characteristics.

Comparable Sale No. 1 is located at 355 Kirkland Avenue, Kirkland, a block west of the subject property and is now named Kirkland Boardwalk. This property is under construction with a mixed-use building. At the time of sale, the improvements were at the end of their economic life, and did not constitute highest and best use of the land. The property was purchased for land value only. The mixed-use building will have retail space on the ground floor and condominium units on the upper 3 floors. It will house 119 units totaling 125,809 square feet plus there will be 8,836 square feet of retail space. The project will provide 175 parking stalls. The property has frontage on Kirkland Avenue. All public utilities are available to the site.

The comparable sale's location, access, zoning, shape, view, and topography are considered similar to those of the subject; therefore, no adjustments for these factors were made. An upward adjustment was made for time. No adjustment was required for demolition cost of existing improvements because they were considered negligible because in the context of the overall price the cost is miniscule. All utilities are available to the site and no adjustment is warranted. Development densities are typically compared using floor-area-ratios or FARs. FAR is an indicator of the density of development on a given parcel or area. A FAR is determined by calculating the gross building square footage as a percentage of total land area. This comparable sale's FAR is 1.87 while the subject Floor Area Ratio is 3.02. An upward density adjustment was made based on FAR calculation. After making all the necessary adjustments, this sale indicates a value for the property of \$278 per square foot.

Comparable Sale No. 2 is located at 320 2nd Avenue South, Kirkland, a block southeast of the subject property and is now named State Street. This property is under construction with a residential building. At the time of sale, the improvements were at the end of their economic life, and did not constitute highest and best use of the land. The property was purchased for land value only. The residential building will have 128 units covering 132,713 square feet. The project will also provide 168 parking stalls. The property has frontage on State Street and 2nd Avenue South. All public utilities are available to site.

The comparable sale's access, zoning, shape, view, and topography are considered similar to those of the subject; therefore, no adjustments were made. An upward adjustment was made for time. A downward adjustment was made for inferior location. All utilities are available to the site and no adjustment is warranted. Demolition cost of current improvements was considered negligible and in the context of the overall price it is miniscule. This comparable sale's FAR is 1.97. An upward density adjustment was made based on the FAR calculation. After making all the necessary adjustments, this sale indicates a value for the property of \$261 per square foot.

Comparable Sale No. 3 is located at 255 Central Way, Kirkland, a block northwest of the subject property. At the time of sale, the improvements were in average condition for their age; however, their use did not constitute the highest and best use of the land. The property was purchased for land value only. The property has four one-story retail buildings located on a 62,415-square-foot lot. The property has frontage on Central Way, Main Street, Park Lane, and 3rd Street. All public utilities are available to site.

The comparable sale's location, access, zoning, shape, view, and topography are considered similar to those of the subject; therefore, no adjustments were made. No FAR adjustment was made due to lack of data availability. There are no pending redevelopment plans for this sale; however, we feel that this sale supports the lower end of the range for the subject property. An upward adjustment was made for time. No adjustment was required for demolition cost of current improvements because the cost is offset by the interim cash flows. All utilities are available to the site and no adjustment is warranted. After making all the necessary adjustments, this sale indicates a value for the property of \$167 per square foot.

The **Subject Sale** is located at 200 block of Kirkland Avenue. This property is under design review for a mixed-use building. At the time of sale, the improvements were in average-to-fair condition, at the end of their economic life, and did not constitute highest and best use of the land. The property was purchased for land value only. A 5-story, 116-unit, 80,986-square-foot senior assisted living care facility is planned with 6,613 square feet of ground floor retail project and associated 141 parking stalls. The subject FAR is 3.02. The project includes a parking modification request to reduce the number of parking stalls for the assisted living units. The property has frontage on Kirkland Avenue. All public utilities are available to site. The property was conveyed by warranty deed with a purchase price of \$10,000,000 or \$242.04 per square foot.

Property Rights

The property rights conveyed for all of the comparable sales is the fee simple estate, the same rights being appraised for the subject. Therefore, no adjustments for property rights conveyed are necessary.

Financing

All of the sales involved are based on all-cash equivalent sales terms. Based on the market evidence and market standards, no adjustment for financing is applied to any of the transactions.

Conditions of Sale

All of the transactions appear to represent arm's-length transactions and are free from any non-market influences. Therefore, no adjustment for conditions of sale is warranted.

Market Conditions

Three of the sales closed between January 2005 and January 2006 and are considered to be the most current sales recorded of comparable properties in the subject's market area. Conversations with realtors and brokers, and analysis of other properties in the subject's market area, including properties contained in our database, indicate that there has been upward pressure on the market. An adjustment of 12% per annum is warranted to account for market conditions.

Improvements

All comparable sales had improvements like the subject property that needed to be demolished to make way for a new construction project, hence no adjustment is necessary.

Land Value Conclusion

The land sales have per-unit values before adjustments from \$90.28 to \$142.43 per square foot; and after adjustments range from \$167 to \$278 per square foot. The top of the range on a price-per-square-foot basis is established by Comparable Sale No. 1, and the bottom of the range is supported by Comparable Sale No. 3. Comparable Sales Nos. 1 and 2 are most similar to the subject property and hence, are more heavily weighted and provide a reasonable value conclusion.

We also give very significant weight to the subject sale for reflecting current market conditions and being purchased with the intent of redeveloping with mixed-use projects.

Considering each land sale in the light of the above factors, it appears that the data best support values for the subject properties of \$250.00 per square foot.

When these estimates are applied to the subject's overall land area, the value of the subject site is as follows:

Market Value Estimated	Size (SF)	Calculation	Value Estimate
Dedicated	3,673	3,673 x \$250/SF	\$ 918,250
Vacated	3,367	3,367 x \$250/SF	\$ 841,750

RECONCILIATION AND FINAL VALUE ESTIMATE

RECONCILIATION

Reconciliation is the process of assigning or placing various levels of emphasis on each of the different approaches used in the appraisal report. Typically, this process considers the quality and quantity of information available in the various approaches to determine which approach or combination of approaches is the most relevant to the final value of the subject. Considerations include the reliability of data and the acceptability of the various valuation approaches within the particular industry, market area, or property type. The sales comparison approach is the only approach developed.

Market Value Estimated	Valuation Date	Size (SF)	Value Estimate
Dedicated	7-Jul-06	3,673	\$ 918,250
Vacated	7-Jul-06	3,367	\$ 841,750

FINAL VALUE ESTIMATE

For the purpose of valuing the subject property, the primary method appropriate for valuing undeveloped land is the sales comparison approach. As a result of our investigation and analysis, it is concluded that the market value of the fee simple interest in the subject real property, as of July 7, 2006 is:

Market Value Estimated	Size (SF)	Value Estimate
Dedicated	3,673	\$ 918,250
Vacated	3,367	\$ 841,750

PURCHASE AND SALE AGREEMENT

Turning Point Realty Advisors, LLC
4033 Lake Washington Blvd NE #107
Kirkland, WA 98033
Phone: (425) 455-1122
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COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT

This has been prepared for submission to your attorney for review and approval prior to signing. An acknowledgment in writing by Seller and Buyer is required for this agreement to be enforceable. This is a legal document. Read it carefully. Do not sign it unless you understand its terms and agree to its terms. Do not sign it unless you understand its terms and agree to its terms. Do not sign it unless you understand its terms and agree to its terms.

Date: January 24, 2008

The undersigned Buyer, SRM Development Company and/or Acquirers, agree to buy and Seller agrees to sell, on the following terms, the commercial real estate and all improvements thereon (collectively, the "Property") commonly known as 201 - 208 Kirkland Avenue including the buildings and land owned by Ken Dwyer and Lynn Gill as Tenants in Common in the City of Kirkland, Washington County, Washington, legally described as attached Exhibit A. (Buyer and Seller authorize the Listing Agent or Selling Licensee to insert and/or correct, over their signatures, the legal description of the Property.)

1. PURCHASE PRICE. The total purchase price is Ten Million Dollars (\$10,000,000), including the earnest money, payable as follows (check only one):

- All cash at closing, including the earnest money, with no financing contingency.
- All cash at closing, including the earnest money, contingent on new financing under Section 4a below.
- \$ ___ % of the purchase price in cash at closing, including the earnest money, with the balance of the purchase price paid as follows (check one or both, as applicable): Buyer's assumption of any underlying note and deed of trust, or real estate contract, under Section 4b below; Buyer's delivery at closing of a promissory note for the balance of the purchase price, secured by a deed of trust encumbering the Property, as described in Section 4c below.
- Other: ___

2. EARNEST MONEY. Buyer agrees to deliver the earnest money \$500,000 in the form of Cash Personal check Promissory note Other: ___

If the earnest money is in the form of a promissory note, it shall be due AND CONVERTED TO CASH AND DEPOSITED IN A NON-RESPONSIBLE ACCOUNT WITH ESCROW INSTRUCTIONS TO RELEASE TO SELLER UPON CLOSING OR IN THE EVENT OF A BUYER DEFAULT no later than:

- ___ days after mutual acceptance.
- Upon removal of the inspection contingencies in Section 5 below.
- Other: ___

The earnest money shall be held by Selling Licensee Closing Agent.

Buyer shall deliver the earnest money no later than:

- 3 days after mutual acceptance.
- Upon removal of the inspection contingencies in Section 5 below.
- Other: ___

Selling Licensee may, however, transfer the earnest money to Closing Agent.

If the earnest money is to be held by Selling Licensee and is over \$10,000, it shall be deposited to Selling Licensee's pooled trust account (with interest paid to the State Treasurer) A separate interest bearing trust account in Selling Licensee's name. The interest, if any, shall be credited at closing to Buyer whose Social Security or taxpayer ID Number is: ___ if this sale fails to close, whoever is entitled to the earnest money is entitled to interest.

INITIALS: Buyer AS Date 1/25/08 Seller TTG Date 1/31/08
Buyer _____ Date _____ Seller AS Date 1/24/08

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Selling Licensee shall deposit any check to be held by Selling Licensee within 3 days after receipt or mutual acceptance, whichever occurs later. Buyer agrees to pay financing and purchase costs incurred by Buyer, if all or part of the earnest money is to be returned to Buyer and any such costs remain unpaid, Selling Licensee or Closing Agent may deduct and pay them therefrom. Unless otherwise provided in this Agreement, the earnest money shall be applicable to the purchase price and shall be non-refundable except where a condition to Buyer's obligation under this Agreement is not satisfied through no fault of Buyer.

3. EXHIBITS AND ADDENDA. The following Exhibits and Addenda are made a part of this Agreement

Exhibit A - Legal Description

- Earnest Money Promissory Note, CSA Form EMN
- Promissory Note, LPB Form No. 25A/CSA Form N1-A
- Short Form Deed of Trust, LPB Form No. 20
- Deed of Trust Rider, CSA Form DTR
- Utility Charges Addendum, CSA Form UA
- FIRPTA Certificate, CSA Form 22G
- Assignment and Assumption, CSA Form PS-AS
- Addendum/Amendment, CSA Form PSA
- Back-Up Addendum, CSA Form BU-A
- Vacant Land Addendum, CSA Form VLA
- Other
- Other

4. FINANCING. By Acceptance

~~Application for New Financing. If payment of the purchase price is contingent on Buyer obtaining new financing, Buyer's obligation to close is conditioned upon Buyer accepting a written commitment for financing. Buyer must accept those terms of a commitment which provide for a loan amount of at least ___% of the purchase price, interest not to exceed ___ percent (___) per annum, a payment schedule calling for monthly payments amortized over not less than ___ (___) years, and total placement fees and points not more than ___ percent (___) of the loan amount. Buyer shall make immediate application for said commitment, pay required fees and make a good faith effort to procure such financing. This Agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer gives Seller written notice that this condition is satisfied or waived on or before ___ (___) days (30 days, if not completed) following mutual acceptance of this Agreement.~~

~~Assumption of Existing Financing. If payment of the purchase price includes Buyer's assumption of a note and mortgage or deed of trust on a real estate contract, Seller shall promptly deliver to Buyer a copy of the underlying debt instrument(s) to be assumed, and Buyer shall be deemed to have approved all of the terms of the debt instrument(s) unless Buyer gives notice of disapproval within five (5) days after receiving such instrument(s). If any of the debt instrument(s) requires the consent of a third party to the assumption by Buyer, then Buyer shall apply for such consent within seven (7) days after receiving the debt instrument(s). Upon Buyer's request, Seller shall assist Buyer by requesting the third party's consent to the assumption on Buyer's behalf. This Agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer gives Seller written notice within ___ (___) days (30 days, if not completed) of receiving the debt instrument(s) stating that such consent is available. Buyer shall pay any assumption fees or other out-of-pocket expenses attributable to the assumption of the underlying indebtedness.~~

~~Seller Financing. If Seller is financing a portion of the purchase price by promissory note and deed of trust, unless different terms are attached to this Agreement, Buyer shall execute and submit to the Closing Agent (i) LPB Form No. 25A Promissory Note and the DUE ON SALE and COMMERCIAL PROPERTY options attached to that form which apply to UCC's Financing Statement covering the personal property described in Section 14 below; (ii) LPB Form No. 20 Short Form Deed of Trust; and (iii) CSA Form No. DTR Deed of Trust Rider. The promissory note shall bear interest at the rate of ___% per annum, and shall be payable as follows (choose one):~~

INITIALS: Buyer AV Date 1/25/06 Seller (16) Date 1/31/06
Buyer _____ Date _____ Seller SRD Date 2/21/06

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**COMMERCIAL & INVESTMENT REAL ESTATE
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monthly installments of interest only, monthly installments of \$ _____, equal monthly installments of principal and interest in an amount sufficient to fully amortize the outstanding principal balance at the stated interest rate over _____ years, other _____ Payments shall commence on the first day of the first month after closing and continuing on the same day of each succeeding month until (choose one) _____ months from the date of closing, other _____ on which date all outstanding principal and interest shall be due. The principal shall, at Seller's option, bear interest at the rate of _____ % per annum (18% or the maximum rate allowed by law, whichever is less, if not filed in) during any period of Buyer's default. If Seller receives any monthly payment more than _____ days (15 days if not filed in) after its due date, then a late payment charge of \$ _____ and _____ % of the delinquent amount (5% or the colloquial amount if not filed in) shall be added to the scheduled payment. Buyer shall have _____ days (5 days if not filed in) after written notice to cure a default before Seller may declare all outstanding sums to be immediately due and payable.

~~(Note to Buyer and Seller: If the Property is currently used primarily for agricultural purposes, the usual nonjudicial foreclosure remedy is available to Seller only by using a real estate contract and is not available with a deed of trust.)~~

d. **Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party agrees to cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to closing.

6. **INSPECTION CONTINGENCY.** This Agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer gives written notice to Seller within thirty (30) days (20 days if not filed in) of mutual acceptance of this Agreement stating that Buyer is satisfied. In Buyer's reasonable discretion, concerning all aspects of the Property, including without limitation, its physical condition; the presence of or absence of any hazardous substances; the contracts and leases affecting the property; the potential financial performance of the Property; the availability of government permits and approvals; and the feasibility of the Property for Buyer's intended purpose. If such notice is timely given, the inspection contingencies stated in this Section 6 shall be deemed to be satisfied.

a. **Books, Records, Leases, Agreements.** Seller shall make available for inspection by Buyer and its agents as soon as possible but no later than ten (10) days after mutual acceptance of this Agreement all documents available to Seller relating to the ownership, operation, renovation or development of the Property, including without limitation; statements for real estate taxes, assessments, and utilities; property management agreements, service contracts, and agreements with professionals or consultants entered into by the Seller or any predecessor in title to the Seller, leases of personal property or fixtures; leases or other agreements relating to occupancy of all or a portion of the Property and a schedule of tenants, rents, and deposits; plans, specifications, permits, applications, drawings, surveys, studies and maintenance records; and accounting records and audit reports. Buyer shall determine within the contingency period stated in the preceding introductory paragraph whether it wishes and is able to assume, as of closing, all of the foregoing leases, contracts, and agreements which have terms extending beyond closing. Buyer shall be solely responsible for obtaining any required consents by such assumption. Seller shall transfer the leases, contracts and agreements as provided in Section 17 of this Agreement.

b. **Access.** Seller shall permit Buyer and its agents, at Buyer's sole expense and risk to enter the Property at reasonable times after legal notice to tenants, to conduct inspections concerning the Property and improvements, including without limitation, the structural condition of improvements, hazardous materials (limited to a Phase I audit only), pest infestation, soils conditions, sensitive areas, wetlands, or other matters affecting the feasibility of the Property for Buyer's intended use. Buyer shall schedule any entry onto the Property with Seller in advance. Buyer shall not perform any invasive testing or contact the tenants without obtaining the Seller's prior written consent, which shall not be unreasonably withheld. Buyer shall restore the Property and improvements to the

INITIALS: Buyer AV Date 1/25/06 Seller NS Date 1/31/06
 Buyer _____ Date _____ Seller VX Date 2/27/06

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same condition they were in prior to inspection. Buyer agrees to indemnify and defend Seller from all fees, costs, claims, and expenses, including attorneys' and experts' fees, arising from or relating to entry onto or inspection of the Property by Buyer and its agents. This agreement to indemnify and defend Seller shall survive closing. Buyer may continue to enter the Property and interview tenants in accordance with the foregoing terms and conditions after removal or satisfaction of the inspection contingency only for the purpose of re-sale, leasing or to satisfy conditions of financing. BUYER AGREES NOT TO CONTACT ANY OF THE TENANTS ON THE PROPERTY WITHOUT THE APPROVED WRITTEN CONSENT OF SELLER WHICH MAY BE UNREASONABLY WITHHELD. BUYER AGREES THAT SELLER'S AGENT, BRUCE LINDSAY OF TURNING POINT REALTY ADVISORS LLC SHALL BE ADVISED OF ALL COMMERCIAL MEETINGS AND SHALL BE PERMITTED TO ATTEND ALL MEETINGS. BUYER MAY, AT BUYER'S OWN RISK, CONTACT TENANTS AND EMPLOYEES PRIOR TO CLOSING.

AS per [unclear]

K. TITLE INSURANCE.

a. Title Report. Seller authorizes Lender and Listing Agent, Selling Licensee or Closing Agent, at Seller's expense, to apply for and deliver to Buyer a standard extended (standard, if not completed) coverage owner's policy of title insurance. If an extended coverage owner's policy is specified, Buyer shall pay the increased costs associated with that policy including the excess premium over that charged for a standard coverage policy, and the cost of any survey required by the title insurer. The title report shall be issued by First American Title Company.

b. Permitted Exceptions. Buyer shall notify Seller of any objectionable matters in the title commitment or any supplemental report within ten (10) days after receipt of such commitment or supplement. This Agreement shall terminate and Buyer shall receive a refund of the earnest money, less any costs advanced or committed for Buyer, unless (a) within ten (10) days of Buyer's notice of such objections, Seller agrees to remove all objectionable provisions, or (b) within fifteen (15) days after Buyer's notice of such objections, Buyer notifies Seller in writing that it waives any objections which Seller does not agree to remove. The closing date shall be extended to the extent necessary to permit time for these notices. Those provisions not objected to or for which Buyer waived its objections shall be referred to collectively as the "Permitted Exceptions." The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such form of policy and the Permitted Exceptions.

7. CLOSING OF SALE. This sale shall be closed ~~owner-bidder-only~~ 30 days following the date of written notice from Seller to Buyer which may be at any time following the inspection period but under no circumstances shall closing be later than March 1, 2007. ("closing") by First American Title, Judy Fredrickson ("Closing Agent"). Buyer and Seller will, immediately on demand, deposit with Closing Agent all instruments and monies required to complete the purchase in accordance with this Agreement. "Closing" shall be deemed to have occurred when all documents are recorded and the sale proceeds are available to Seller. Time is of the essence in the performance of this Agreement.

8. CLOSING COSTS. Seller shall pay the excise tax and premium for the owner's standard coverage title policy. Seller and Buyer shall each pay one-half of the escrow fees. Real and personal property taxes and assessments payable in the year of closing; rents on any existing tenancies; interest; mortgage reserves; utilities; and other operating expenses shall be pro-rated as of closing. Buyer shall pay all costs of financing including the premium for the lender's title policy. Security, cleaning, and any other unearned deposits on tenancies, and remaining mortgage or other reserves shall be assigned to Buyer at closing. The real estate commission is due on closing or upon Seller's default under this Agreement, whichever occurs first, and neither the amount nor due date thereof can be changed without Listing Agent's written consent.

a. Unpaid Utility Charges. Buyer and Seller WAIVE DO NOT WAIVE the right to have the Closing Agent disburse closing funds necessary to satisfy unpaid utility charges affecting the Property pursuant to RCW 65.05. If "do not waive" is checked, then attach CBA Form UA ("Utility Charges" Addendum). If neither box is checked, then the "do not waive" option applies.

9. POST-CLOSING ADJUSTMENTS, COLLECTIONS, AND PAYMENTS. After closing, Buyer and Seller shall reconcile the actual amount of revenues or liabilities upon receipt of payment thereof to the extent those items

INITIALS: Buyer AL / Date 1/25/06 Seller FLG / Date 1/25/06
Buyer _____ / Date _____ Seller KAY / Date 2/27/06

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were prorated or credited at closing based upon estimates. Any bills or invoices received by Buyer after closing which relate to services rendered or goods delivered to the Seller or the Property prior to closing shall be paid by Seller upon presentation of such bill or invoice. At Buyer's option, Buyer may pay such bill or invoice and be reimbursed the amount paid plus interest at the rate of 12% per annum beginning fifteen (15) days from the date of Buyer's written demand to Seller for reimbursement until such reimbursement is made. Rents collected from each tenant after closing shall be applied first to rentals due most recently from such tenant for the period prior to closing, and the balance shall be applied for the benefit of Seller for delinquent rentals owed for a period prior to closing. The amounts applied for the benefit of Seller shall be turned over by Buyer to Seller promptly after receipt. ANY AMOUNTS PAID BY ANY OF THE EXISTING TENANTS FOR REIMBURSEMENT DUE TO LANDLORD'S TERMINATION OF LEASES SHALL BE THE SOLE COST OF BUYER.

10. **OPERATIONS PRIOR TO CLOSING.** Prior to closing, Seller shall continue to operate the Property in the ordinary course of its business and maintain the Property in the same or better condition than as existing on the date of mutual acceptance of this Agreement, but shall not be required to repair material damage from casualty except as otherwise provide in this Agreement. Seller shall not enter into or modify existing rental agreements or leases (except that Seller may modify or terminate residential rental agreements or leases in the ordinary course of its business), service contracts, or other agreements affecting the Property which have terms extending beyond closing without first obtaining Buyer's consent, which shall not be unreasonably withheld. SELLER AGREES TO REASONABLY COOPERATE WITH BUYER IN THE PROCESS OF DELIVERING ANY LEASE TERMINATION NOTICES IN A TIMELY MANNER AS STIPULATED IN THE LEASE AGREEMENTS WITH THE SOLE PURPOSE OF NOTIFYING TENANTS OF BUYER'S INTENTION OF REDEVELOPMENT OF THE PROPERTY COMMENCING UPON THE CLOSING DATE. HOWEVER, UNDER NO CIRCUMSTANCES SHALL ANY OF THE TENANTS BE REQUIRED TO VACATE THE PROPERTY PRIOR TO THE CLOSING DATE.

11. **POSSESSION.** Buyer shall be entitled to possession, subject to existing tenancies (if any), on closing (on closing, if not completed).

12. **SELLER'S REPRESENTATIONS AND WARRANTIES.** Seller represents and warrants to Buyer that, to the best of Seller's knowledge, each of the following is true as of the date hereof and shall be true as of closing: (a) Seller is authorized to enter into the Agreement to sell the Property, and to perform its obligations under the Agreement; (b) All books, records, leases, agreements and other items delivered to Buyer pursuant to this Agreement are accurate and complete; (c) The Property and the business conducted thereon comply with all applicable laws, regulations, codes and ordinances; (d) Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use; (e) There is no pending or threatened litigation which would adversely affect the Property or Buyer's ownership thereof after closing; (f) There are no covenants, conditions, restrictions, or contractual obligations of Seller which will adversely affect Buyer's ownership of the Property after closing or prevent Seller from performing its obligations under the Agreement, except as disclosed in the preliminary commitment for title insurance or as otherwise disclosed to Buyer in writing prior to the end of the inspection contingency stated in Section 5 above; (g) There is no pending or threatened condemnation or similar proceedings affecting the Property, and except as otherwise disclosed in the preliminary commitment for title insurance or as otherwise disclosed to Buyer in writing prior to closing, the Property is not within the boundaries of any planned or authorized local improvement district; (h) Seller has paid (except to the extent prorated at closing, all local, state and federal taxes, other than real and personal property taxes and assessments described in Section 3 above) attributable to the period prior to closing which, if not paid, could constitute a lien on Property (including any personal property), or for which Buyer may be held liable after closing; and (i) Seller warrants that there are no pending or threatened notices of violation of building, zoning, or land use codes applicable to the Property; and (j) Seller is not aware of any concealed material defects in the Property except — Seller makes no representations or warranties regarding the Property other than those specified in this Agreement. Buyer otherwise takes the Property "AS IS," and Buyer shall otherwise rely on its own pre-closing inspections and investigations.

13. **HAZARDOUS SUBSTANCES.** Except as disclosed to or known by Buyer prior to the satisfaction or waiver of the inspection contingency stated in Section 5 above, Seller represents and warrants to Buyer that to the best of its

INITIALS: Buyer RP Date 1/25/06 Seller RP Date 1/31/06
 Buyer _____ Date _____ Seller KSD Date 2/27/06

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knowledge: (i) there are no Hazardous Substances (as defined below) currently located in, on, or under the Property in a manner or quantity that presently violates any Environmental Law (as defined below); (ii) there are no underground storage tanks located on the Property; and (iii) there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of Environmental Law at the Property. As used herein, the term "Hazardous Substances" shall mean any substance or material now or hereafter defined or regulated as a hazardous substance, hazardous waste, toxic substance, pollutant, or contaminant under any federal, state, or local law, regulation, or ordinance governing any substance that could cause actual or suspected harm to human health or the environment ("Environmental Law"). The term "Hazardous Substances" specifically includes, but is not limited to, petroleum, petroleum by-products, and asbestos.

14. PERSONAL PROPERTY.

a. This sale includes all right, title and interest of Seller to the following tangible personal property: [X] None
[] That portion of the personal property located on and used in connection with the Property, which Seller will itemize in an Addendum to be attached to this Agreement within ten (10) days of mutual acceptance (None, if not completed). The value assigned to the personal property shall be the amount agreed upon by the parties and, if they cannot agree, the County-assessed value if available, and if not available, the fair market value determined by an appraiser selected by the Listing Agent and Selling Licensee. Seller warrants title to, but not the condition of, the personal property and shall convey it by bill of sale. Buyer shall pay any sales or use tax arising from the transfer of the personal property.

b. In addition to the leases, contracts and agreements assumed by Buyer pursuant to Section 5a above, this sale includes all right, title and interest of Seller to the following intangible property now or hereafter existing with respect to the Property including without limitation: all rights-of-way, rights of ingress or egress or other interests in, on, or to, any land, highway, street, road, or avenue, open or proposed, in, on, or across, in front of, abutting or adjoining the Property; all rights to utilities serving the Property; all drawings, plans, specifications and other architectural or engineering work product; all governmental permits, certificates, licenses, authorizations and approvals; all utility, security and other deposits and reserve accounts made as security for the fulfillment of any of Seller's obligations; any name of or telephone numbers for the Property and related trademarks, service marks or trade dress; and guarantees, warranties or other assurances of performance received.

15. CONDEMNATION AND CASUALTY. Buyer may terminate this Agreement and obtain a refund of the earnest money, less any costs advanced or committed for Buyer, if improvements on the Property are destroyed or materially damaged by casualty before closing, or if condemnation proceedings are commenced against all or a portion of the Property before closing.

16. FIRPTA - TAX WITHHOLDING AT CLOSING. Closing Agent is instructed to prepare a certification (CBA or NWMLS Form 22E, or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act. Seller agrees to sign this certification. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

17. CONVEYANCE. Title shall be conveyed by a Statutory Warranty Deed subject only to the Permitted Exceptions. If this Agreement is for conveyance of Seller's vendee's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a contract vendee's assignment sufficient to convey other acquired title. At closing, Seller and Buyer shall execute and deliver to Closing Agent CBA Form No. PS-AS Assignment and Assumption Agreement transferring all leases, contracts and agreements assumed by Buyer pursuant to Section 5a and all intangible property transferred pursuant to Section 14b.

18. NOTICES AND COMPUTATION OF TIME. Unless otherwise specified, any notice required or permitted in, or related to, this Agreement (including revocations of offers and counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and must be delivered to Seller and Listing Agent. A notice to Seller shall be deemed delivered only when received by Seller, Listing Agent, or the licensed office of Listing Agent. Notices to

INITIALS: Buyer AG Date 1/25/06 Seller JH Date 1/31/06
Buyer Date Seller VAD Date 2/27/06

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SRM DEVELOPMENT

(FAX)2063527132

P. 008/012

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Buyer must be signed by at least one Seller and must be delivered to Buyer and Selling Licensee. A notice to Buyer shall be deemed delivered only when received by Buyer, Selling Licensee, or the licensed office of Selling Licensee. Selling Licensee and Listing Agent have no responsibility to advise of receipt of a notice beyond either phoning the party or causing a copy of the notice to be delivered to the party's address on this Agreement. Buyer and Seller must keep Selling Licensee and Listing Agent advised of their whereabouts to receive prompt notification of receipt of a notice.

Unless otherwise specified in this Agreement, any period of time in this Agreement shall begin the day after the event starting the period and shall expire at 5:00 p.m. Pacific time of the last calendar day of the specified period of time, unless the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, in which case the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of five (5) days or less shall not include Saturdays, Sundays or legal holidays.

12. AGENCY DISCLOSURE. At the signing of this Agreement,

Selling Licensee Name _____

(Insert names of Licensee and the Company name as licensed)

represented Buyer _____

(Insert Seller, Buyer, both Seller and Buyer or Neither Seller nor Buyer)

and the Listing Agent Turning Point Realty Advisors LLC Brian Leibsch

(Insert names of Licensee and the Company name as licensed)

represented Seller _____

(Insert Seller, Buyer, both Seller and Buyer or Neither Seller nor Buyer)

If Selling Licensee and Listing Agent are different salespersons affiliated with the same Broker, then Seller and Buyer confirm their consent to Broker acting as a dual agent. If Selling Licensee and Listing Agent are the same person representing both parties, then Seller and Buyer confirm their consent to that person and his/her Broker acting as dual agents. If Selling Licensee, Listing Agent, or their Broker are dual agents, then Seller and Buyer consent to Selling Licensee, Listing Agent and their Broker being compensated based on a percentage of the purchase price or as otherwise disclosed on an attached addendum. Buyer and Seller confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

As per [unclear]

19. ASSIGNMENT. Buyer may may not (may not, if not completed) assign this Agreement or Buyer's rights hereunder, without Seller's prior written consent WHICH MAY BE UNREASONABLY WITHHELD, unless provided otherwise herein. HOWEVER, BUYER MAY ASSIGN THIS AGREEMENT TO AN ENTITY THAT IS CONTROLLED BY BUYER WITH A 50% OR GREATER OWNERSHIP SHARE.

21. DEFAULT AND ATTORNEY'S FEE. In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then (check one):

that portion of the earnest money which does not exceed five percent (5%) of the purchase price shall be kept by Seller as liquidated damages (subject to Seller's obligation to pay certain costs or a commission, if any) as the sole and exclusive remedy available to Seller for such failure; or

Seller may, at its option, AND BUYER HEREBY AGREES THAT SELLER MAY (a) keep as liquidated damages all of the earnest money (subject to Seller's obligation to pay certain costs or a commission, if any) as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.

INITIALS: Buyer AB Date 1/25/06 Seller AB Date 1/31/06
Buyer _____ Date _____ Seller AB Date 2/27/06

GITLIN DENTAL OFFICE

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p. 10

JAN-25-2006(VEQ) 14:43

SRM DEVELOPMENT

(FAX)2063527132

P. 009/012

Turning Point Realty Advisors, LLC
4020 Lake Washington Blvd NE #107
Kirkland, WA 98033
Phone: (425) 433-1122
Fax: (425) 456-1338

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COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT

If Buyer or Seller institutes suit concerning this Agreement, the prevailing party is entitled to reasonable attorneys' fees and expenses. In the event of trial, the amount of the attorney's fee shall be fixed by the court. The venue of any suit shall be the county in which the Property is located, and this Agreement shall be governed by the laws of the state where the Property is located.

22. MISCELLANEOUS PROVISIONS.

- a. **Complete Agreement.** The Agreement and any addenda and exhibits to it state the entire understanding of Buyer and Seller regarding the sale of the Property. There are no verbal or written agreements which modify or affect the Agreement.
- b. **No Merger.** The terms of the Agreement shall not merge in the deed or other conveyance instrument transferring the Property to Buyer at closing. The terms of this Agreement shall survive closing.
- c. **Counterpart Signatures.** The Agreement may be signed in counterpart, each signed counterpart shall be deemed an original, and all counterparts together shall constitute one and the same agreement.
- d. **Facsimile Transmission.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will confirm facsimile transmitted signatures by signing an original document.

23. **ACCEPTANCE; COUNTEROFFERS.** Seller has until midnight of _____ (if not filled in, the third business day following the last Buyer signature date below) to accept this offer, unless sooner withdrawn. If this offer is not timely accepted, it shall lapse and the earnest money shall be refunded to Buyer. If either party makes a future counteroffer, the other party shall have until 5:00 p.m. on the _____ business day (if not filled in, the second business day) following its receipt to accept the counteroffer, unless sooner withdrawn. If the counteroffer is not timely accepted or countered, this Agreement shall lapse and the earnest money shall be refunded to the Buyer. No acceptance, offer or counteroffer from the Buyer is effective until a signed copy is received by the Seller, the Listing Agent or the licensed office of the Listing Agent. No acceptance, offer or counteroffer from the Seller is effective until a signed copy is received by the Buyer, the Selling Licensee or the licensed office of the Selling Licensee.

24. **INFORMATION TRANSFER.** In the event this Agreement is terminated, Buyer agrees to deliver to Seller within ten (10) days of Seller's written request copies of all materials received from Seller and any plans, studies, reports, inspections, appraisals, surveys, drawings, permits, application or other development work product relating to the Property in Buyer's possession or control as of the date this Agreement is terminated.

25. **CONFIDENTIALITY.** Until and unless closing has been consummated, Buyer will treat all information obtained in connection with the negotiation and performance of this Agreement as confidential (except for any information that Buyer is required by law to disclose and then only after giving Seller written notice at least three (3) days prior to the disclosure) and will not use or knowingly permit the use of any confidential information in any manner detrimental to Seller.

26. **SELLER'S ACCEPTANCE AND BROKERAGE AGREEMENT.** Seller agrees to sell the Property on the terms and conditions herein, and further agrees to pay a commission in a total amount computed in accordance with the listing agreement. ~~If there is no written listing agreement, Seller agrees to pay a commission of _____% of the sales price of _____.~~ ~~The commission shall be apportioned between Listing Agent and Selling Licensee as specified in the listing agreement or any co-brokerage agreement. Seller agrees to Listing Agent and Selling Licensee a portion of the sales proceeds equal to the commission. If the earnest money is retained and liquidated damages, any costs advanced or committed by Listing Agent or Selling Licensee for Buyer or Seller shall be reimbursed or paid therefrom, and the balance shall be paid one-half to Seller and one-half to Listing Agent and Selling Licensee according to the listing agreement and any co-brokerage agreement.~~ In any action by Listing Agent or Selling Licensee to enforce this Section, the prevailing party is entitled to reasonable attorneys' fees and expenses. Neither Listing Agent nor Selling Licensee are receiving compensation from more than one party to this

INITIALS: Buyer AG Date 1/25/06 Seller KS Date 1/31/06
Buyer _____ Date _____ Seller KAD Date 2/27/06

JUL-11-2006(TUE) 13:41 SRM DEVELOPMENT

GITLIN DENTAL OFFICE

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JAN-25-2006(WED) 14:43 SRM DEVELOPMENT

(FAX)2063527132

P. 010/012

Turning Point Realty Advisors, LLC
4020 Lake Washington Blvd NE #107
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**COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT**

transaction unless disclosed on an attached addendum, in which case Buyer and Seller consent to such compensation. The Property described in attached Exhibit A, is commercial real estate. Notwithstanding Section 26 above, the pages containing this section, the parties' signatures and an attachment describing the Property may be recorded.

27. LISTING AGENT AND SELLING LICENSEE DISCLOSURE. EXCEPT AS OTHERWISE DISCLOSED IN WRITING TO BUYER OR SELLER, THE SELLING LICENSEE, LISTING AGENT, AND BROKERS HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES CONCERNING THE LEGAL EFFECT OF THIS AGREEMENT, BUYERS OR SELLERS FINANCIAL STRENGTH, OR THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE PROPERTY'S ZONING, COMPLIANCE WITH APPLICABLE LAWS (INCLUDING LAWS REGARDING ACCESSIBILITY FOR DISABLED PERSONS), OR HAZARDOUS MATERIALS. SELLER AND BUYER ARE EACH ADVISED TO SEEK INDEPENDENT LEGAL AND TAX ADVICE ON THESE AND OTHER MATTERS RELATED TO THIS AGREEMENT.

INITIALS: Buyer AG Date 1/25/06 Seller Super Pro Date 1/31/06
Buyer _____ Date _____ Seller AG Date 2/29/06

JUL-11-2006(TUE) 13:47

SRM DEVELOPMENT

(FAX)2063527132

P. 011/012

GITLIN DENTAL OFFICE

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JAN-25-2006(WED) 14:44

SRM DEVELOPMENT

(FAX)2063527132

P. 011/012

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Kirkland, WA 98033
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COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT
(CONTINUED)

Buyer Andrew D. Lins Date Jan 25, 2006
 Buyer _____ Date _____
 Office Phone 206 452-7373 Fax No. 206 252-7132 Home Phone _____
 Print Buyer's Name SRM Development Co. Andrew D. Lins
 Buyer's Address 102 S. Division Spokane, WA 99202
 Selling Office _____
 Office Phone _____ Other Phone _____ Fax No. _____
 Address _____ MLS Office No. _____
 By _____ Print Name _____
 Seller Lynn Gitlin Date 1/31/06
 Seller Ken Dayton Date 2/27/06
 Home Phone _____ Office Phone _____ Fax No. _____
 Print Seller's Name Ken Dayton and Lynn Gitlin as Tenants in Common
 Seller's Address _____
 Listing Agent Brian Lebsch
 Listing Office Turning Point Realty Advisors LLC
 Office Phone No. 425-455-1122 Other Phone _____ Fax No. 1-888-303-1336
 Address _____ MLS Office No. _____

28. BUYER'S RECEIPT. Buyer acknowledges receipt of a Seller signed copy of this Agreement, on

BUYER _____ BUYER _____
 Signature Signature

JUL-11-2006(TUE) 13:48

SRM DEVELOPMENT

(FRX)2063527132

P. 012/012

GITLIN DENTAL OFFICE

6503448175

P- 13

JAN-25-2006(WED) 14:44

SRM DEVELOPMENT

(FRX)2063527132

P. 012/012

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COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT

EXHIBIT A

[Legal Description]

A complete legal description shall be attached upon receipt of the preliminary title commitment issued by First American Title Company.

INITIALS:	Buyer	<u>AG</u>	Date	<u>1/25/06</u>	Seller	<u>LD</u>	Date	<u>1/31/06</u>
	Buyer		Date		Seller	<u>LD</u>	Date	<u>2/27/06</u>

TITLE REPORT

RECEIVED
JUN - 8 2006



BY _____ PM
PLANNING DEPARTMENT

COMMITMENT FOR TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

First American Title Insurance Company, herein called the Company, for valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagor of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of the Commitment or by subsequent endorsement.

This Commitment if preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six (6) months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until countersigned by an authorized officer or agent.

IN WITNESS WHEREOF, the Company has caused this commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws. This Commitment is effective as of the date shown in Schedule A as "Effective Date."



First American Title Insurance Company

By: *Gary S. Kerst* President

Attest: *Mark R. Anderson* Secretary

By: *Joseph T. Pen* Countersigned

First American Title Insurance Company



**First American Title Insurance Company
National Commercial Services**

2101 Fourth Avenue, Suite 800, Seattle, WA 98121
(206)728-0400 - FAX (206)448-6348

Mike Cooper
(206)615-3107
mcooper@firstam.com

Judy Fredrickson
(206)615-3276
jfredrickson@firstam.com

To: **Linc Properties**
11715 Southeast 5th Street, Suite #111
Bellevue, WA 98005

File No.: **NCS-175606-WA1**
Your Ref No.: **Olympiad Investment**

Attn: **Brian Leibsohn**

**FIFTH REPORT
SCHEDULE A**

1. Commitment Date: April 25, 2006 at 7:30 A.M.
2. Policy or Policies to be Issued:

	AMOUNT	PREMIUM	TAX
Short Term Rate	\$ 10,000,000.00	\$ 8,890.00	\$ 782.32

Proposed Insured:
SRM Development and/or Assigns

3. The estate or interest in the land described on Page 2 herein is **Fee Simple**, and title thereto is at the effective date hereof vested in:

Kenneth A. Dayton, a married man, subject to the interest of his spouse on December 30, 2005, date of acquiring title, as to an *undivided* 50% interest, Lynn E. Gitlin, a married woman, subject to the interest of her spouse on December 30, 2005, date of acquiring title, as to an *undivided* 33.34%, and Lynn E. Gitlin, as Trustee for the Harry Lawson Trust as to an *undivided* 16.66% interest, as tenants in common

4. The land referred to in this Commitment is described as follows:

The land referred to in this report is described in Exhibit A attached hereto.

First American Title Insurance Company

EXHIBIT 'A'

LEGAL DESCRIPTION:

Lots 1 through 7, inclusive, and Lots 22 through 28, inclusive, Block 99, Burke-Farrars Kirkland Business Center Addition Division 25, according to the plat thereof recorded in Volume 25 of Plats, Page 14, in King County, Washington;

Together with those portions of adjacent property adjoining or abutting thereon, as vacated by City of Kirkland Ordinances 429, 459 and 641, which upon vacation, attached to said premises by operation of law;

Excepting from all of the above property those portions conveyed to the City of Kirkland by deeds recorded under recording numbers 3254642 and 3254643.

First American Title Insurance Company

SCHEDULE B - SECTION 1
REQUIREMENTS

The following are the Requirements to be complied with:

- Item (A) Payment to or for the account of the Grantors or Mortgagors of the full consideration for the estate or interest to be insured.
- Item (B) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record.
- Item (C) Pay us the premiums, fees and charges for the policy.
- Item (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions

SCHEDULE B - SECTION 2
GENERAL EXCEPTIONS

The Policy or Policies to be issued will contain Exceptions to the following unless the same are disposed of to the satisfaction of the Company.

- A. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- B. Any facts, rights, interest, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of person in possession thereof.
- C. Easements, claims of easement or encumbrances which are not shown by the public records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
- E. (1) Unpatented mining claims; (2) reservations or exceptions in patents or in acts authorizing the issuance thereof; (3) Water rights, claims or title to water; whether or not the matters excepted under (1), (2) or (3) are shown by the public records; (4) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
- F. Any lien, or right to a lien, for services, labor, materials or medical assistance theretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
- H. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgages thereon covered by this Commitment.

First American Title Insurance Company

SCHEDULE B - SECTION 2
(continued)
SPECIAL EXCEPTIONS

1. Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for the **City of Kirkland** is at **1.78%**.
Levy/Area Code: 1700

2. General Taxes for the year 2006.
Tax Account No.: 124400-0005-09
Amount Billed: \$ 25,503.28
Amount Paid: \$ 0.00
Amount Due: \$ 25,503.28
Assessed Land Value: \$ 1,335,600.00
Assessed Improvement Value: \$ 1,364,900.00

(Affects Lot Nos. 1 to 7)

3. General Taxes for the year 2006.
Tax Account No.: 124400-0110-01
Amount Billed: \$ 2,506.58
Amount Paid: \$ 0.00
Amount Due: \$ 2,506.58
Assessed Land Value: \$ 264,200.00
Assessed Improvement Value: \$ 0.00

(Affects Lot Nos. 22 and 23)

4. Delinquent General Taxes for the year 2005, plus penalty and interest.
Tax Account No.: 124400-0110-01
Amount Billed: \$ 2,109.45
Amount Paid: \$ 0.00
Amount Due: \$ 2,109.45
Assessed Land Value: \$ 211,400.00
Assessed Improvement Value: \$

(Affects Lot Nos. 22 and 23)

5. Delinquent General Taxes for the year 2004, plus penalty and interest.
Tax Account No.: 124400-0110-01
Amount Billed: \$ 2,127.05
Amount Paid: \$ 0.00
Amount Due: \$ 2,127.05
Assessed Land Value: \$ 211,400.00
Assessed Improvement Value: \$ 0.00

(Affects Lot Nos. 22 and 23)

First American Title Insurance Company

6. General Taxes for the year 2006.

Tax Account No.:	124400-0120-09
Amount Billed:	\$ 6,225.60
Amount Paid:	\$ 0.00
Amount Due:	\$ 6,225.60
Assessed Land Value:	\$ 562,700.00
Assessed Improvement Value:	\$ 0.00

(Affects Lot Nos. 24 to 28)

7. Delinquent General Taxes for the year 2005 plus penalty and interest.

Tax Account No.:	124400-0005-09
Amount Billed:	\$ 5,270.06
Amount Paid:	\$ 0.00
Amount Due:	\$ 5,270.06
Assessed Land Value:	\$ 460,400.00
Assessed Improvement Value:	\$

(Affects Lot No. 24 to 28)

8. Delinquent General Taxes for the year 2004, plus penalty and interest.

Tax Account No.:	124400-0120-09
Amount Billed:	\$ 5,095.15
Amount Paid:	\$ 0.00
Amount Due:	\$ 5,095.15
Assessed Land Value:	\$ 460,400.00
Assessed Improvement Value:	\$ 0.00

(Affects Lot Nos. 24 to 28)

9. This item has been intentionally deleted.

10. Easement, including terms and provisions contained therein:

Recording Information:	August 20, 1997, Recording No. 9708201611
In Favor of:	Intracorp Real Estate, LLC, a Wyoming limited liability company
For:	Limited clearing and protective measures
Affects:	Southerly 12 feet of Lots 22 through 28 in said Block 99

11. Restrictions, conditions, dedications, notes, easements and provisions, if any, as contained and/or delineated on the face of the Record of Survey recorded April 28, 1998 under Recording No. 9804289014, in King County, Washington.

First American Title Insurance Company

12. Easement, including terms and provisions contained therein:
Recording Information: May 14, 1999, Recording No. 9905142183
In Favor of: Puget Sound Energy, Inc., a Washington corporation
For: Purposes of transmission, distribution and sale of gas and electricity, together with the right of access over and across said property

13. A document entitled "Maintenance Agreement - Landscape Strip and Sidewalk", executed by and between Olympiad Investment and City of Kirkland recorded June 11, 1999, as Instrument No. 9906111178 of Official Records.

(Affects Lot Nos. 1 to 5)

14. Easement, including terms and provisions contained therein:
Recording Information: July 9, 1999, Recording No. 19990709001997
In Favor of: City of Kirkland
For: Public ingress and egress easement
Affects: That portion of Lots 1 and 2, Block 99, Burke & Farrar's Kirkland Business Center Addition Div. No. 25, according to the plat thereof recorded in Volume 25 of Plats, Page 14, records of King County, Washington, being more particularly described as follows:

Commencing at the Northwest corner of said Lot 1; Thence North 89°39'00" East along the North line of said Block 99 for a distance of 23.53 feet to the point of beginning; Thence continuing North 89°39'00" East 24.03 feet; Thence South 02°21'00" West parallel with the West line of said Lot 1 for a distance of 123.71 feet; Thence North 87°39'00" West 24.00 feet; Thence North 02°21'00" East 122.58 feet to the point of beginning.

Together with that portion of Lots 22, 23, 24, 25, 26, 27 and 28 of said Block 99, being more particularly described as follows:

Commencing at the Southwest corner of said Lot 28; Thence North 01°39'30" West along the West line of said Lot 28 for a distance of 50.15 feet to the point of beginning; Thence continuing North 01°39'30" West 33.08 feet; Thence South 87°39'00" East 28.25 feet; Thence South 02°21'00" West 4.50 feet; Thence South 87°39'00" East 162.53 feet to the Eastline of said Lot 22; Thence South 01°39'30" East along said East line 28.57 feet; Thence North 87°39'00" West 190.47 feet to the point of beginning.

First American Title Insurance Company

15. Easement, including terms and provisions contained therein:
Recording Information: July 9, 1999, Recording No. 19990709001998
In Favor of: City of Kirkland
For: Public pedestrian right-of-way easement
Affects: The North 4.00 feet of Lots 1, 2, 3, 4 and 5
16. Easement, including terms and provisions contained therein:
Recording Information: July 9, 1999, Recording No. 19990709001999
In Favor of: City of Kirkland
For: Street light installation & maintenance agreement
Affects: Lots 1, 2, 3, 4, 5, 6 and 7
17. A document entitled "City of Kirkland Terminable Right-of-Way Use Permit", executed by and between City of Kirkland and Olympiad Investment recorded August 9, 1999, as Instrument No. 19990809000569 of Official Records.
18. A document entitled "Landlord's Consent", executed by and between Olympiad Investments; Virtual Information Systems Corporation and Banner Bank recorded March 21, 2001, as Instrument No. 20010321000408 of Official Records.
19. Deed of Trust and the terms and conditions thereof.
Grantor/Trustor: Olympiad Investment Company, a Washington general partnership
Grantee/Beneficiary: Wells Fargo Bank, national association
Trustee: Wells Fargo Financial National Bank
Amount: \$250,000.00
Recorded: March 18, 2004
Recording Information: 20040318000678
20. Terms and conditions of the Harry Lawson Trust, under which a portion of the title is vested.

A copy of the Trust Agreement and all amendments should be submitted prior to closing.
21. Title is also to vest in persons shown as "and/or assigns" on the application for title insurance, whose identity has not been revealed and when so vested will then be subject to matters which may be disclosed by a search of the records against their names.
22. Unrecorded leaseholds, if any, rights of vendors and security agreement on personal property and rights of tenants, and secured parties to remove trade fixtures at the expiration of the term.
23. Title is claimed by deed to vestees herein "as his/her separate property (estate)". Such recital is insufficient to overcome the legal presumption that the property may be community property. In addition, title is subject to matters which the record may disclose against the name of the spouse.
Said spouses should appear as grantors and join in the forthcoming conveyance.

First American Title Insurance Company

24. A certificate of formation for **SRM Development**, is not currently on file with the Secretary of State, as required by statute.
25. Evidence of the authority of the individual(s) to execute the forthcoming document for **SRM Development**, copies of the current operating agreement should be submitted prior to closing.
26. A record of survey recorded March 22, 2006 under recording no. 20060322900008 said survey discloses the following matters:

Monuments and boundaries
27. A document entitled "Encroachment Easement Agreement and Termination", executed by and between Kirkland Central LP and Kenneth Dayton and Lynn Gluin recorded March 24, 2006, as Instrument No. 20060324000124 of Official Records.

First American Title Insurance Company

INFORMATIONAL NOTES

- A. Effective January 1, 1997, and pursuant to amendment of Washington State Statutes relating to standardization of recorded documents, the following format and content requirements must be met. Failure to comply may result in rejection of the document by the recorder.
- B. Any sketch attached hereto is done so as a courtesy only and is not part of any title commitment or policy. It is furnished solely for the purpose of assisting in locating the premises and First American expressly disclaims any liability which may result from reliance made upon it.
- C. The description can be abbreviated as suggested below if necessary to meet standardization requirements. The full text of the description must appear in the document(s) to be insured.

Lots 1-7, 22-28 Block 99, Burke-Farrars Kirkland Business Center V25 PG14

APN: 124400-0005-09
APN: 124400-0110-01
APN: 124400-0120-09
- D. A fee will be charged upon the cancellation of this Commitment pursuant to the Washington State Insurance Code and the filed Rate Schedule of the Company.

END OF SCHEDULE B

First American Title Insurance Company

**QUALIFICATIONS
OF
APPRAISERS**

QUALIFICATIONS OF APPRAISER
JAMES G. POLIYANSKIY

EDUCATION

Bachelor of Science, Business Administration, **Finance and Real Estate**
California State University, Northridge 2002 (*with honors*)

CERTIFICATION / LICENSE:

Certified Real State Appraiser, General, State of Washington, No. 1101745

CONTINUING EDUCATION

Chartered Financial Analyst (CFA) Level I candidate

Real Estate Law

Real Estate Finance

Principles of Real Estate

Valuation of Real Estate

Appraisal Principles

Appraisal Procedures

EXPERIENCE

Currently: Appraisal Group of the Northwest LLP, Appraiser

Formerly: University Corporation Investment Fund, Financial Analyst

Formerly: Small Business Consulting Institute, Consultant

Formerly: Tenant Legal Clinic, in Van Nuys Federal Building, Legal Assistant

Formerly: VITA in conjunction with IRS, Supervisor

Formerly: Finance Association (*SFA at CSUN*), President

HONORS AND AWARDS

- Golden Key National Honor Society
- Who's Who Among American Colleges and Universities Award
- The National Dean's List Award

CLIENTS SERVED

- | | |
|-------------------------------------|----------------------------------|
| • City of Black Diamond | • John Buchan Construction, Inc. |
| • City of Covington | • Primacy Relocation, LLC |
| • Real Property Funding | • Quicken Loans |
| • Abaco Pacific, LLC | • Weichert Relocation |
| • City of Issaquah | • Chase Manhattan Mortgage Corp. |
| • Catherine E. Janike, Attorney | • Finance America, LLC |
| • Pacific Union Bank | • Northwest Pipeline Corporation |
| • Consolidated Federal Credit Union | • Allstate Insurance Company |
| • West Sound Bank | • Bullivant Houser Bailey |

QUALIFICATIONS OF APPRAISER

JAMES B. PRICE, MAI, SR/WA

EDUCATION

Bachelor of Science in Finance, Real Estate Emphasis: Northern Illinois University, University of Illinois; 1966.

Appraisal Institute courses include Capitalization Theory, Residential Valuation, Easement Valuation, and Standards of Professional Practice.

Seminars and Classes include Real Estate Feasibility, Business Valuation, Valuation of Easements and Litigation Skills, Appraising for Pension Funds, and Appraisal of Partial Acquisitions.

PROFESSIONAL MEMBERSHIPS

Appraisal Institute

Membership: MAI Designated Member of the Appraisal Institute since 1979

Formerly: President, Director, and Vice President, Seattle Chapter and Alaska Chapter

International Right of Way Association

Designation: SR/WA (Senior Right of Way Agent)

Position: Regional Vice-Chair and International Right of Way Association Valuation Committee

Formerly: International Right of Way Association Director, President, and Vice President; Seattle, Washington and Fairbanks, Alaska Chapters

EXPERIENCE: Over 35 years

Currently: General Partner, APPRAISAL GROUP OF THE NORTHWEST LLP
Developer of subdivisions, office building, and residences
Owner of office buildings and apartments

Formerly: Proprietor, APPRAISAL GROUP OF THE NORTHWEST
Appraiser, Schueler, McKown & Keenan
Partner, Price & Associates, Alaska
Senior Appraiser, First State Bank of Oregon
Appraiser, Pacific First Federal Savings Bank
Appraiser, U.S. Small Business Administration
Appraiser, Washington State Dept. of Transportation

Qualified as an expert witness in Superior Court, Federal Court Master's Hearings, and Federal Bankruptcy Court. Served as an arbitrator in property valuation and lease renewals.

Fee reviewer; Washington Dept. of Transportation, major banks, and governmental clients.

Qualified as a Master; held Master's Hearings in Alaska.

Currently certified under the continuing education program of the Appraisal Institute.

Currently certified in Washington State as a General Appraiser (Certificate No. 1100229)

CLIENTS SERVED

Abeyta & Associates, R/W Company
Benson & McLaughlin, Accountants
Bullivant, Houser, Bailey, Pendergrass
& Hoffman; Robert Riede, Attorneys
Bureau of Indian Affairs
Bureau of Land Management
Center Bank
Certified Land Services
Charter Bank
Chevron Products Company
Church of God, Western Washington
City of Auburn
City of Des Moines
City of Issaquah
City of Newcastle
City of Port Angeles
City of Redmond
City of SeaTac
City of Seattle
City of Tacoma
Coldwell Banker Relocation
Columbia Bank
Corr Cronin LLP, Joshua Preece, Atty.
Costco
Eastman, Scott, Attorney, Bellevue
El Centro De La Raza; Felicia Gonzales
Enumclaw Public Schools
First Sound Bank
Huling Brothers; Steve Huling
Johns Monroe Mitsunaga, Attorneys;
Michael Monroe, Darrell Mitsunaga
Kent Schools
KeyBank of Washington
Keating Bucklin & McCormack,
Attorneys
King County Library System
Korea Exchange Bank
Lane & Associates, Inc., R/W Company
John Lynch, CPA, Bellevue
Ogden Murphy Wallace, Attorneys
O. R. Colan Associates, Inc.
(Acquisition Specialists)
Pacific Union Bank
Pharos Corporation (R/W Company)
Port of Friday Harbor
Port of Orcas
Port of Seattle
Puget Sound Energy
Reid Middleton, Engineers
Saehan Bank
Seattle City Light
Seattle Monorail Project
Seattle School District
Tacoma Utilities
Union Bank of California
U.S. Bank
U.S. Fidelity & Guarantee
U.S. Postal Service
Universal Field Services, Mitch Legal
Washington Dept. of Transportation-
Approved Appraiser & Reviewer
Washington State Dept. of Natural
Resources
Washington State Parks & Recreation
Commission
Waste Management
Williams Northwest Pipeline
Wilshire State Bank

XV.D. MOSS BAY NEIGHBORHOOD

3. DOWNTOWN PLAN

Drive-through facilities and ground-floor offices are prohibited.

The desired pedestrian character and vitality of the core area requires the relatively intensive use of land and continuous compact retail frontage. Therefore, automobile drive-through facilities should be prohibited. Similarly, office uses should not be allowed to locate on the ground level. These uses generally lack visual interest, generate little foot traffic, and diminish prime ground floor opportunities for the retail uses that are crucial to the ambiance and economic success of the core area.

The attractiveness of the core area for pedestrian activity should be maintained and enhanced. Public and private efforts toward beautification of the area should be promoted. Mitigation measures should be undertaken where land uses may threaten the quality of the pedestrian environment. For example, in areas where take-out eating facilities are permitted, a litter surcharge on business licenses should be considered as a means to pay for additional trash receptacles or cleaning crews.

The creation and enhancement of public open spaces is discussed.

Public open spaces are an important component of the pedestrian environment. They provide focal points for outdoor activity, provide refuge from automobiles, and stimulate foot traffic which in turn helps the retail trade. The establishment and use of public spaces should be promoted. Surface parking lots should be eliminated in favor of structured parking. In the interim, their role as one form of open area in the Downtown should be improved with landscaped buffers adjacent to rights-of-way and between properties. Landscaping should also be installed where rear sides of buildings and service areas are exposed to pedestrians.

A high-priority policy objective should be for developers to include only enough parking stalls in their projects within the core area to meet the immediate need and to locate the majority of their

parking in the core frame. This approach would reserve the majority of core land area for pedestrian movement and uses and yet recognize that the adjacent core frame is within a very short walk.

Street Vacations

The City should generally avoid vacating alleys and streets in the core area. The existing network of street and alleys provides a fine-grained texture to the blocks which allows service access and pedestrian shortcuts. The small blocks also preclude consolidation of properties which might allow larger developments with less pedestrian scale. Vacations may be considered when they will not result in increased building mass and there is a substantial public benefit. Examples of public benefit might include superior pedestrian or vehicular linkages, or superior public open space.

NORTHWEST CORE FRAME

Office and office/multifamily mixed-use projects are appropriate in the Northwest Core Frame.

The Northwest Core Frame includes the area south of City Hall and north of the core area. This area should develop with office, or office/multifamily mixed-use projects, whose occupants will help to support the commercial establishments contained in the core. Retail and restaurant uses are desirable provided that they have primary access from Central Way.

This area presents an excellent opportunity for the development of perimeter parking for the core area and is so shown in the Downtown Master Plan (Figure C-4). Developers should be encouraged to include surplus public parking in their projects, or to incorporate private parking "transferred" from projects in the core or funded by the fee-in-lieu or other municipal source. While pedestrian pathways are not as critical in this area as they are in the core, drive-through facilities should nevertheless be encouraged to locate elsewhere, to the east of 3rd Street.

ATTACHMENT 12

City of Kirkland Comprehensive Plan

(January 2002 Revision)

XV.D. MOSS BAY NEIGHBORHOOD

3. DOWNTOWN PLAN

LAND USE

The maximum building height in this area should be between two and five stories with no minimum setback from property lines. Stories above the second story should be set back from the street. To preserve the existing human scale of this area, development over two stories requires review and approval by the Design Review Board based on the priorities set forth in this plan.

Buildings should be limited to two stories along all of Lake Street South to reflect the scale of development in Design District 2. Along Park Lane west of Main Street, Third Street, and along Kirkland Avenue, a maximum height of two stories along street frontages will protect the existing human scale and pedestrian orientation. Buildings up to three stories in height may be appropriate along Central Way to reflect the scale of development in Design District 8 and as an intermediate height where adequately set back from the street. A continuous three-story street wall should be avoided by incorporating vertical and horizontal modulations into the design of buildings.

The portions of Design District 1 designated as 1A in Figure C-5 should be limited to a maximum height of three stories. As an incentive to encourage residential use of upper floors and to strengthen the retail fabric of the Core Area, a fourth story of height may be allowed. This additional story may be considered by the Design Review Board for projects where at least two of the upper stories are residential, the total height is not more than four feet taller than the height that would result from an office project with two stories of office over ground floor retail, stories above the second story are set back significantly from the street and the building form is stepped back at the third and fourth stories to mitigate the additional building mass, and the project provides superior retail space at the street level. Rooftop appurtenances and related screening should not exceed the total allowed height, and should be integrated into the height and design of any peaked roofs or parapets.

The portions of Design District 1 designated as 1B in Figure C-5 provide the best opportunities for new development that could contribute to the pedestrian fabric of the Downtown. Much of the existing development in these areas consists of older auto-

oriented uses defined by surface parking lots and poor pedestrian orientation. To provide incentive for redevelopment and because these larger sites have more flexibility to accommodate additional height, a mix of two to four stories in height is appropriate. East of Main Street, development should combine modulations in building heights with modulations of facade widths to break large buildings into the appearance of multiple smaller buildings. South of Kirkland Avenue, building forms should step up from the north and west with the tallest portions at the base of the hillside to help moderate the mass of large buildings on top of the bluff. Buildings over two stories in height should generally reduce the building mass above the second story.

As with Design District 1A, an additional story of height may be appropriate in 1B to encourage residential use of the upper floors and to strengthen the retail fabric in the Core Area. This additional story may be considered by the Design Review Board for projects where at least three of the upper stories are residential, the total height is not more than one foot taller than the height that would result from an office project with three stories of office over ground floor retail, stories above the second story are set back significantly from the street and the building form is stepped back at the at the third, fourth, and fifth stories to mitigate the additional building mass, and the project provides superior retail space at the street level. Rooftop appurtenances and related screening should not exceed the total allowed height, and should be integrated into the height and design of any peaked roofs or parapets.

Design considerations of particular importance in this area are those related to pedestrian scale and orientation. Building design at the street wall should contribute to a lively, attractive, and safe pedestrian streetscape. This should be achieved by the judicious placement of windows, multiple entrances, canopies, awnings, courtyards, arcades, and other pedestrian amenities. Service areas, surface parking, and blank facades should be located away from the street frontage.

RESOLUTION R - 4593

A RESOLUTION OF THE CITY OF KIRKLAND EXPRESSING INTENT TO VACATE PORTIONS OF 1ST STREET SO. AND AN EAST/WEST ORIENTED ALLEY LOCATED BETWEEN KIRKLAND AVENUE AND 1ST AVENUE SO. FILED BY MERRILL GARDENS AT KIRKLAND, LLC, FILE NUMBER VAC06-00001.

WHEREAS, the City has received an application filed by Merrill Gardens at Kirkland, LLC to vacate portions of two right-of-ways and easements; and

WHEREAS, by Resolution Number 4586, the City Council of the City of Kirkland established a date for a public hearing on the proposed vacation; and

WHEREAS, proper notice for the public hearing on the proposed vacation was given and the hearing was held in accordance with the law; and

WHEREAS, it is appropriate for the City to receive compensation for vacating the right-of-way in the form of a land exchange and install other public improvements associated with the applicant's proposal and allowed under state law; and

WHEREAS, no property owner will be denied direct access as a result of this vacation.

WHEREAS, it appears desirable and in the best interest of the City, its residents and property owners abutting thereon that said street to be vacated;

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

Section 1. The Findings and Conclusions as set forth in the Recommendations Section I.B of the Department of Planning and Community Development Advisory Report contained in File Number VAC06-00001 ("Staff Report") are hereby adopted as though fully set forth herein.

Section 2. Except as stated in Section 3 of this resolution, the City will, by appropriate ordinance, vacate the portion of the right-of-

way described in Section 4 of this resolution if, within one year of the date of passage of this resolution the applicant meets the following conditions:

(a) The applicant shall file a complete application for a building permit based on the development proposal contained in File DRC06-00002, (and described in Attachment 5 to the Staff Report), within one year of the date of the passage of this Resolution. The building permit application shall contain the items identified in Section I.B.2.a of the Staff Report.

(b) As compensation for vacating the public right of ways, the applicant shall convey to the City fee simple title to the property to be dedicated for public right of way and record with King County Records and Elections, a statutory warranty deed for the area described in Attachment 5, Exhibit D of the Staff Report.

(c) The applicant shall enter into a voluntary agreement with the City, that conforms to the recommendations contained in the Staff Report, Section I.B.2.

(d) Submit to the City a copy of the recorded easement as requested by Puget Sound Energy (See Staff Report, Conclusion II.B.2.b).

(e) Within seven (7) calendar days after the final public hearing, the applicant shall remove all public notice signs and return them to the Department of Planning and Community Development.

Section 3. If the portion of the right-of-way described in Section 4 of this resolution is vacated, the City may retain and reserve an easement, together with the right to exercise and grant easements along, over, under and across the vacated right-of-way for the installation, construction, repair and maintenance of public utilities and services.

Section 4. The right-of-way to be vacated is situated in Kirkland, King County, Washington and is described as follows:

The south portion of 1st Street So. Right of Way located adjacent to 201 Kirkland Avenue as described in Exhibit A.

An east/west facing alley located between Kirkland Avenue and 1st Avenue So. Deeded under King County Recording No. 3254642, as described in Exhibit B.

A triangular portion of the east/west facing alley located between Kirkland Avenue and 1st Avenue So. Deeded as under King County Recording No. 3254643, as described in Exhibit C.

Passed by majority vote of the Kirkland City Council in open meeting on the _____ day of _____, 2006.

SIGNED IN AUTHENTICATION THEREOF this _____ day of _____, 2006.

Mayor

ATTEST:

City Clerk

EXHIBIT A

(PORTION TO BE VACATED)

Beginning at the Southwest corner of Lot 28, Block 99, Burke & Farrar's Kirkland Business Center Addition, Division No. 25, according to the Plat thereof recorded in Volume 25 of Plats at Page 14, Records of King County, Washington;

Thence North $01^{\circ}39'30''$ West along the West line of said Lot 28, a distance of 45.42 feet;

Thence South $88^{\circ}20'30''$ West, a distance of 22.92 feet;

Thence South $01^{\circ}39'30''$ East, a distance of 45.42 feet;

Thence North $88^{\circ}20'30''$ East, a distance of 22.92 feet, to the Point of Beginning.

Containing 1,041 square feet, more or less.



06/05/2006

EXHIBIT B

(PORTION TO BE VACATED)

That portion dedicated to the City of Kirkland November 21, 1941 and recorded July 28, 1942 under Auditor File No. 3254642, Records of King County, Washington.

Beginning at the intersection of the Northwest corner of Lot 28, Block 99, Burke & Farrar's Kirkland Business Center Addition, Division No. 25, according to the Plat thereof recorded in Volume 25 of Plats at Page 14, Records of said county;
Thence Southeasterly along the North lines of Lots 28, 27, 26, 25, and 24, to the Northeast corner of Lot 24;
Thence South, along the Easterly line, 16 feet;
Thence Northwesterly to a point on the West line of Lot 28, 16 feet South of the Northwest corner;
Thence North 16 feet, to the Point of Beginning.

Dedicated to the City of Kirkland for street and alley purposes only.

Containing 2,085 square feet, more or less.

EXHIBIT C

(PORTION TO BE VACATED)

That portion dedicated to the City of Kirkland December 4, 1941 and recorded July 28, 1942 under Auditor File No. 3254643, Records of King County, Washington.

Starting at the Northwest corner of Lot 23, Block 99, Burke & Farrar's Kirkland Business Center Addition, No. 25, in the City of Kirkland, Washington;

Thence Easterly along said North line of Lot 23, to the Northeast corner of same;

Thence Southwesterly 34 feet, more or less, to a point on the West line of said Lot 23, which point is 16 feet South of the Northwest corner of said Lot;

Thence 16 feet North to the Point of Beginning.

Dedicated to the City of Kirkland for street and alley purposes only.

Containing 241 square feet, more or less.

CITY OF KIRKLAND

123 FIFTH AVENUE

KIRKLAND, WASHINGTON 98033-6189

(425) 587-3030

CITY ATTORNEY'S OFFICE
MEMORANDUM

To: Dave Ramsay, City Manager
From: Robin S. Jenkinson, City Attorney
Date: August 29, 2006
Subject: Resolution Supporting AFIS Levy

RECOMMENDATION:

That the Council consider the attached resolution following a public hearing.

BACKGROUND DISCUSSION:

On September 19, 2006, King County voters will be asked to vote on a ballot measure for the Automated Fingerprint Identification System (AFIS) Levy.

King County Proposition No. 1, a regular property tax levy for AFIS services, would fund the continued operation and enhancement of the AFIS program which assists law enforcement agencies in identifying and convicting criminals. It would authorize King County to levy an additional regular property tax of not more than \$0.0568 (5.68 cents) per \$1,000 of assessed valuation for collection in 2007 and levy the tax each year thereafter for each of the five succeeding years.

The last AFIS property tax levy was approved by the voters of King County on September 19, 2000, at a rate of \$0.05874 (5.87 cents) per \$1,000 of assessed valuation for five years.

The attached resolution expresses the Council's support for the AFIS ballot measure. Under RCW 42.17.130, the Council may vote on a resolution to support or oppose a ballot proposition "so long as (a) any required notice of the meeting includes the title and number of the ballot proposition, and (b) members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of any opposing view..."

The City Clerk published notice of the public hearing and included the ballot title and proposition number in the notice.

RESOLUTION R- 4590

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY COUNCIL'S SUPPORT FOR KING COUNTY PROPOSITION NO. 1, THE AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM (AFIS) LEVY.

WHEREAS, on September 19, 2006, voters in the King County will decide whether to approve King County Proposition No. 1, the AFIS Levy; and

WHEREAS, the AFIS program is a valuable public safety tool that quickly assists criminal justice agencies to fingerprint and identify arrested individuals or suspects of crimes; and

WHEREAS, the primary functions of the AFIS program are to capture fingerprints and palm prints from suspects, to store fingerprints in databases, to search and identify individuals from fingerprints in order to solve crimes by identifying prints left at crime scenes and to share fingerprint and arrest data with other jurisdictions; and

WHEREAS, since the inception of AFIS, more crimes with unidentified suspects have been solved; capturing finger and palm prints from every subject booked into jail, storing those fingerprints in an electronic database, and using those prints to match against prints left behind at crime scenes have enabled police detectives to solve many crimes where the detectives have had no known suspects; and

WHEREAS, AFIS has assisted in solving 17,141 crimes without a known suspect based on the evidence of a fingerprint left behind at a crime scene through 2005 and in that same year, 100 percent of inmates at King County jails were fingerprinted for positive identification at time of entry to the jail; AFIS identified 1,058 individuals in 2005 alone who gave false names at the time of arrest and over 300 of those had outstanding warrants for other crimes; and

WHEREAS, the levy rate of \$0.0568 (5.68 cents) per \$1,000 assessed property value is less than the last period's levy rate and will provide enhanced further outreach to suburban communities; and

WHEREAS, the Kirkland Police Department has benefited from the placement and use of AFIS equipment in the Department; and

WHEREAS, pursuant to RCW 42.17.130, the City Council of the City of Kirkland desires to show its support for the AFIS levy;

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

Section 1. The City Council, after considering testimony at a duly noticed public hearing, hereby supports King County Proposition No. 1, the King County AFIS levy.

Section 2. The City Council hereby urges citizens to vote yes on King County Proposition No. 1, the King County AFIS levy, on September 19, 2006.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2006.

Signed in authentication thereof this ____ day of _____, 2006.

MAYOR

Attest:

City Clerk



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: Dave Ramsay, City Manager

From: Marilynne Beard, Assistant City Manager

Date: August 18, 2006

Subject: ANNEXATION UPDATE

RECOMMENDATION:

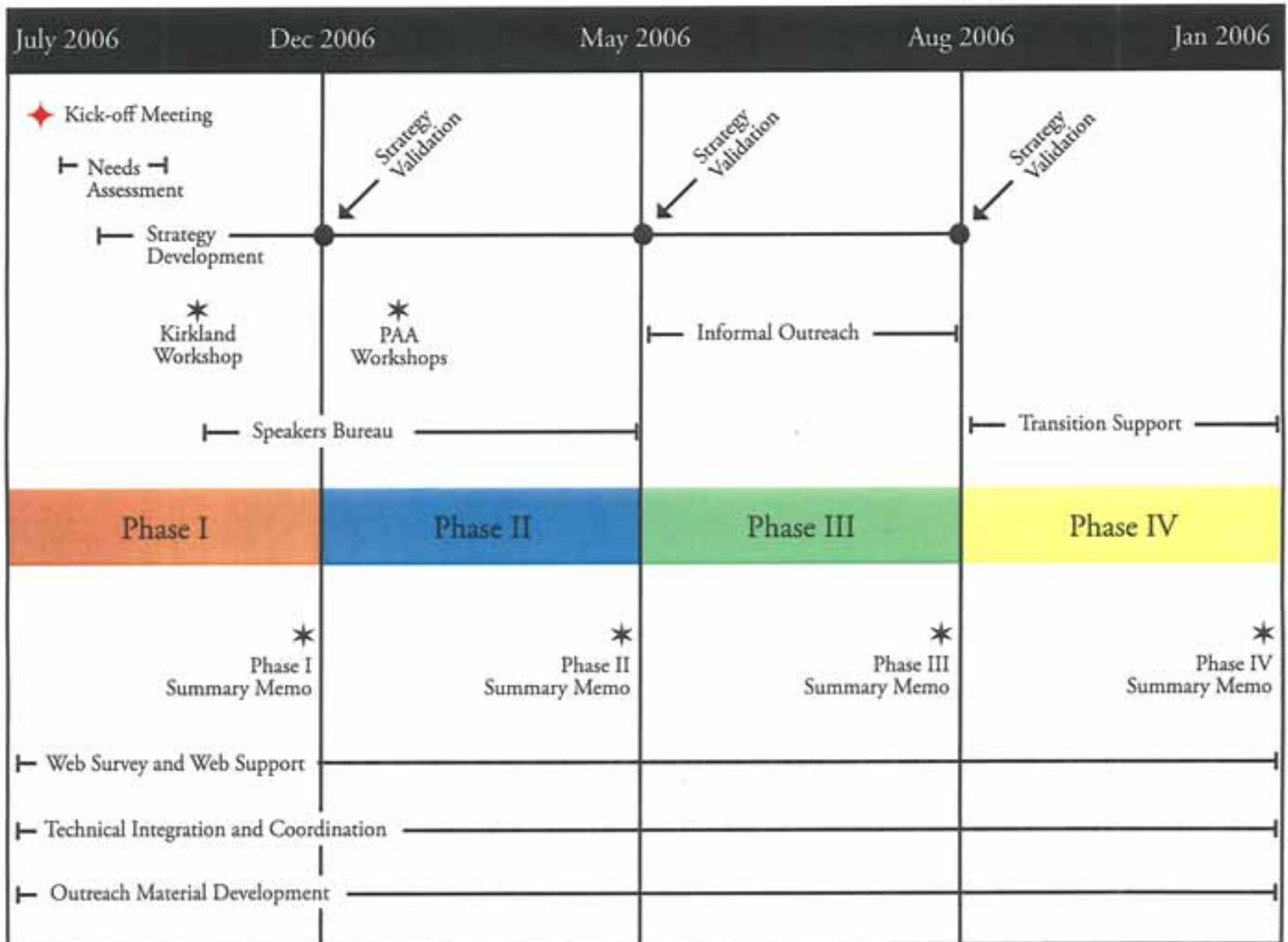
Council receive a report from Envirolssues, the City's communications consultants, regarding the proposed annexation communications strategy.

BACKGROUND DISCUSSION:

The City has engaged the services of Penny Mabie and Sarah Brandt of Envirolssues to develop a communications strategy concerning the potential annexation of Finn Hill, Juanita and Kingsgate. Council authorized staff to proceed with phase one of an overall communications strategy. Phase one focuses on communications and outreach to the existing Kirkland community. As a first step, the consultants are meeting with each City Council member to get input on the strategy. These meetings are currently taking place with the final meeting scheduled for September 1st. Given the timing of the meetings and the need to begin implementing a strategy, the consultant will provide a verbal report summarizing the Council's input and presenting a proposed communications strategy for phase one at the September 5th Council meeting. A written report will also be provided but could not be available for the regular Council packet.

Attached is an excerpt from Envirolssue's proposal that outlines their general approach to community outreach and Kirkland's potential annexation. The consultants are focusing on phase one only at this time. If the Council decides to proceed with further study and planning for the annexation, additional phases will be implemented.

Customized Outreach and Communications Strategy by Phase*



* Assumes January 1, 2008, service transfer. Strategy would be similar, with each phase elongated, if Kirkland opted to aim for an effective service transfer date of January 1, 2009.

DEVELOPING A COMMUNITY OUTREACH AND COMMUNICATIONS STRATEGY

Phase I - Needs Assessment, Strategy Development, and Kirkland Outreach

During Phase I, EnviroIssues will conduct a comprehensive internal and external needs assessment to provide a baseline for developing defensible communication strategies to support the City's annexation decision-making process. After assessing the full range of factors that will influence project outcomes and identifying the appropriate tools and activities to include in a outreach and communication strategy, EnviroIssues will be ready to help implement Phase I activities in partnership with City staff.

We suggest basing the needs assessment and resulting outreach and communications strategy on several tasks, including a team kick-off meeting, stakeholder interviews, surveys (primarily web-based), a tools assessment, an implementation focus group, and informal outreach activities. Each is described in more detail to the right.

KICK-OFF MEETING WITH THE PROJECT MANAGER AND KEY STAFF

Objectives

- Confirm the project work plan, schedule, and list of deliverables.
- Present a draft needs assessment survey for City review
- Compile and prioritize a preliminary list of internal staff and external stakeholders,

Approach

First and foremost, the kick-off meeting will provide an opportunity for City and EnviroIssues staff to meet and discuss roles and responsibilities linked to the emerging scope, budget, and anticipated schedule. Once a clear path forward has been confirmed, the group can begin the substantive work of developing and implementing successful communication strategies.

Prior to the kick-off meeting, EnviroIssues will draft and email a needs assessment survey to the project manager to allow time for review and comment. The assessment will be an expanded checklist-style tool that will guide stakeholder interviews and help collect and consolidate relevant data to inform development of the outreach and communications strategy.

EnviroIssues will suggest a preliminary list of stakeholders, including City and King County government, local civic organizations, businesses, and private residents. With City staff input, EnviroIssues will confirm which key stakeholders



should be interviewed as part of the needs assessment. For example, we would expect to interview people from the Kirkland Planning Department, Kirkland Chamber of Commerce and/or Downtown Association, neighborhood association leaders, Fire District #41, utility providers, King County Parks and the Kirkland Parks Board.

As the project continues, EnviroIssues will develop a database to track potential stakeholders, key contact information, and other helpful information. EnviroIssues will continue to review and enhance the database during each phase and will include it as an appendix to the strategy.

Expected Outcomes

- Confirmed work plan and schedule
- Polished needs assessment template
- Prioritized stakeholder list

CONDUCT NEEDS ASSESSMENT

Objective

The needs assessment will serve as the basis for the community outreach and communications strategy, and incorporates stakeholder interviews and an assessment of tools, resources, and current activities upon which to base an overall annexation outreach and communications strategy:

Approach

The needs assessment include the following components:

- **TOOLS, RESOURCES, AND CURRENT OUTREACH WORK:**

EnviroIssues staff will meet with the City's project manager to identify existing community outreach resources and outreach efforts to date with the aim of defining a list of existing tools and current knowledge (to avoid duplicating efforts). Excellent points of departure include the City's existing annexation webpage, as well as the report titled



Public Opinion About Potential Annexation to Kirkland conducted by Elway Research, Inc., in February 2005.

Relevant key project example: Brightwater Conveyance Pre-Design Project



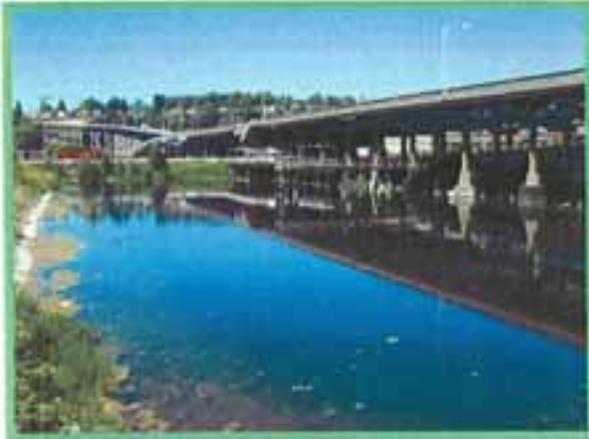
- **STAKEHOLDER INTERVIEWS:**

EnviroIssues will interview a subset of key internal and external stakeholders, identified through consultation with the City. EnviroIssues will base these interviews on the needs assessment template described above, and will conduct them in person or by telephone, depending on stakeholder location and availability. EnviroIssues will schedule, coordinate, and perform up to twelve interviews – including at least two representatives from each PAA – and will invite City staff as requested by the project manager. PAA representatives are included in this sampling to help inform the City's decision (i.e., if strong opposition in any of the PAAs were revealed through early research, Kirkland may be discouraged from pursuing Phase II). EnviroIssues will capture the key points from each interview using the survey template, and share survey results with the project team.

Relevant key project example: Magnolia Bridge Replacement Project

- **WEB-BASED SURVEY:**

EnviroIssues will create a web-based survey that is educational, user-friendly, and gauges community opinions and concerns about annexation. This quick and convenient method of collecting feedback about residents' perceptions, questions, preferred communication methods, and levels of knowledge will help the project team craft key messages and correct misinformation through outreach tools identified in the strategy. In addition, the web survey will be easy to modify throughout the process, if needed, with components tailored to each phase and neighborhood (Kirkland and the three PAA communities).



Web survey content will be designed in collaboration with City staff, finalized and posted to the City's existing annexation webpage, and advertised in tandem with other outreach efforts. For example, the survey web address can be printed on all outreach materials, disseminated on information cards at community locations and gatherings, and emphasized on the website.

Relevant key project example: Magnolia Bridge Replacement Project

- **INFORMAL OUTREACH:**

In combination with – and to confirm the results of – the web-based survey, EnviroIssues proposes to “go to where the people are” to receive input about shaping the annexation outreach and communications strategy. By tabling and handing out surveys or fliers at existing community events and gathering places, we will engage in person those who may not choose to go to the City's website, but who live, work, and play in the communities. For example, tabling at local malls (e.g., Totem Lake Mall, Inglewood Village, Kirkland Park Place, Carillon Point, etc.), libraries (Kirkland or Kingsgate Public Libraries) or handing out fliers at transit stations will allow us to invite hundreds of citizens to participate in ongoing discussions about annexation.

Informal outreach at local fairs and festivals such as Kirkland's Summer Festival, Farmers Market, and other community events and locations will accentuate outreach at any phase, and will likely be considered an important tool within the strategy.

Relevant key project example: Sound Transit Phase 2

- **IMPLEMENTATION FOCUS GROUP:**

Kirkland department staff, King County staff, and external service providers will also require ongoing updates about this process and their roles and responsibilities. Depending on the extent to which these stakeholders have been engaged in discussions



about annexation, we suggest convening a focus group to discuss these special communication needs. This forum will help the project team determine appropriate communication protocols and identify tools to convey important updates (e.g., email notifications, regular meetings, etc.).

- **NEEDS ASSESSMENT MEMO:**

Based on the results of the tools assessment, stakeholder interviews, and informal outreach, EnviroIssues will draft a memo summarizing the results and key findings of the needs assessment. EnviroIssues will submit this memo to the project manager for review and finalize it based on client input.

Relevant key project example: Brightwater Conveyance Pre-Design Project

Expected Outcomes

- A better understanding of key community issues and concerns based on 15 stakeholder interviews, web survey responses, and informal outreach efforts.
- A needs assessment memo identifying existing resources, gaps, and suggested tools and activities to include in a robust outreach and communications strategy.



DEVELOP COMMUNITY OUTREACH AND COMMUNICATIONS STRATEGY

Objective

EnviroIssues will compile the best methodologies, resources, tools, activities, and schedule for outreach and communications activities synchronized with the annexation decision-making process. The needs assessment will provide the raw material needed to develop credible, effective, and efficient strategies.

Approach

EnviroIssues will formalize the work done to this point in a draft public outreach and communications strategy. The strategy will include a stand-alone executive

summary to use when briefing the Kirkland City Council and other committees or groups interested in public outreach. The strategy will also provide a communications roadmap, as well as communications protocols, to ensure that the project team speaks with one voice and is responsive to community input, requests, and needs.



The strategy will include the following components:

1. Executive summary
2. Background
3. Objectives and outcomes
4. Key messages
5. Internal and external communication protocols
6. Technical coordination and integration
7. Public outreach strategies and schedules linked to key milestones
8. Event plans: workshops, briefings, hearings, etc.
9. Tools: materials, media, web and electronic tools, etc.

Recommended strategies, events, and tools will be included for each potential phase to provide a cohesive, forward-thinking plan, recognizing that later phases will be contingent upon the results of earlier steps. Therefore, Phase 1 communication approaches will be more fully detailed than later phases, which will be revisited and enhanced as the City initiates each subsequent phase. In this way, the strategy will be a living document, available for review and revision as new information emerges or circumstances change.

Expected Outcome

A communications roadmap for City and EnviroIssues staff to effectively educate and engage the community in exploring whether annexation is an appropriate option to pursue.

Relevant key project examples: Juanita Bay Pump Station Project, Alaskan Way Viaduct and Seawall Replacement Project



VALIDATE OUTREACH AND COMMUNICATIONS STRATEGY

Objective

Revisiting the strategy at the beginning of Phases II, III, and IV will confirm recommended approaches, tools, and activities and ensure that ongoing outreach efforts are on-target, effective, and efficient.

Approach

Although the initial strategy will address each of the four annexation phases described in the RFP, it will touch more lightly on the later three phases. The strategies, recommendations, and tools recommended for each later phase will in large part depend on the results of the preceding phase(s), requiring validation or shifts in direction and approach as needed to meet community needs revealed through ongoing outreach. At the conclusion of each phase, EnviroIssues will assess with City staff the effectiveness of all strategies, activities, and tools, identify course corrections, and revise the strategy to reflect these realignments.

Expected Outcome

A more efficient, cost effective strategy that evolves and responds to community needs and reflects lessons learned over the life of the project.

IMPLEMENT OUTREACH AND COMMUNICATIONS STRATEGY

For a long time, Kirkland has done an excellent job engaging its citizens and neighborhoods in key civic decisions. Good public process means a lot to Kirkland, and at EnviroIssues we consider ourselves to be unbiased guardians of the public process. When implementing any outreach and communications strategy, we recognize that our job is not to advocate for a particular outcome, but to share accurate and timely information with the public so that they may make informed decisions and participate fully in the process. The staff we propose are well versed in the technical and policy issues that your local jurisdiction faces. Our firm has built our reputation on providing facilitators and communication specialists who understand the importance of remaining neutral, and who are skilled at translating complex information into materials that help the public understand and engage in efforts that shape their communities.

If requested by the City, EnviroIssues will be prepared to efficiently implement the blend of tools and activities ultimately described in the outreach and communications strategy. In addition, if more formal polling of Kirkland and PAA residents were desired, we often partner with Evans/McDonough, a local firm, and can facilitate this partnership.

The general approach to each phase is briefly described below. As later phases are initiated, EnviroIssues will be prepared to support ongoing communications activities in alignment with the evolving strategy.

PHASE I

During Phase I, we will emphasize educating and gauging Kirkland residents' concerns and preferences about annexation (and to a lesser extent, the opinions of residents in the PAAs). Results of this outreach will inform the City Council's decision to pursue Phase II of annexation. We propose convening one community workshop for Kirkland residents, as well as providing a briefing to each of Kirkland's neighborhood associations (a "speakers bureau").

As with all stages, EnviroIssues will be prepared to provide updated content for the annexation website and to develop outreach materials that support selected activities. For each stage, we have also built into our budget a task called "technical coordination," which captures efforts to communicate with various service providers in the City, County, and PAA, and integrate relevant public information into the outreach process and materials. At the conclusion of this and every phase, we will provide a brief memo for the Kirkland City Council that describes outreach efforts to date, summarizes public input and key themes, and results to consider as the City moves forward.

PHASE II

During Phase II, attention and messaging will shift to focus on communicating with PAA communities. In addition to ongoing web support, materials development, and community group briefings, we propose focusing energy on three PAA workshops, one each in Juanita, Kingsgate, and Finn Hill. Our efforts will be designed to help the Kirkland City

Council solidify their decision about whether to pursue annexation based on how the idea is received by PAA residents.

PHASE III

During Phase III, we will apply our extensive experience in the political arena to the task of helping the City prepare for an election. Working in tandem with a campaign committee, we will use information collected in Phases I and II to hone key messages, tailor communications to the needs of voters, and engage in diverse activities – from face-to-face informal outreach to enhancing the project website. As neutral guardians of the process, we will not advocate for a position during the outreach (that will be left to people involved in the campaign), but will strive to share accurate information with as many residents as possible.

PHASE IV

Finally, if the PAA areas approve annexation and the City agrees to complete this process, we anticipate that residents' attention will turn to how their services and experiences will change (or not). Our outreach materials will therefore focus on making service transitions a transparent process, clearly identifying timelines, roles and responsibilities, and expected changes that will affect local residents and businesses. Additional tools may also be appropriate, such as establishing an annexation hotline to answer questions and provide updates.

While specific tools and activities in the outreach and communications strategy will be identified based upon findings during the needs assessment, useful tools that would likely contribute to effective outreach to City of Kirkland and PAA residents include:

- Convening and facilitating community workshops in Kirkland, Juanita, Kingsgate, and Finn Hill

- Providing content for Kirkland's annexation website and web survey
- Developing outreach materials
- Conducting informal outreach
- Supporting media relations

Each is described in more detail below. Please also see the additional project examples that testify to our experience and success implementing similar communications and outreach activities on countless other projects.

CONVENE COMMUNITY WORKSHOPS

Objective

To educate the Kirkland community about the annexation process and the related pros and cons of this option. Through facilitated breakout groups and other methods at the meeting, the project team will solicit feedback and reveal public concerns that will help inform the Kirkland City Council's decision making about this issue.

Approach

Engage a large group of Kirkland citizens and stakeholders to learn about the ramifications of annexation, and engage directly with the project team to provide feedback and raise questions and concerns. One option would be to convene a facilitated focus group prior to each workshop to ensure a diverse cross-section of community representatives and feedback, followed by an open public meeting. EnviroIssues has skilled staff available to:

- Draft and design informational displays focusing on why Kirkland is considering annexation, what the advantages and disadvantages of this choice would be, and how residents and businesses in Kirkland would be affected. Staff members will be available to discuss key issues related to annexation.
- Facilitate large and small group discussions with meeting attendees. A workshop format or facilitated breakout groups could be used to

engage community members in deeper dialogues about the implications of annexation.

- Develop tools to solicit community input. Feedback will be solicited verbally through discussions with City of Kirkland staff and other members of the project team, hard copy comment forms, and via laptops set up to allow meeting attendees to complete the web-based survey (described in more detail below).
- Synchronize meeting advertisements with other outreach activities, supported by newspaper display ads, postcards, fliers, posters, and other tools, as appropriate.

The City of Kirkland will provide refreshments, help define the focus of the meeting, help advertise the meetings, and provide direction on the feedback sought at the open house.

Expected Outcomes

- Approximately 300 participants total at area workshops
- Increased public understanding of how annexation affects communities

Relevant key project examples: City of Kirkland Lake and Central Site Project, Ada County Solid Waste Project, Sound Transit Phase 2

ESTABLISH SPEAKERS BUREAU

Objective

To provide annexation briefings to community groups during their regular meeting times.

Approach

Rather than asking community members to come to us, a speakers bureau allows us to meet with groups who are potentially interested in the annexation process during their customary meeting times. During Phase I, we suggest meeting with any active Kirkland neighborhood associations, and expanding our reach to other local government and civic groups (Chamber, Parent/Teacher Associations, etc.) in

Kirkland and the PAA during Phase II. EnviroIssues will contact targeted groups to offer briefings, maintain a schedule of engagements and project team presenters, and help prepare appropriate informational materials to share with each group requesting a briefing.

Expected Outcomes

- Increased understanding of the annexation process and ramifications among actively engaged community members.

Relevant key project example: Magnolia Bridge Replacement Project, Ada County Solid Waste Project

PROVIDE WEB CONTENT AND SUPPORT

Objective

To maintain up-to-date information and provide community members with opportunities to learn and provide feedback about the annexation process.

Approach

Please see the web-based survey description earlier in this proposal, a tool that could be modified throughout the life of the project to solicit public input. Questions could be changed with the initiation of each phase to test public knowledge, assess public concerns, and inform future outreach strategies and project decisions. The website should also serve as a repository or clearinghouse for all project information.

Expected Outcomes

- Easily accessible project information provided at a wide range of technical detail, available to any member of the public at their convenience.

Relevant key project example: Magnolia Bridge Replacement Project

DEVELOP OUTREACH MATERIALS

Objective

To provide consistent messaging and information in

a variety of outreach tools, including postcards, fliers, presentations, etc.

Approach

We will work with the City to develop diverse outreach materials specific to each phase describing the annexation process, opportunities and challenges, and avenues of communication between Kirkland residents and project staff. The materials we develop will depend on the tools identified in the needs assessment and subsequent outreach and communications strategy.

Expected Outcomes

- Equip the project team with the right outreach materials, in the appropriate format, for each outreach activity
- Provide the appropriate level of detail to meet the needs of targeted community sectors

Relevant key project examples: Juanita Bay Pump Station Project, Magnolia Bridge Replacement Project, Ada County Solid Waste Project

CONDUCT INFORMAL OUTREACH

Objective

To provide an avenue of direct public engagement with "everyday" residents who may not choose to attend a meeting or visit the project website.

Approach

Please see the description provided under "Developing an Outreach and Communications Strategy." Informal outreach has proven to be a very effective outreach tool, as project staff go to locations and events where residents are already gathering (rather than expecting people to attend a separate project event). Whether soliciting feedback on how to develop effective outreach strategies (as described earlier), or attempting to share information about an upcoming election, informal outreach can accentuate any communications plan.

Expected Outcomes

- Interact with many people who would not otherwise engage in activities implemented from the outreach and communications strategy
- Provide information to 30 people per hour of each outreach activity

Relevant key project example: Sound Transit Phase 2

SUPPORT MEDIA RELATIONS

Objective

To leverage existing avenues of communication, including newspapers, television, and radio, to share information about the annexation process.

Approach

EnviroIssues staff are prepared to help the City of Kirkland identify and leverage a variety of media outreach opportunities, and have experience with the following activities:

- Drafting and distributing press releases
- Drafting and placing display ads with local newspapers, including the King County Journal, the Kirkland Courier, and the Kirkland News
- Producing project information videos and coordinating their airing on local access television channels
- Coordinating and supporting media events, including press conferences, editorial board meetings, and reporter interviews

Expected Outcomes

- Garnering additional public attention and informing more residents about the annexation process

Relevant key project examples: City of Kirkland Lake and Central Site Project, EPA Brownfields Project, Ada County Solid Waste Project, Alaskan Way Viaduct and Seawall Replacement Project



CITY OF KIRKLAND
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123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
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MEMORANDUM

To: David Ramsay, City Manager

From: Elaine Borjeson, Solid Waste Coordinator
Daryl Grigsby, Public Works Director

Date: August 24, 2006

Subject: SOLID WASTE TRANSFER AND WASTE EXPORT SYSTEM PLAN UPDATE

RECOMMENDATION

It is recommended that the City Council authorize Kirkland's MSWMAC Representative, Councilmember Greenway, to support the proposed recommendations contained in the draft of the "Solid Waste Transfer and Waste Export System Plan" (Attachment 1).

BACKGROUND

In July, 2004 the King County Council adopted Ordinance 14971 which increased the awareness and importance of the regional transfer station system in planning for waste export upon the closure of the Cedar Hills Landfill, predicted to occur in 2015. Ordinance 14971 set up a process and a timeline for reporting to the King County Council and the Solid Waste Interlocal Forum (SWIF) on the progress of the evaluation of the existing transfer station system and the development of a waste export system plan. The Regional Policy Committee (RPC) of the King County Council functions as SWIF according to the terms of each city's interlocal agreement with the County.

The ordinance also established the Metropolitan Solid Waste Management Advisory Committee (MSWMAC) whose membership is open to all 37 cities with signed solid waste interlocal agreements. The function of MSWMAC is to advise the King County Executive, King County Council and SWIF in all matters relating to solid waste management and the waste export system plan. Councilmember Greenway is Kirkland's representative at MSWMAC, and Mayor Lauinger, Daryl Grigsby and Elaine Borjeson are alternates.

During the past two years since the ordinance was passed, four required milestone reports have been submitted to the King County Council which evaluate the current transfer station system, plan for the future transfer system, examine disposal options outside King County including methods of long-haul transport of waste and the public and/or private ownership options of waste handling facilities. Staffing, financing and rate impacts are also analyzed, and future facility siting and community involvement processes are discussed in these reports. The complete texts of the reports are available in the Council Study or at the following website: <http://www.metrokc.gov/dnrp/swd/about/planning/documents-planning.asp>.

The four milestone reports form the basis of the proposed recommendations in the final report which is due to the King County Council on September 28, 2006 and is heavily concentrated on the future transfer

station system. This final report is titled the "Solid Waste Transfer and Waste Export System Plan" (the Plan).

SOLID WASTE TRANSFER AND WASTE EXPORT SYSTEM PLAN: The Plan was prepared by the King County Solid Waste Division (the Division) in collaboration with MSWMAC, the Interjurisdictional Technical Staff Group (Elaine Borjeson is a member of this group), the Solid Waste Advisory Committee (Kirkland residents Ray Schlienzen and Carolyn Prentice are members of this group), the local solid waste hauling companies, labor representatives and King County Council staff. The recommendations in the Plan will inform the update of the Final 2001 Comprehensive Solid Waste Management Plan (the 2001 Solid Waste Plan) which is currently underway and scheduled for completion by December, 2007. The updated 2001 Solid Waste Plan will also examine additional waste disposal opportunities, including Waste to Energy options.

The recommendations contained in the Plan are all aimed at keeping rates as low and stable as possible, making existing facilities efficient and keeping pace with population growth and changing technology in the industry. They are also in compliance with the standards and objectives outlined in the four milestone reports. According to King County's analysis, the recommendations are technically feasible and construction of the new stations can be accomplished by 2015 when the Cedar Hills Landfill is expected to close under current conditions, if work begins no later than 2007.

The recommendations are as follows:

- Solid Waste Transfer System (more details below): Modernize the system to accommodate growth and provide efficient and cost effective service to customers
 - Construct four new transfer stations
 - Bow Lake – build on existing site plus adjacent property
 - Factoria/Eastgate or alternative site in Bellevue – King County owns property adjacent to the existing Factoria transfer station and recommends building on this site unless the City of Bellevue identifies an acceptable alternative site
 - Northeast Lake Washington – new site, undetermined location
 - South County – new site, undetermined location
 - Retain five existing transfer facilities
 - Enumclaw – built in 1993
 - First Northeast – currently being rebuilt, scheduled to reopen late in 2007
 - Vashon – built in 1999
 - Cedar Falls – rural drop box facility
 - Skykomish – rural drop box facility
 - Close three existing transfer stations
 - Algona
 - Houghton
 - Renton
- Public and/or Private Ownership and Operation of Facilities (more details below):
 - Transfer stations – maintain current practice of public ownership and operation
 - Collection and processing of solid waste and recyclables (including construction, demolition and landclearing debris)– maintain current practice of private ownership and operation

- Intermodal facility/facilities – delay decision until need and type of facility are determined, approximately five years before waste export begins
- Capacity of Cedar Hills Regional Landfill (more details below): Revise the Cedar Hills Site Development Plan to try and maximize the life of the landfill, subject to environmental constraints, relative costs, and stakeholder interests.
- Options for Long-Haul Transport of Solid Waste: At this time it appears that rail is the most cost effective method for the long-haul transport of solid waste. Market conditions are changing rapidly due to fluctuating fuel costs, and the Plan recommends waiting until five years before the start of waste export to make the final decision on whether solid waste needs to be transported by rail, barge or truck to its final destination.
- Intermodal Facility/Facilities: Full export of the County's waste is at least nine years in the future and much is changing in the field of intermodal capacity. For this reason, the Plan recommends that the decision on the need for and type of facility will be made approximately five years prior to the start of waste export. The Division will continue to monitor local intermodal capacity while retaining the property on Harbor Island as a potential option (the Harbor Island property will continue to be leased for other industrial uses in the interim).
- Early Waste Export: Exporting a portion of King County's waste while continuing to operate the Cedar Hills Landfill may be a cost effective means to extend the life of the landfill and defer the increased costs associated with full waste export. The Plan recommends issuing a Request for Proposals (RFP) to implement export of approximately 20 percent of the County's waste beginning in 2010. Comparing the actual bid prices from the RFP to disposal costs at Cedar Hills will establish whether or not partial early export is a cost-effective option.

Recommendations on the Solid Waste Transfer System: The purpose of the transfer station system is to consolidate many smaller loads of waste from the area where it is generated into fewer, larger loads for transport and disposal at a regional waste facility thereby reducing environmental and traffic impacts. King County transfer stations currently handle nearly one million transactions per year, and therefore, whether solid waste is landfilled locally, exported, or incinerated, the transfer station system provides a vital function to solid waste management. King County's existing transfer station system is aging and five of the six urban stations have been operating since the 1960's with only minimal upgrades (to meet regulatory and safety requirements). The sixth station in Shoreline (First Northeast Station) is being completely rebuilt and is expected to reopen in late 2007.

The five urban transfer stations were individually assessed on a range of criteria measuring their level of service to users, capacity to handle solid waste and recyclable materials, and the local and regional effects of each facility. These five stations fail to meet many of the standards set forth in Milestone Reports 1 and 2 and require structural improvements to address current and future capacity, service, and operational needs as well as emergency capacity and safety goals.

Milestone Report 4 contained six separate packages of transfer station system alternatives which addressed these needs and goals to varying degrees. Two of these packages were consolidated into Package #1 because the only difference between them was the location of the new transfer station in the

City of Bellevue – whether it will be built on the Factoria/Eastgate property owned by King County or another site selected by the City of Bellevue which is also acceptable to King County. Package #1 is the recommendation contained in the Plan. It is the only package of options that meets all of the criteria outlined in the milestone reports and which is also consistent with the Kirkland City Council's adopted Position Statement on the Houghton Transfer Station (Attachment 2).

The recommendations contained in the Plan reduce the current number of stations by one from ten to nine. All stations will accommodate both commercial and self-haul customers who tend to use transfer stations most heavily on alternate schedules (weekdays for commercial haulers and weekends for self-haulers). All waste will be compacted so that transfer trailers will haul approximately 27 tons of material instead of the current 18 tons resulting in more cost effective short and long-haul disposal costs. Construction costs of this alternative are the highest because of the number of new stations, but long term operating costs are the lowest among all the alternatives because there will be fewer stations to staff and maintain and all waste will be compacted.

Recommendations on the Public and/or Private Ownership and Operation of Facilities: State law requires public oversight in the planning and handling of solid waste (RCW 70.95.020). Representatives from the three major waste hauling companies in the Puget Sound region indicate that there is unlikely to be any cost savings if the transfer system is privately owned and operated because they will be required to meet the same standards and requirements as the public sector. The Plan recommends retaining the transfer system as a function of county government given the existing public infrastructure, requirements of state law and the lack of cost savings for encouraging this to become a private enterprise.

Private companies currently provide solid waste and recycling collection services to cities and unincorporated areas of King County with the exception of Enumclaw and Skykomish which operate their own systems. Private companies also process recyclable materials including construction, demolition and landclearing debris. There is no perceived advantage to changing this to a government function; therefore the Plan recommends maintaining the current practice in which the private sector collects solid waste as well as collecting and processing recyclable materials.

Many factors are changing in the intermodal area. Waste Connections, Inc. entered the intermodal services business in the Pacific Northwest in 2004 by acquiring Northwest Container Services in south Seattle which has access to both the Burlington Northern Santa Fe and the Union Pacific rail lines. King County continues to own property on Harbor Island at the site of the former Fisher Flour Mill for the purpose of a possible intermodal facility, and the City of Seattle is working toward gaining final approval of the Corgiat site in Georgetown. Because of the evolving issues with intermodal facilities, the Plan recommends waiting until five years prior to implementation of waste export to make decisions on public versus private ownership and operation of the facilities.

Recommendations on the Capacity of the Cedar Hills Regional Landfill: The Plan recommends revising the Cedar Hills Site Development Plan to seek cost effective ways to maximize the life of the landfill subject to environmental constraints and stakeholder interests. The landfill is currently the most cost effective alternative for waste disposal and more aggressive recycling programs and policies as well as natural settling and improvements in operational procedures could add another year to its capacity. For example, raising the region's recycling rate from the current 43% to 60% between 2009 and 2015 would save an estimated 1.1 million tons of waste thereby adding an addition year of capacity. Operational changes

could possibly add up to three and one-half additional years to the life of the landfill. All of these options contain implementation costs and require regulatory adjustments but the cost of using the landfill is less expensive than waste export.

A second issue related to landfill capacity is backup storage for catastrophic area emergencies. The City of Seattle and Snohomish County both export their solid waste and have not maintained extended backup capacity of their own. The Cedar Hills Landfill appears to be the best available option for long-term emergency capacity for the Puget Sound Region. The Division plans to address this issue and form a work group with interested jurisdictions in 2007.

Conclusion and Next Steps:

The proposed recommendations for the future transfer system in the draft of the Solid Waste Transfer and Waste Export System Plan meet the criteria and standards established in the four milestone reports submitted to the King County Council during the past two years. The recommendations also meet the Kirkland City Council's adopted Position Statement on the Houghton Transfer Station. Regardless of the manner in which solid waste is ultimately disposed of in the future (landfilled locally, exported, incinerated), a transfer system is required to consolidate the many smaller loads of garbage closer to their point of generation into fewer, larger loads for transport to a regional facility for final treatment of the waste. If approved by the King County Council, the recommendations contained in this Plan will inform the update of the 2001 Solid Waste Plan.

At the beginning of the planning process, the intent of the Plan was to present recommendations for waste export based on policies in the 2001 Solid Waste Plan. However, the analyses showed it may be possible to extend the life of the Cedar Hills Landfill beyond previous expectations, and market conditions are rapidly changing involving waste export and the technology of waste-to-energy facilities. Therefore, the Plan recommends postponing critical decisions on waste export until approximately five years prior to closure of the landfill and proceeding with updates to the transfer station system. Kirkland will continue to work together with the Division, MSWMAC, ITSG, the Solid Waste Advisory Committee and other stakeholders on the update of the 2001 Solid Waste Plan that is expected to be completed in December, 2007. The updated Solid Waste Plan will also contain a full analysis of waste-to-energy options that were not included in the four milestone reports required by Ordinance 14971.

- Attachments: 1 – Solid Waste Transfer and Waste Export System Plan
2 – Council Adopted Position Statement on the Houghton Transfer Station

Draft

Proposed Recommendations

**Solid Waste Transfer
and Waste Export System Plan**

August 4, 2006

Prepared by:
King County Solid Waste Division
in collaboration with the
Solid Waste Advisory Committee
Interjurisdictional Technical Staff Group
Metropolitan Solid Waste Management Advisory Committee
Commercial Solid Waste Hauling Companies
Labor Representatives
and
King County Council Staff

Alternate Formats Available Upon Request



King County

Department of Natural Resources and Parks
Solid Waste Division

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CONTENTS

SUMMARY OF THE PROPOSED RECOMMENDATIONS

This *Solid Waste Transfer and Waste Export System Plan* (the Plan) – prepared by the Solid Waste Division of the King County Department of Natural Resources and Parks – provides a blueprint for the future of the county’s solid waste management system. It presents recommendations that will guide King County as it prepares the solid waste system for waste export, during which time the transfer system will be upgraded, a public or private intermodal facility or facilities will be added to the system, and the county’s Cedar Hills Regional Landfill will be closed.

King County Ordinance 14236 stipulated that the county prepare this waste export implementation and coordination plan. In 2004, the County Council adopted Ordinance 14971, which amended the timing for waste export planning and prioritized evaluation of the transfer station network as an integral part of the waste export system plan. It also established a process for collaborative participation by the cities in solid waste transfer and waste export system planning. This led to the formation of a cities advisory group – the Metropolitan Solid Waste Management Advisory Committee (MSWMAC) – and formalized city staff group meetings by creating the Interjurisdictional Technical Staff Group (ITSG) to advise and assist MSWMAC in its operation.

Ordinance 14971 outlined an iterative process of analysis and reporting that would culminate in a package of recommendations for the solid waste transfer and waste export system. The ordinance directed the division in collaboration with the stakeholders to, among other things:

- Evaluate the division’s current transfer stations
- Plan a future transfer station system
- Investigate disposal options outside of King County
- Evaluate rail, barge, and truck hauling options for waste export
- Review public/private ownership options
- Analyze financing, staffing, and rate impacts
- Define the facility siting processes
- Establish a means of involving interested parties in the planning process
- Develop a waste export system plan to document the planning process and explain recommendations for a future system

These comprehensive analyses resulted in four milestone reports developed in collaboration with the Solid Waste Advisory Committee (SWAC), MSWMAC, ITSG, commercial solid waste haulers, King County Council staff, the division’s labor union representatives, and division employees. These reports (discussed under *Background*) provide the foundation for the recommendations in this Plan and are contained in **Appendix X**.

Table 1 presents a brief overview of all the proposed recommendations and cites where more detailed discussion can be found in this Plan. The recommendations in this Plan will inform the next update of the *Final 2001 Comprehensive Solid Waste Management Plan* (the 2001 Solid Waste Plan) to be submitted to County Council and the cities for review and adoption by end of year 2007. Figure 1 shows the locations of existing facilities, indicating which facilities are recommended for closure, and the general areas of the county where new transfer facilities are being considered.

While the final system configuration could include more than one intermodal or disposal facility, for simplicity, this Plan refers to the siting of an intermodal and a disposal facility (singular).

Three fundamental objectives underlie all of the recommendations that follow:

- Keeping disposal fees low and stable
- Making existing facilities as efficient as possible
- Ensuring that facilities keep pace with the growth in customer base and changing technologies in the solid waste industry

Table 1. Recommendations for the solid waste transfer and waste export system

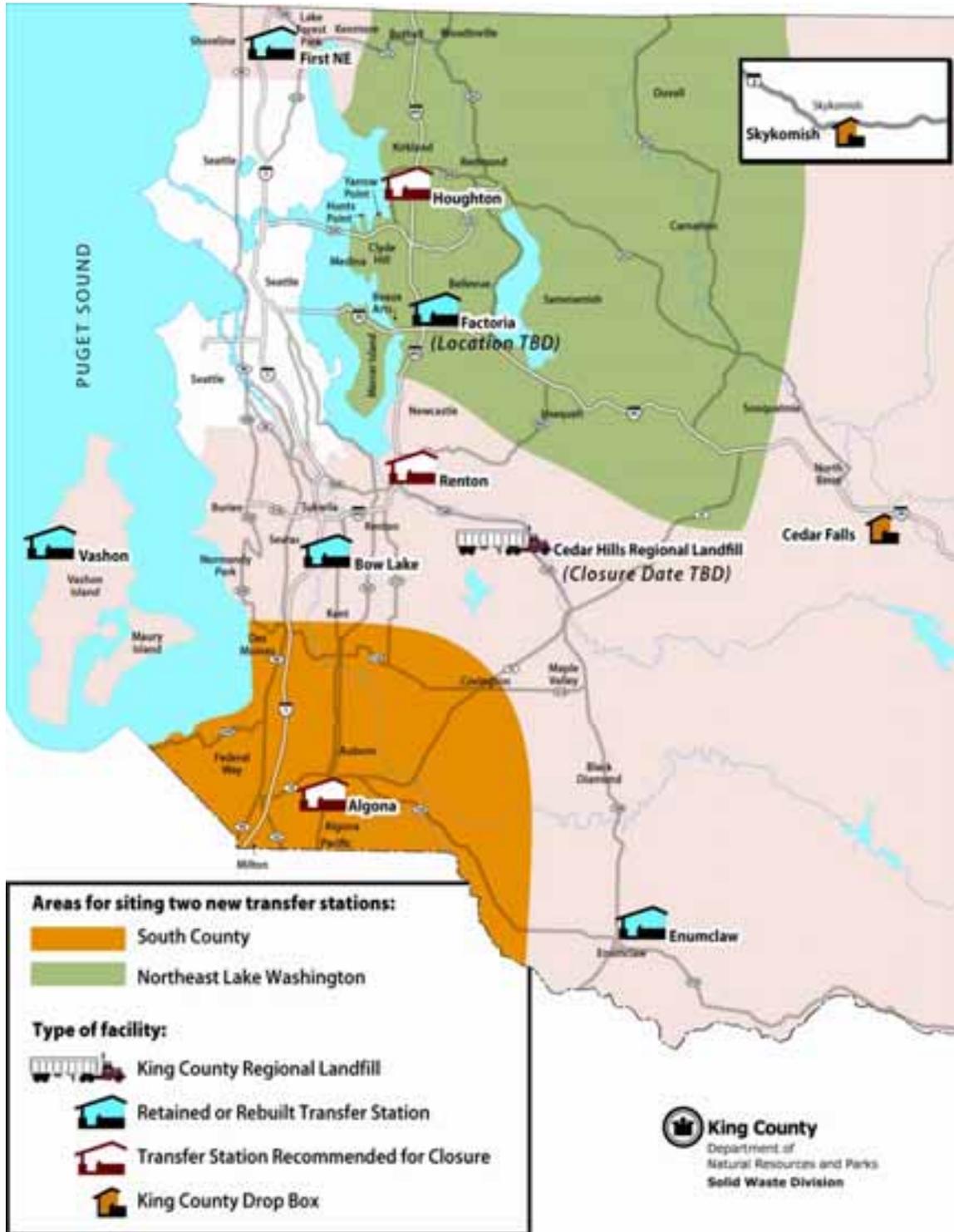
Plan Element	Recommendation	Discussion
Solid Waste Transfer System	<p>Modernize the transfer system to accommodate a growing population and industry changes and provide efficient and cost-effective services to customers</p> <p>Construct four new transfer stations:</p> <p><i>Bow Lake</i> – built on the existing site and adjacent property the division is negotiating to purchase from the Washington State Department of Transportation</p> <p><i>Factoria/Eastgate or alternative site in Bellevue</i> – built on the existing Factoria station site and an adjacent site owned by the division on Eastgate Way, or an alternative site located in and identified by the City of Bellevue and acceptable to King County</p> <p><i>Northeast Lake Washington</i> – built on a new site; location to be determined</p> <p><i>South County</i> – built on a new site; location to be determined</p> <p>Retain five existing transfer facilities: Enumclaw First Northeast (Shoreline) Vashon Cedar Falls (drop box facility) Skykomish (drop box facility)</p> <p>Close three existing transfer stations (when replacement capacity is available): Algona Houghton (Kirkland) Renton</p>	Page XX
Public vs. Private Ownership and Operation of Facilities	<p>Maintain the current mix of public and private ownership whereby:</p> <p>The private sector is the primary provider of the collection and processing of solid waste, recyclables, and construction, demolition, and landclearing debris</p> <p>The public sector is the primary provider of transfer services</p> <p>Once waste export begins, the disposal facility ownership and operation is contracted out</p> <p>The decision on the intermodal facility ownership and operation will be made when the need for and type of facility are determined</p>	Page XX

Plan Element	Recommendation	Discussion
Capacity of the Cedar Hills Regional Landfill¹	Explore opportunities for taking advantage of available landfill capacity to extend the life of this cost-effective disposal option; revise the <i>Cedar Hills Site Development Plan</i> and seek to maximize the capacity (lifespan) of the landfill, subject to environmental constraints, relative costs to operate, and stakeholder interests	Page XX
Options for Long-Haul Transport (via rail, barge, or truck)¹	Because transportation costs fluctuate with fuel prices, the decision on long-haul transport of solid waste to a disposal facility will be made no more than five years before implementation of waste export; based on current economics and local experience, rail transport appears the most feasible option	Page XX
Intermodal Facility¹	The decision on the need for and type of intermodal facility will be made no more than five years before waste export is implemented; the division will continue to monitor local intermodal capacity and retain the Harbor Island property as a potential option, while continuing to lease the property for other industrial uses	Page XX
Early Waste Export – Full or Partial	Issue a Request for Proposals for partial export of approximately 20 percent of the waste stream beginning in 2010 while keeping the Cedar Hills landfill operating; use the actual bid price to determine if this option is more cost effective than disposal at the Cedar Hills landfill	Page XX

Note:

1. Recent engineering studies and projections indicate that it is possible to extend the life of the landfill for three or four years beyond the currently projected closure date of 2015. Because in-county landfill disposal is less costly than full waste export, extending the life of Cedar Hills is cost effective for the region's ratepayers as well as the county. It also has the effect of extending some key decisions about waste export into the future when more is known about the market and prices for commodities and land. The actual date of closure will be based on additional engineering studies, cost analyses, and stakeholder input.

Figure 1. Locations of facilities and recommended changes



CONSISTENCY OF RECOMMENDATIONS WITH CURRENT POLICIES

The recommendations in this Plan are consistent with policies set forth in the 2001 Solid Waste Plan, as adopted by King County Ordinance 14236, with the following exceptions.

First, the 2001 Solid Waste Plan and ordinance broadly authorize the county to determine where new transfer facilities may be needed to efficiently serve customer needs (county policy RTS-7). While the need for a new station in south King County is identified in this Plan, the siting process and timeline for building a new facility will be more explicitly developed in the update to the 2001 Solid Waste Plan, which will be submitted to King County Council and the cities for adoption in 2007.

Second, the 2001 Solid Waste Plan incorporates the 1996 *Cedar Hills Site Development Plan* by reference. The site development plan guides the construction and operation of the landfill to comply with the permitted capacity and other regulatory requirements. The recommendation in this Plan is to revise the site development plan to extend the life of the landfill as long as possible and amend permits to allow continued operation. Increasing the capacity can be accomplished without significant environmental or community impacts, while keeping disposal fees as low as possible.

In addition, the 2001 Solid Waste Plan considered partial early waste export and concluded that it was not cost effective at the time. Because of the cost savings of extending the life of the landfill and the increased competition in the out-of-county disposal market, this Plan recommends issuing a Request for Proposals to solicit a cost commitment for early export of approximately 20 percent of the county's waste beginning in 2010. The bid prices will be evaluated to determine if partial early waste export should be implemented. Partial early export would add approximately one year to the lifespan of the Cedar Hills landfill and allow the division to test the disposal market before full waste export is implemented.

BACKGROUND

The division manages solid waste transfer and disposal for approximately 1 million tons of garbage per year, which represents the waste generated by more than 1.2 million residents and 637,000 employees in King County, excluding the cities of Seattle and Milton. The division and participating cities also manage programs and services for recycling and waste reduction in the region. Solid waste management is guided by the policies in the most current adopted solid waste plan.

Currently, the county owns and operates the only remaining landfill in King County – the Cedar Hills Regional Landfill in the Maple Valley area. The 2001 Solid Waste Plan directs the division to transition the county to waste export once the Cedar Hills landfill reaches its permitted capacity and closes.

Current county policy rejects alternatives to waste export, including development of a new landfill in King County or incinerating the county's waste, and Council has directed the division to begin planning for waste export. This Plan fulfills that policy direction by considering waste export to an out-of-county landfill for future disposal of the county's solid waste; however, other disposal technologies, such as waste-to-energy (e.g., incineration, gasification, pyrolysis), will be explored in the update of the 2001 Solid Waste Plan.

In addition to the landfill, the division currently operates eight transfer stations and two rural drop boxes that accept solid waste, recyclable materials, and, in one case, household hazardous waste. Six of the division's eight solid waste transfer stations have been operating since the 1960s and have only been updated to meet regulatory requirements and to ensure the safety of our employees and customers. With increases in solid waste tonnage from the region's growing population base, some of the stations are currently operating at or over capacity. At the same time, the stations are not able to keep pace with advances in solid waste technology. Space and building constraints have also limited the division's ability to provide expanded recycling services at some stations.

In summary, the division's transfer facilities are no longer able to efficiently meet the needs of the commercial haulers and business and residential self-haulers who use them. As the facilities continue to age and the need for solid waste and recycling services grows and changes, it has become imperative to make improvements to some stations, close stations that cannot be adequately improved, and construct new transfer stations to replace the closed stations.

The analysis of the transfer system is integral to the development of the waste export system plan because an improved transfer station network will be required under any future scenario for an effective regional solid waste management system. Transfer facilities are vital to communities for the safe and efficient

handling of solid waste through nearly one million customer transactions each year.

The most important function of the stations is to consolidate many smaller garbage loads into fewer, larger loads for more efficient transport and disposal. This function will become even more critical when waste export begins. Before the Cedar Hills landfill is closed, transfer stations will need to be equipped with waste compactors to compress solid waste loads and carry more tons per trip, which will minimize traffic on the road network. Because the various components of the regional solid waste system form an integrated network, decisions about how and when to close the landfill are examined in the context of the system as a whole, from transfer stations, to a possible intermodal facility, to long-haul transport to a disposal facility.

PROCESS FOR DEVELOPING THE PROPOSED RECOMMENDATIONS

The overarching goal in upgrading the solid waste transfer and waste export system is to maximize the efficiency of facilities and services to ensure reliable, safe, high-quality, and cost-effective service to customers. To develop alternatives and the final recommendations, four analytical milestone reports were prepared, focusing in detail on the following issues:

- Alternatives for the configuration of the solid waste transfer station system
- Public versus private options for ownership and operation of transfer, intermodal, and disposal facilities
- Future capacity of the Cedar Hills landfill and potential for extending its life
- Potential out-of-county disposal facilities
- Options for long-haul transport of waste once the landfill closes
- The need for, number of, and type of intermodal facility or facilities
- Scenarios for early (partial or full) waste export

More specifically, the four reports, included as **Appendix X**, present the following information:

- **Milestone Reports 1 and 2** identify the need to renovate the county's aging transfer facilities by developing and applying criteria and standards to evaluate the level of service to users, station capacity to handle solid waste and recyclable materials, local and regional effects of the facility, and cost. In these studies, three of the county's transfer stations were not evaluated because they are relatively new or are being rebuilt. The Enumclaw and Vashon transfer stations were constructed in 1993 and 1999, respectively. The First Northeast station in Shoreline is currently being rebuilt and is scheduled to reopen in fourth quarter 2007. These three stations meet, or will meet, all of the transfer station criteria evaluated in Milestone Report 2.

The five remaining transfer stations – Algona, Bow Lake, Factoria, Houghton, and Renton – were evaluated in this planning process. All five stations failed to meet the level-of-service standards that were established in Milestone Report 1 and need to be reconstructed or relocated. This finding is not surprising considering these facilities were constructed more than 40 years ago (see section on *Solid Waste Transfer System*).

- **Milestone Report 3** discusses options for public and private ownership and operation of solid waste and recycling facilities in King County. Recommendations based on the options presented in Milestone Report 3 were reported in Milestone Report 4. In summary, Report 4 recommends that the system retain the current mix of public-private operations. Under this scenario, the private sector would continue to be the primary provider of curbside collection of solid waste, recyclable materials, and

construction, demolition and landclearing (CDL) debris; the division would remain the primary provider of transfer system facilities; the private sector would continue to process recyclable materials and CDL; and, once waste export begins, the selected disposal facility (or multiple facilities) would be contracted out. The decision on the need for, number of, and type of intermodal facilities was deferred until no more than five years before the implementation of waste export (see section on *Public versus Private Ownership and Operation of Facilities*).

- **Milestone Report 4** identifies packaged alternatives for the configuration of the transfer station network, and decisions required to determine the capacity (or lifespan) of the Cedar Hills landfill; potential disposal locations once the landfill closes; the most feasible type of long-haul transport; the need for, number of, and type of intermodal facility or facilities; and the timing of waste export.

This Plan presents two types of proposed recommendations: 1) decisions that can be made now using existing data on the solid waste system and 2) a framework for decisions that will be made in the future, once the closure date is determined for the Cedar Hills landfill. Because of the changing marketplace and commodity prices, the final decision on when to close the landfill will be a pivotal factor in the final analysis and detailed recommendations for various components of the system.

The recommended actions set forth in this Plan will be implemented in a sequential manner to minimize disruptions to the vital solid waste management services provided to customers throughout the region. For example, some transfer stations designated as “capable of being expanded on site” by county policy RTS-12 (Ordinance 14236) are in the planning or implementation phases of reconstruction. A Facility Master Plan is being developed for replacing the Bow Lake station, while the First Northeast station in Shoreline is currently being rebuilt and is scheduled to reopen in fourth quarter 2007.

The complete package of recommendations in this Plan, as adopted, will inform the update of the 2001 Solid Waste Plan, expected to be completed by December 2007. A study of the effects of the proposed recommendation on the solid waste disposal fee is provided in a rate forecast and proposal submitted with this Plan.

The transfer station alternatives and other options presented in Milestone Report 4 were evaluated in a Supplemental Environmental Impact Statement (EIS), prepared in accordance with the State Environmental Protection Act. The EIS evaluated possible actions in terms of transportation, noise, air quality and odor, energy, land and shoreline use, and public services and utilities. The EIS did not identify any significant unavoidable adverse impacts associated with the recommendations in this Plan. The EIS is included as **Appendix X**.

TIMELINE FOR IMPLEMENTING THE TRANSFER AND WASTE EXPORT SYSTEM RECOMMENDATIONS

The timeline for completing the siting, design, and construction of transfer stations is provided below.

Schedule for Transfer Station Completion	
New First Northeast station	November 2007
New Bow Lake station	2010
New station at Factoria/Eastgate or alternative location in Bellevue	2011
New Northeast Lake Washington station	2015
New South County station	2015

Implementing the system upgrade as a whole, as recommended in this Plan, would require the following projected timeline:

Action Items	
Adoption of this Plan by the King County Council	Fourth quarter 2006
Adoption of the county's new <i>Cedar Hills Site Development Plan</i> by the King County Council	First quarter 2008
Agreement reached on an estimated closure date for the Cedar Hills Regional Landfill based on further studies by the division and stakeholder input	By end of year 2008
Request for Proposals issued for early waste export of approximately 20% of the solid waste stream	By second quarter 2009

Pending Actions	
Decisions about the intermodal facility, long-haul transport, and disposal facility – most likely made during the procurement process based on the market and commodity prices	No more than five years before the agreed-upon date for closure of the Cedar Hills landfill (making a decision any earlier could preclude new developments in the market or fail to account for changes in commodity or land prices)

The sections that follow present recommendations for the future of the solid waste transfer and waste export system. Analyses conducted in the four milestone reports are summarized in each section to provide the framework for decisions and the policies or data used to support them. Throughout the Plan

the four milestone reports are cited for more detailed information and are provided in **Appendix X**. The timeframe for reporting requirements needed to fully implement this Plan, including development of the next update of the 2001 Solid Waste Plan, are provided in the final section of this report.

In addition, supporting appendices are provided with the Plan for easy reference. Each appendix is listed below with a summary of additional information it provides.

- *Appendix X: Four Milestone Reports* – contains the four analytical reports used to develop this Plan
- *Appendix X: Supplemental Environmental Impact Statement* – presents an environmental analysis of the alternatives developed in Milestone Report 4, including a responsiveness summary from the public review process
- *Appendix X: Ordinance 14971, Section 5B, Response* – addresses additional issues as required by King County Ordinance 14971 (referred to as a Business Plan in the ordinance)
- *Appendix X: Solid Waste Facility Siting Plan* – outlines the process and criteria for siting solid waste management facilities
- *Appendix X: Recycling and Waste Export White Paper* – discusses the effects of a more aggressive recycling goal in extending the life of the Cedar Hills landfill
- *Appendix X: Agreement Between the King County Solid Waste Division and the City of Bellevue on Replacement of the Factoria Transfer Station* – agreement on a process for determining whether to build a new Factoria transfer station on the existing site and adjacent property owned by the division, or an alternative site located in and identified by the City of Bellevue

The rate forecast and proposal accompanies this Plan as a separate document, along with legislation for Council adoption.

SOLID WASTE TRANSFER SYSTEM

Recommendation: Modernize the transfer system to accommodate a growing population and industry changes and provide efficient and cost-effective services to customers

Construct four new transfer stations:

Bow Lake – built on the existing site and adjacent property the division is negotiating to purchase from the Washington State Department of Transportation

Factoria/Eastgate or alternative site in Bellevue – built on the existing Factoria station site and an adjacent site owned by the division on Eastgate Way, or an alternative site located in and identified by the City of Bellevue and acceptable to King County

Northeast Lake Washington – built on a new site; location to be determined

South County – built on a new site; location to be determined

Retain five existing transfer facilities:

Enumclaw
First Northeast (Shoreline)
Vashon
Cedar Falls (drop box facility)
Skykomish (drop box facility)

Close three existing transfer stations (when replacement capacity is available):

Algona
Houghton (Kirkland)
Renton

As discussed under *Background*, regardless of how the county disposes of its solid waste, an improved transfer station network will be required. One of the primary drivers in designing an efficient and effective network of facilities is to ensure that stations are dispersed strategically throughout the county to serve both self-haul and commercial customers. Each facility generally serves the urban or rural areas that surround it, but these areas are not rigidly defined. In general, solid waste systems are most cost-effective when transfer stations are distributed to minimize the time commercial collection trucks spend traveling from their garbage collection routes to the transfer sites, which helps keep the cost of curbside collection as low as possible. When transfer stations are well located, costs for labor, fuel, and vehicle maintenance are reduced. Well-sited facilities also mitigate environmental, infrastructure, and traffic issues.

The proposed recommendation for the transfer station system assumes the most current recycling rate of 43 percent. As discussed in the recycling and waste export study in **Appendix X**, even if a recycling rate of 60 percent were achieved between 2009 and 2015, the transfer system would still be needed to process a minimum of one million tons of solid waste per year. The future recycling goals will be developed during the update of the 2001 Solid Waste Plan.

Assessment of the Transfer Stations

Milestone Reports 1 and 2 (**Appendix X**) provide an evaluation of the existing transfer system. The stations were assessed using 16 criteria that fall into the following categories:

- Level of service to users
- Station capacity to handle solid waste and recyclables
- Local and regional effects of the facility

The ultimate goal of assessing the existing stations was to allow the county to determine when a transfer station needs to be upgraded in place, when a station needs to be relocated to a more appropriate location, or when additional transfer stations need to be built to adequately serve the region's growing population.

Three of the division's eight transfer stations were not evaluated because they are either relatively new or are in the process of being rebuilt. These three stations meet, or will meet, all the standards established for evaluation of the older transfer stations. The Enumclaw and Vashon stations are newer stations that already meet the criteria. The First Northeast station in Shoreline is currently being rebuilt and is scheduled to reopen in fourth quarter 2007.

As shown in Table 2, assessment of the remaining transfer stations yielded a yes/no finding for the evaluation criteria (i.e., the station does or does not meet the standard set for the criterion). Although the evaluation concluded that the existing stations fail to meet many of the standards, through mitigation measures at the operational level, the facilities do meet all local and state health and safety requirements.

Table 2. Level-of-service criteria applied to existing transfer stations

		Algona	Bow Lake	Factoria	Houghton	Renton
1. Estimated time to a transfer facility within the service area for 90% of users	< 30 min=yes	YES	YES	YES	YES	YES
2. Time on site meets standard for 90% of trips						
	< 16 min=yes	NO	YES	NO	NO	NO
a. commercial vehicles						
	< 30 min=yes	YES	NO*	NO*	NO*	YES
b. business self haulers						
	< 30 min=yes	YES	NO*	YES	YES	YES
c. residential self haulers						
<i>* Meets criterion on weekdays, but not weekend days</i>						
3. Facility hours meet user demand	YES/NO	YES	YES	YES	YES	YES
4. Recycling services ...meet policies in 2001 Solid Waste Plan						
a. business self haulers	YES/NO	NO	NO	NO	NO	NO
b. residential self haulers	YES/NO	NO	NO	NO	NO	NO
5. Vehicle capacity						
a. meets current needs	YES/NO	NO	YES	NO	NO	YES
b. meets 20-year forecast needs	YES/NO	NO	NO	NO	NO	NO
6. Average daily handling capacity (tons)						
a. meets current needs	YES/NO	NO	NO	YES	NO	YES
b. meets 20-year forecast needs	YES/NO	NO	NO	NO	NO	YES
7. Space for 3 days' storage						
a. meets current needs	YES/NO	NO	NO	NO	NO	NO
b. meets 20-year forecast needs	YES/NO	NO	NO	NO	NO	NO
8. Space exists for station expansion						
a. inside the property line	YES/NO	NO	YES	YES	YES	YES
b. on available adjacent lands through expansion	YES/NO	YES	YES	YES	NO	NO
9. Minimum roof clearance of 25 feet	YES/NO	YES	YES	NO	NO	YES
10. Meets facility safety goals	YES/NO	NO*	NO*	NO*	NO*	NO*
<i>* The presence of these physical challenges does not mean that the stations operate in an unsafe manner. It does mean that it takes extra effort by staff and management, which reduces system efficiency, to ensure the facilities are operated safely.</i>						
11. Ability to compact waste	YES/NO	NO	NO	NO	NO	NO
12. a. Meets goals for structural integrity	YES/NO	YES	YES	YES	YES	YES
b. Meets Federal Emergency Management Act immediate occupancy standards	YES/NO	YES	NO	NO	NO	YES

		Algona	Bow Lake	Factoria	Houghton	Renton
13. Meets applicable local noise ordinance levels	YES/NO	YES	YES	YES	YES	YES
14. Meets Puget Sound Clean Air Agency standards for odors	YES/NO	YES	YES	YES	NO*	YES
<i>* One complaint on Houghton was verified within the previous two years. No citation was issued.</i>						
15. Meets goals for traffic on local streets						
a. meets Level of Service standard	YES/NO	YES	NO	YES	YES	YES
b. traffic does not extend onto local streets 95% of time	YES/NO	NO*	NO*	NO*	YES	YES
<i>* Meets criterion weekdays, but not weekend days. Yes or no rating based on evaluating all days within study period.</i>						
16. 100-foot buffer between active area & nearest residence	YES/NO	YES	YES	YES*	NO	YES
<i>* Meets 100 ft from residence criterion, but businesses are within 100 ft.</i>						
17. Transfer station is compatible with surrounding land use*	YES/NO	YES	YES	NO**	NO***	YES
<i>* See Milestone Report 4, Chapter 2 (Appendix X), for more details.</i>						
<i>** Factoria station is a 30+ year old facility in need of maintenance that has been deferred over the years. It is visible on the approach to adjacent businesses. This is a close call as the neighborhood is primarily commercial/industrial. Meets criterion weekdays, but not weekend days. Yes or no rating based on evaluating all days within study periods.</i>						
<i>*** Houghton station is a 30+ year old facility in need of maintenance that has been deferred over the years. It is in a residential/recreational area and clearly visible from the road. One verifiable odor complaint was received in the last two years. Transfer station parking is located within 100 feet of nearest residence.</i>						

The results shown in Table 2 indicate that the current network of stations is efficiently distributed throughout King County with adequate service hours that meet the needs of our customers. However, most stations require improvements to address current capacity, service, and operational needs. In addition, structural changes are necessary to improve emergency response and operational efficiency, as well as meet desired safety goals.

Development of Transfer System Alternatives

From the results in Table 2, action alternatives were developed for the transfer system in Milestone Report 4 (**Appendix X**). The alternatives were developed based on the following assumptions:

- They can be financed while still meeting the Executive's rate commitment that per ton disposal fees at the Cedar Hills landfill will not be increased by more than the rate of inflation (base year 1999 – the last time rates were changed). *Note: Once waste export begins, the county will have less control over disposal costs.*
- Construction can be accomplished by 2015 assuming that work begins no later than 2007.
- They are technically feasible.
- Two new sites are required, one in the Northeast Lake Washington area and one in South King County.
- Station closures or conversions would not occur under any alternative until replacement facilities are open.
- The impact of the transfer station alternatives on both collection costs (garbage collection by private haulers) and short-haul costs (cost of transporting waste between transfer stations and disposal or intermodal facility), as well as the potential impact on disposal fees, will vary depending on the location of the selected new sites.
- They directly address the five urban transfer stations that are covered in Milestone Reports 1 and 2. The First Northeast facility and the four rural facilities (two transfer stations and two drop boxes) are excluded from this analysis. Proposed operations will remain the same at the First Northeast facility currently being rebuilt, and current operations at the four rural facilities will not change.
- All new facilities proposed will include the installation of one or more waste compactors so that solid waste can be transported efficiently.
- Additional studies will be necessary to ensure that level-of-service criteria will be met at all new, rebuilt, and retained facilities. The division recognizes that traffic is a particular concern at all sites in King County, and will perform studies and work with stakeholders to mitigate for traffic as necessary.

A summary of the action alternatives is presented in Table 3. After Milestone Report 4 was submitted, Alternative 1, the recommended alternative, was amended through an agreement between the City of Bellevue and the division. Under the agreement, the city is seeking an alternative site for the Factoria station in the City of Bellevue that would be readily developable for a full-service transfer and recycling facility. If a suitable site cannot be found, the division intends to rebuild on the developable portions of the Factoria property with the Eastgate Way expansion, as originally proposed (see agreement between the division and the City of Bellevue in **Appendix X**).

Table 3. Action alternatives for the transfer station system

Alternative	Full-Service Facilities	Self-Haul Only	Commercial Only	Closed Facilities	Total # of Facilities (including drop boxes)
1 <i>Recommended Alternative</i>	New South County New Bow Lake New Factoria/Eastgate (or alternative site located in and identified by the City of Bellevue and accepted by the county) New NE Lake WA	None	None	Algona Houghton Renton	9
2	New South County New Bow Lake New Factoria/Eastgate	Houghton	New NE Lake WA	Algona Renton	10
2A	New South County New Factoria/Eastgate	Houghton Renton	New NE Lake WA New Bow Lake	Algona	11
3	New South County New Bow Lake New NE Lake WA	Renton Houghton Factoria (no Eastgate)	None	Algona	11
4	New Factoria/Eastgate	Algona Houghton Renton	New South County New Bow Lake New NE Lake WA	None	12

Benefits of Alternative 1

Alternative 1 would provide for the construction of four new full-service transfer facilities and the closure of three existing facilities. The total number of transfer facilities in the King County system would be reduced by one – from a total of 10 to 9. It would provide a new transfer station in the Northeast Lake Washington area to accommodate the projected population growth in the north, replacing the Houghton station in Kirkland, as well as a new transfer station in South King County, replacing the Algona station. The Renton station was recommended for closure, with no replacement, because it receives only seven percent of the overall solid waste tonnage in the region and because of its proximity to the Bow Lake and Factoria stations.

Alternative 1 is the only alternative that meets all of the level-of-service criteria detailed in Milestone Reports 1 and 2 (Table 2). The result is a proposed network that would consist of full-service stations strategically dispersed throughout the region to minimize traffic on the road network. Alternative 1 is the only alternative that does not recommend either self-haul-only or commercial-

only facilities. Under Alternative 1, all stations serve both types of customers. Division analyses used in preparing the milestone reports show that commercial hauling trucks use transfer stations most heavily on weekdays. Self haulers can be divided into two distinct groups: business self haulers, such as school districts and landscaping businesses, and residential self haulers. Business self haulers use the stations primarily on the weekdays, and residential self haulers use the stations mostly on weekend days (**Appendix X**, Milestone Report 4, Chapter 2).

Because station use by the various types of customers differs between weekdays and weekends, building stations that serve only one customer type would lead to overall system inefficiencies, particularly with regard to staffing. A self-haul-only station would be underutilized during the week when residential use is significantly lower, while a commercial-only facility would see little use on weekends. Because the new full-service facilities are larger and more flexible, the division can address concerns such as traffic issues associated with combined commercial and residential use through station design (e.g., separating commercial and self-haul traffic, to the extent possible, using different queuing lanes and other measures).

Alternative 1 has the highest initial capital costs, but the lowest long-term operating costs of all the alternatives. Although Alternative 1 has the fewest facilities, the initial capital costs are higher because all stations are new, full-service facilities. However, while the upfront capital costs are higher, long-term operating costs are the lowest among the options because there are fewer facilities and therefore lower staffing and other operating costs. In addition, it provides a system where all waste is compacted, resulting in the most cost-effective short- and long-haul disposal costs (**Appendix X**, Milestone Report 4, Chapter 2).

Construction at all four new or rebuilt stations will be phased to minimize disruption to customers. The Algona, Renton, and Houghton stations will remain open as full-service facilities until their replacement facilities are fully constructed. The Bow Lake station will be rebuilt at its current location. If the Factoria/Eastgate facility is rebuilt on site, there would be minimal disruption to self-haul or commercial customers. If constructed at an alternative site, the current site will remain open until the new facility is completed.

The two new facilities, South County and Northeast Lake Washington, will require siting at an as yet undetermined location within each geographic area. This process will require siting studies that consider environmental impacts, community interests, and cost. It is possible that a site could be identified that would serve the dual purpose of a transfer station and intermodal facility. A dual-purpose site would have to meet the following requirements:

- A parcel large enough to allow for both transfer and intermodal operations

- A site that would be accessible by the selected long-haul transport mode, such as rail

South County is the only area where a newly planned station could have access to rail lines.

In summary, the primary benefits of this recommended alternative over the others studied include:

- A transfer system that is well dispersed throughout the county, maximizing station capacity for both self-haul and commercial users
- Stations built or improved to meet the level-of-service requirements evaluated in the milestone reports, including the flexibility to provide a range of solid waste and recycling services at the stations; improved traffic queuing; cost-effective, state-of-the-art technologies; ability to accommodate population growth and industry changes in the region; and waste compactors as needed to compress solid waste loads and reduce truck traffic on the road network
- A fiscally responsible package that has a greater initial capital investment but lower operating costs over the long term
- Disposal fees that continue to be low and stable

PUBLIC VERSUS PRIVATE OWNERSHIP AND OPERATION OF FACILITIES

Recommendation: Maintain the current mix of public and private ownership whereby:

- The private sector is the primary provider of the collection and processing of solid waste, recyclables, and construction, demolition, and landclearing debris
- The public sector is the primary provider of transfer services
- Once waste export begins, the disposal facility ownership and operation is contracted out
- The decision on the intermodal facility ownership and operation will be made when the need for and type of facility are determined

The current solid waste system is a mixture of publicly and privately owned facilities and services. Three options were evaluated for public versus private ownership and operation of transfer, intermodal, and disposal facilities: public only, public-private partnership, and private only. Figure 2 shows the current and recommended future mix of public- and private-sector services for each component of the solid waste management system.

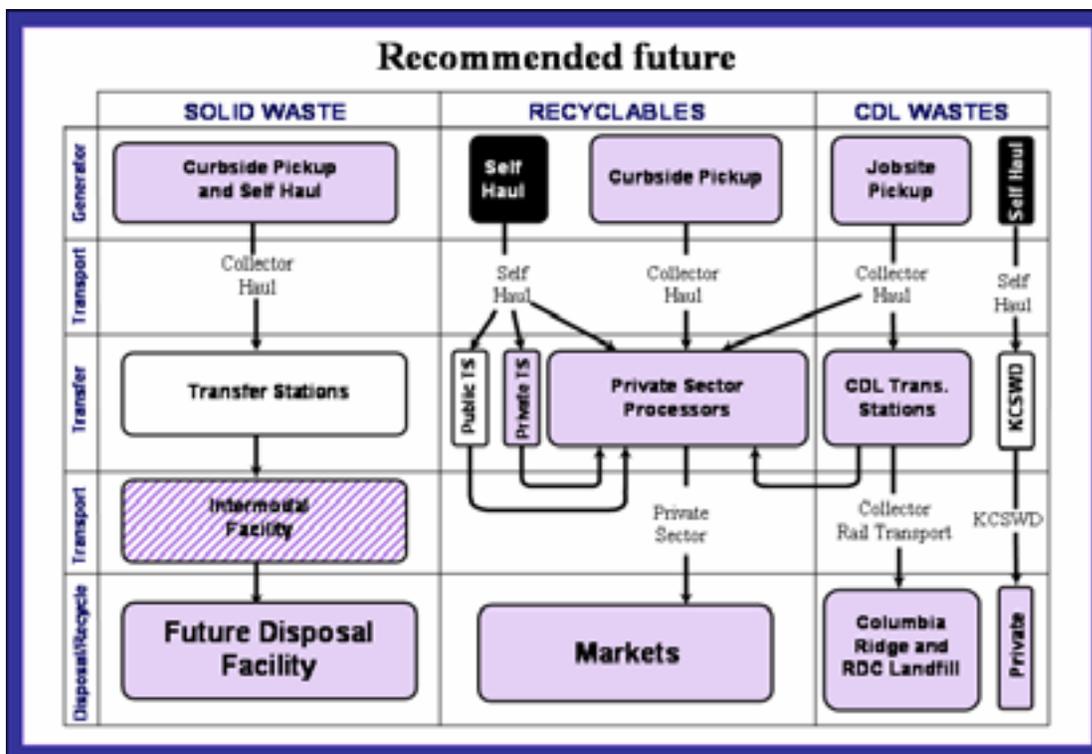
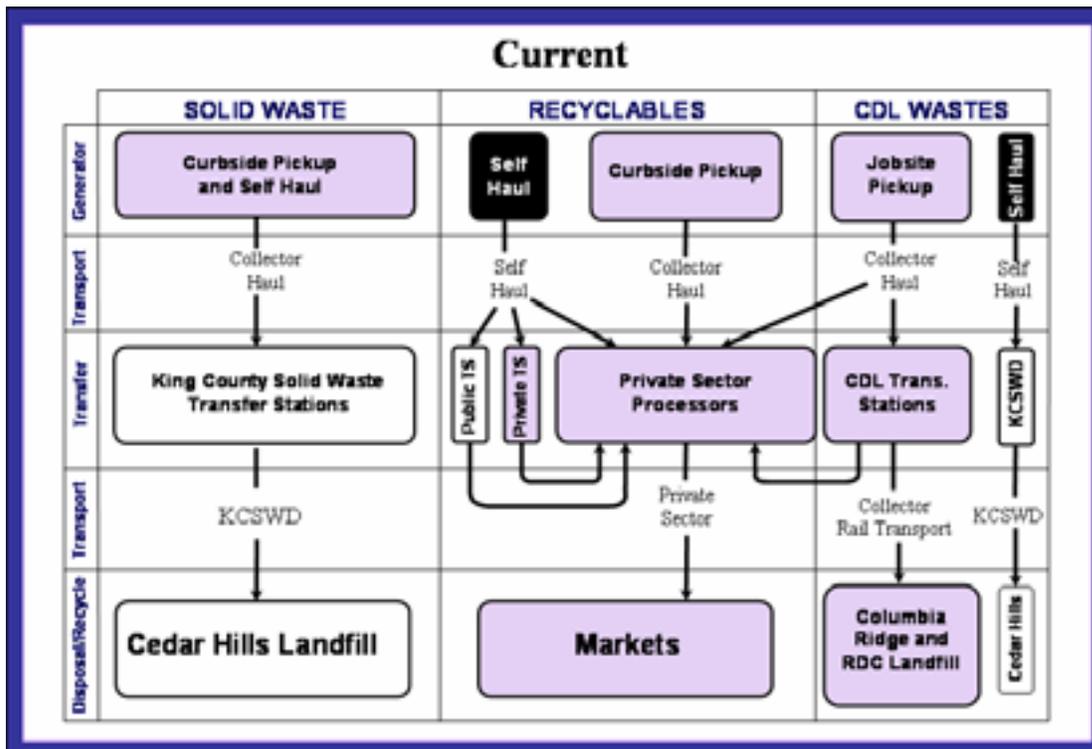
Collection of Solid Waste and Recyclable Materials

State law (RCW 81.77 and 36.58) prohibits counties from collecting solid waste or regulating collection companies. Commercial hauling companies provide collection services through contracts with the cities and franchises granted by the Washington Utilities and Transportation Commission. Two cities, Enumclaw and Skykomish, operate their own collection systems. For recyclable materials and CDL debris, the collection, processing, and final disposal are also provided by the private sector.

Transfer of Solid Waste

Through Interlocal Agreements between King County and each of the 37 cities participating in the county's regional solid waste management system, the division is responsible for operation of the public transfer facilities. The division is also responsible for the state-mandated comprehensive solid waste management plan that establishes policies for transfer, disposal, and waste reduction and recycling.

Figure 2. Ownership of current and future components of the system



Legend: Public - Private - Public Or Private -

State law RCW 70.95.020 mandates public oversight and authority for the planning for and handling of solid waste. For the private sector to provide transfer services, companies would need to operate under contract to the county. Pursuant to state law and county policy, those contracts would require that the private sector meet the same standards and requirements as the public sector for the handling and transfer of solid waste. Examples include requirements for public involvement during facility siting and design and the provision of service to self haulers. Given the requirements and the fact that the division already has an infrastructure in place, representatives of the major private solid waste management companies in the region (Waste Management, Allied/Rabanco, and Waste Connections) agreed with the division's assessment that there would be no cost advantage to private-sector ownership and operation of the transfer system. (More detailed discussion is provided in **Appendix X**, Milestone Report 4, Chapter 3.) Based on analysis and consensus with area haulers, the recommendation is to maintain a primarily public-sector transfer system.

Disposal of Solid Waste

The Cedar Hills landfill is the only active landfill remaining in King County. County policy DSW-2 (Ordinance 14236) states that “the county should not seek to site a replacement landfill for the Cedar Hills regional landfill in King County.” The disposal policies direct the county to contract for long-term disposal at an out-of-county landfill. In keeping with this policy direction, once the Cedar Hills landfill closes and the county transitions to waste export, disposal services will be procured by contract. This option will present opportunities for the county to contract for the provision of long-haul transport and a disposal facility.

Table 4 provides a list of the landfill sites owned by different companies potentially available and close enough to compete for King County's waste after Cedar Hills closes (recognizing that additional landfills or other disposal options may be available by the time Cedar Hills closes). This list does not imply a preference for any landfill or company – the information is included to indicate the robust market for the county's waste. As the table shows, substantial capacity for landfill disposal is available for consideration well into the future.

Table 4. Potential locations for out-of-county landfill disposal

Landfill Name	Location	Owner	Miles from Seattle	Total Permitted Capacity (tons)	Remaining Capacity (2006)	Opening Year	Estimated Closure
Active Landfills							
1 Columbia Ridge Landfill and Recycling Center	Gilliam County, OR	Waste Management	325	221,875,000	205,000,000	1990	2060+
2 Roosevelt Regional Landfill	Klickitat County, WA	Allied Waste Industries dba Regional Disposal Co.	330	244,600,000	214,200,000	1998	2073+
3 Finley Buttes Regional Landfill	Morrow County, OR	Waste Connections	352	101,250,000 (See Note 1)	98,750,000	1990	2060+
4 Simco Road Regional Landfill	Elmore County, ID	Idaho Waste Systems	628	210,000,000 (See Note 2)	200,000,000+	2000	~2040
5 Herzog Environmental, Inc.	Mora County, NM	Herzog Environmental, Inc.	1,616	"unlimited" (See Note 3)	(See Note 3)	2000	2100+
Landfills Permitted, Not Operating							
6 Eagle Mountain Landfill	Riverside County, CA	L.A. County Sanitation Dist.	1,325	560,000,000	560,000,000	~2010	2125
7 Mesquite Regional Landfill	Imperial County, CA	L.A. County Sanitation Dist.	1,420	970,000,000	970,000,000	~2010	2110

Notes:

1. Finley Buttes has the potential to expand to a permitted capacity of 400,000,000 tons.
2. Simco Road Regional Landfill is currently expanding to a permitted capacity of 420 million tons.
3. Herzog Environmental Inc.'s company representative describes its annual capacity as "virtually unlimited."

Intermodal Transfer

A decision on the public versus private ownership and operation of an intermodal facility will be made no more than five years before the implementation of waste export (discussed under *Intermodal Facility*).

Capacity of the Cedar Hills Regional Landfill

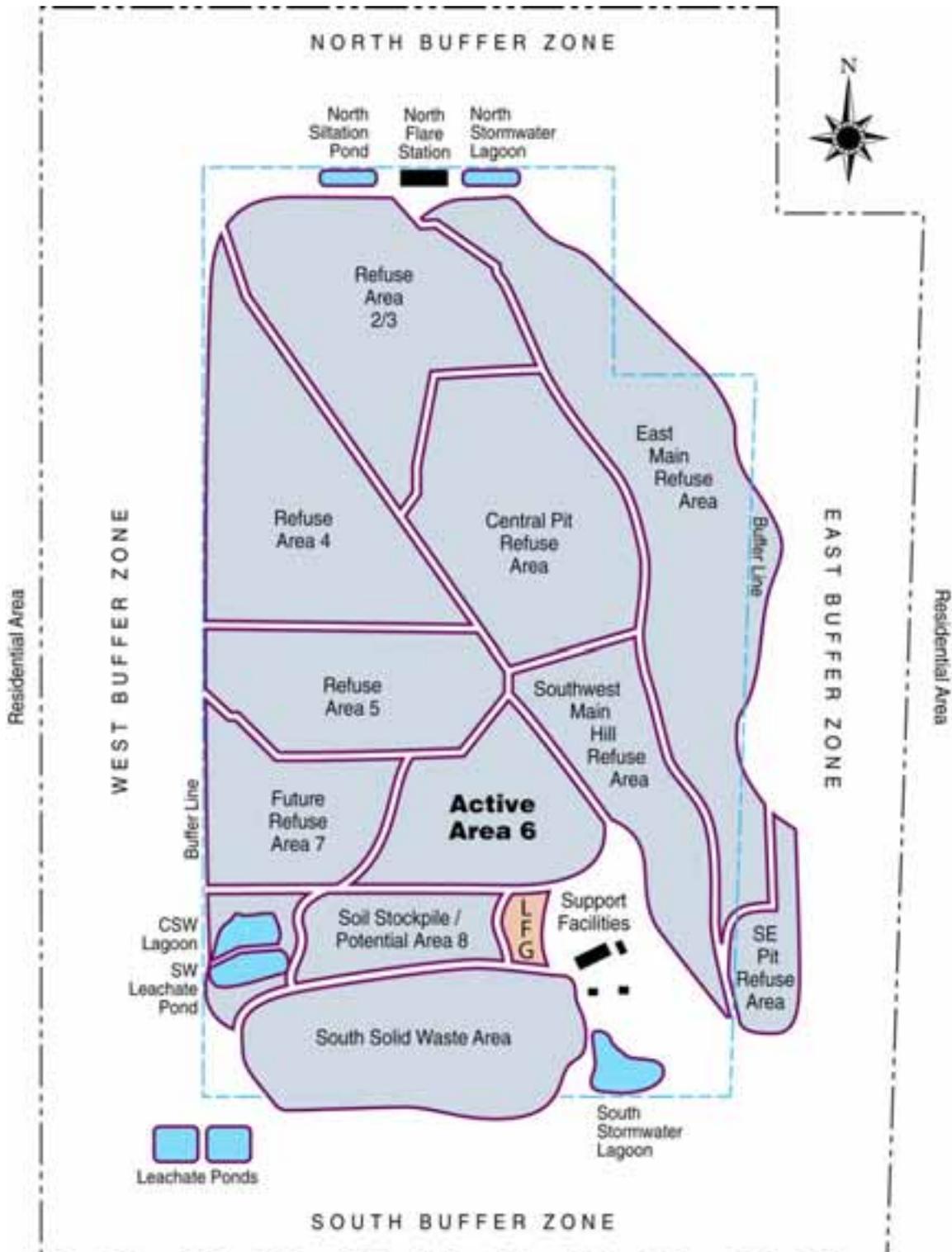
Recommendation: Explore opportunities for taking advantage of available landfill capacity to extend the life of this cost-effective disposal option; revise the *Cedar Hills Site Development Plan* and seek to maximize the capacity (lifespan) of the landfill, subject to environmental constraints, relative costs to operate, and stakeholder interests

Operation of the Cedar Hills landfill is significantly less expensive than the projected cost of closing the landfill and transitioning to full waste export. There are methods for extending the life of the landfill that could delay closure, keeping costs lower for the ratepayer as long as possible. A number of development scenarios were identified on the basis of preliminary engineering studies and costs in Milestone Report 4 (**Appendix X**, Chapter 4). It is important to note, however, that while it may be technically feasible to further develop certain portions of the landfill, regulatory permitting processes and community input could affect how practical some options would be to implement.

The calculated capacity of the landfill is defined as the volume of space available based on height, footprint, and slopes of the refuse cells, as defined in the *Cedar Hills Site Development Plan*. The capacity, or life, of the landfill is based on the amount of incoming solid waste and the density and consolidation of materials in the landfill over time. Both internal and external influences can affect overall landfill capacity. For example, successfully implementing more aggressive recycling programs and policies could add another year to the life of the landfill.

The 2001 Solid Waste Plan estimated that the Cedar Hills landfill would reach its permitted capacity in 2012. Based on incoming tonnage projections and the landfill density achieved to date (and expected in the future), it is currently estimated that the landfill will reach its permitted capacity in late 2015, three years beyond the earlier forecast. This extension is possible while staying within currently permitted constraints on the height and footprint of the site, and without encroaching upon the 1,000-foot buffer zone, which is the area between the active solid waste handling area and the boundary of the site. Figure 3 shows the current layout of the landfill. As the figure shows, Area 6 is the only currently active area at the landfill.

Figure 3. Layout of the Cedar Hills Regional Landfill



Scenarios for Extending the Life of the Landfill

The capacity or life of a landfill can be affected by a number of factors, including natural settling, operational procedures, and successful waste reduction and recycling programs and services.

Consistent with the recent reporting of nationwide trends, the natural settling of refuse, along with new operating practices, is extending the capacity of landfills more than previously anticipated (see more details in **Appendix X**, Milestone Report 4, Chapter 4). Refuse in landfills is simply settling more over time, resulting in more space available in each refuse area.

In addition, new landfilling methods continue to increase the life of the Cedar Hills landfill. Late in 2005, the division began using tarps over portions of the active fill area as alternative daily cover, rather than the previous daily application of six inches of compacted soil. The tarps are placed over a small portion of the active fill area at the close of daily operations and taken up at the next day's start of operations. Use of this alternative daily cover saves space and thereby extends the life of the landfill. Because the use of tarps is a pilot project that has only recently begun, the division is not yet able to calculate how much extra capacity this practice will add to the landfill.

Efforts to increase waste reduction and recycling would affect the tonnage reaching the landfill. Tonnage projections are based on forecasts using the current recycling rate of approximately 43 percent. A higher recycling rate is possible through more aggressive recycling programs, disposal bans on certain materials, and increased curbside recycling services. All of these options are under consideration by the division and will be explored in the update of the 2001 Solid Waste Plan. If the region could achieve a 60 percent recycling rate between 2009 and 2015, an additional 1.1 million tons of material would be diverted from the landfill, adding one year to the landfill's life.

The division has identified several scenarios (below) for extending the life of the Cedar Hills landfill. Each would entail a different level of additional engineering and environmental studies, permitting, and public involvement process to complete. The following scenarios could be implemented singly or in combination, depending on the results of more extensive study:

1. **Regrade Areas 5, 6, and 7 to the permitted elevation when Area 7 is close to capacity** – This scenario would use the projected airspace gained from the settlement of these refuse areas. It includes only refuse areas that have the type of bottom liners required by current regulations. Final cover on these areas would not be placed until they reach their permitted height. Changes in existing design criteria are not anticipated. This scenario is projected to add one year to the life of the landfill at no

additional cost to the ratepayer and would likely require minor modifications to the existing operating permits.

2. **Regrade Areas 2, 3, 4, and the Central Pit to the permitted elevation –** This scenario would fully utilize existing airspace gained from past settlement of these refuse areas. It considers only refuse areas that have bottom liners, but the bottom liners in these areas were installed under an earlier, less stringent set of regulations. This scenario may require addition of liners between the old cover and new garbage that are compliant with current regulations. Changes in existing design criteria are not anticipated. This alternative is projected to add up to two and one-half years to the life of the landfill and would require new construction and operating permits.
3. **Develop Area 8 –** Area 8 is currently used for stockpiling soil. This scenario would fully utilize the existing soil stockpile area for landfill development, which could include:
 - Maximizing the use of alternative daily cover
 - Some importing of soil
 - Acquiring and operating an offsite source for soil
 - Stockpiling soil over closed refuse areas
 - A combination of all four actions

This scenario is projected to add up to two and one-half years to the life of the landfill. It would require new operating permits and environmental review.

Each scenario described above involves costs to implement and assumes that landfill development and operating plan modifications will be approved by regulatory authorities. Offsetting the costs, however, are the savings realized by extending the life of Cedar Hills and delaying the move to waste export.

The resulting lifespan of the landfill under one or a combination of the scenarios above, and their associated savings when compared with the cost of waste export, are shown in Table 5.

Table 5. Net savings associated with scenarios for extending the life of the Cedar Hills landfill compared with full waste export

Scenario	Extension of Landfill Life	Savings Per Ton from Delaying Full Waste Export (present value) ¹	Total Savings through Landfill Closure Date (present value) ¹
Regrade Areas 5, 6, & 7	Through 2016	\$0.48	\$ 14,000,000
Regrade Areas 5, 6, & 7 plus Areas 2, 3, 4, & Central Pit	Through 2019	\$1.03	\$ 30,000,000
Regrade Areas 5, 6, & 7 and develop Area 8	Through 2019	\$1.75	\$ 51,000,000
Regrade Areas 5, 6, & 7 plus Areas 2, 3, 4, & Central Pit and develop Area 8	Through 2022	\$3.85	\$113,000,000

Note:

1. Present value is the dollar amount of savings in each year of additional landfill life adjusted to its equivalent value as of 2006 (at five percent interest).

Additional studies and an assessment of stakeholder interests will determine which of these or other scenarios would be most feasible.

Backup Landfill Capacity

Another issue associated with landfill capacity is backup storage in the event of a long-term emergency in the region, such as extended transportation interruption or catastrophic natural disaster. In general, there is limited backup capacity in western Washington. Neither Seattle nor Snohomish County has maintained backup capacity of their own, and both rely on their waste export contractors to provide backup to their primary hauling and disposal systems.

When interviewing local jurisdictions about their experiences exporting waste, a number of them spoke about the need for backup disposal capacity in this region. Exporting jurisdictions described the operational impacts of occasional rail service disruptions they have experienced and shared their concerns about what would happen if there were an extended problem. Everyone identified the Cedar Hills landfill as the best available option for long-term emergency backup for the Puget Sound region. Within each jurisdiction, short-term disruptions can be handled with the use of additional sealed containers.

The division plans to convene a working group of interested jurisdictions in 2007 to explore the feasibility of a cost-sharing arrangement to secure the needed backup capacity for the region's solid waste. A work program will be jointly developed to cover all of the aspects of a potential agreement.

OPTIONS FOR LONG-HAUL TRANSPORT

Recommendation: Because transportation costs fluctuate with fuel prices, the decision on long-haul transport of solid waste to a disposal facility by rail, barge, or truck will be made approximately five years before implementation of waste export; studies indicate that rail will likely be the most feasible method of transport

The division looked at rail, barge, and truck as possible modes of transport for the long-haul of solid waste once waste export begins (see **Appendix X**, Milestone Report 4, Chapter 5). Each option was examined for differences in travel time, reliability, and capital and operating costs.

There are currently at least five landfills in the western United States that could accept the county's solid waste (Table 6). All are accessible by railway and truck. Only one of the five, Finley Buttes, is currently accessible by barge. Two additional landfills, Eagle Mountain and Mesquite, are expected to open around 2010 and will be accessible by rail and truck.

Table 6. Landfill access in the western United States

Landfill Name/Location	Rail Access	Truck Access	Barge Access
Columbia Ridge Landfill Gilliam County, Oregon	Union Pacific	I-84	No
Roosevelt Regional Landfill Klickitat County, Washington	BNSF	WA SR 14	No
Finley Buttes Regional Landfill Morrow County, Oregon	Union Pacific	I-84	Yes
Simco Road Regional Landfill Elmore County, Idaho	Union Pacific	I-84	No
Herzog Environmental Inc. Mora County, New Mexico	BNSF Union Pacific	I-25	No
Eagle Mountain Landfill Riverside County, California	Union Pacific	I-10	No
Mesquite Regional Landfill Imperial County, California	Union Pacific	CA SR 78	No

Each mode of transport has distinguishing characteristics that help determine the most feasible and cost-effective transport option for exporting the county's solid waste. Table 7 illustrates the relative costs and merits of rail, truck, and barge transport options.

Table 7. Comparison of transport options

	Rail	Truck	Barge
Travel distance (one way) ¹	350 miles	260 miles	800 miles
Travel time (round-trip)	3 days	2 days	11 days
Minimum containers needed (not including spares or emergency backup capacity)	480	320	1,760
Number and frequency of transports	4 trains per week	160 trucks per day	2 to 3 barges per day
Minimum other equipment (not including spares)	3 to 5 locomotives per train Rail cars (120 wells per train)	320 trucks	30 custom barges plus short haul-trucks at destination
Facility needs	Intermodal facility	NA (would leave from transfer stations)	Intermodal facility with dock
Factors affecting system reliability and dependability	Rail service interruptions	Weather, road conditions	Lock closures, storm delays
Impact on competition	Limited to 2 rail providers, access to multiple landfills	Multiple transport providers	Limited to one landfill, more than one maritime provider
Impact on infrastructure	Negligible increase in overall rail traffic	Traffic and roadway congestion	NA
Relative capital costs	Medium	Medium	High
Relative operating costs	Low	High	Medium

Note:

1. The three closest landfills to King County are within 30 miles of each other on the Columbia River. Travel distance is estimated using the average distance to those landfills, but does not imply that is where the county's waste would be disposed.

At this time, it appears that rail transport is the most feasible option. Once the timeframe for waste export is decided, these study results will be reevaluated in the light of market conditions at that time.

INTERMODAL FACILITY

Recommendation: The decision on the need for and type of intermodal facility will be made no more than five years before waste export is implemented; the division will continue to monitor local intermodal capacity and retain the Harbor Island property as a potential option, while continuing to lease the property for other industrial uses

An intermodal facility is a location where cargo, in this case solid waste, is transferred from one mode of transportation to another. Sealed waste containers are trucked to an intermodal facility and lifted onto railcars or barges. The containers are transported to a landfill, emptied, and then hauled back to the intermodal site. The county will need to use an intermodal facility as part of its solid waste management system after the Cedar Hills landfill closes.

Approximately 850,000 tons of waste is currently exported annually from King County, consisting of the City of Seattle's solid waste stream and Seattle and King County's construction, demolition, and landclearing debris. When King County begins exporting its solid waste, approximately 2.3 million tons of waste will be exported from the county each year, an increase of 170 percent over current levels.

Reliable waste export depends on consistent, long-term intermodal handling capacity to move these volumes of waste. The *Business Case for a County-Owned Intermodal Facility*, published by the division in 2003, concluded that there is limited intermodal truck-to-rail capacity in the region and the prospects are for greater competition for this limited resource in the years ahead. However, Waste Connections has purchased Northwest Containers in South Seattle and expressed an interest in handling solid waste. In addition, the City of Seattle has plans to build an intermodal facility in south Seattle. Given recent and potential future changes in the market, the amount of intermodal capacity available when the county begins waste export will be determined as part of the procurement process for waste export services.

Because full export of King County's waste is at least nine years away, it is premature to decide whether the county is going to develop or contract for an intermodal facility and where it would be located. The Harbor Island property, purchased by the division in 2003 as a possible site for an intermodal facility, will be retained as a potential option. Until the time for a decision is closer, the division will continue leasing parts of the property for other industrial uses. If a decision is made to contract with the private sector for intermodal services, the Harbor Island property will be sold.

If the siting process for the new South County station results in the identification of a parcel capable of serving as both a full-service transfer station and

intermodal facility, such an option will be considered. South County is the only area where a newly planned station might have access to rail lines. If such a site is found, it would have the advantage of eliminating short-haul transport costs for that facility. As discussed earlier, however, siting a dual-purpose facility would require a siting process that considers environmental impacts, community interests, and cost. There is no requirement that the new South County station serve as both a transfer station and intermodal facility.

Milestone Report 4 (**Appendix X**) discussed three ownership/operation options for the intermodal facility:

- Public ownership and operation
- Public ownership and private (contracted) operation
- Private ownership and operation (contracted services)

The benefits and drawbacks of these options are described below.

Public Ownership and Operation

Benefits:

- A publicly owned and operated intermodal facility would provide the county with maximum flexibility to coordinate all elements of the county's solid waste system.
- The county would have guaranteed intermodal capacity under its exclusive control.
- The county would be in a better position to change its disposal arrangement if it is not tied to a long-term contract for intermodal facility operation.
- Future competition in the region could be encouraged by maintaining a public presence in all aspects of waste export and disposal.

Drawbacks:

- The county does not have any experience operating a truck-to-rail intermodal facility.
- The county would have the responsibility for siting the intermodal facility.
- The county would be responsible for the capital cost of the facility.
- The county would be responsible for the maintenance cost of the facility.
- The county would work directly with the serving railroads to negotiate long-term service contracts and to deal with day-to-day issues, such as delay in return of trains and containers.
- The county would have to arrange for backup service through other contracts if the primary train-haul system is disrupted.
- The county's union work rules would likely restrict the county's flexibility to work around unexpected fluctuations in workload at the facility compared to a private operator. For example, a private contractor might be more

able to shift its labor force and/or use contract labor to cope with changing work demands at the facility.

- Public-sector labor restrictions in Washington State could be an obstacle to privatizing the system in the future.

Public Ownership and Private Operation

Benefits:

- The county would have considerable flexibility to coordinate all elements of the solid waste system.
- The county would have guaranteed intermodal capacity under its exclusive control.
- The county would have the benefit of competitively bidding operating services and could expect this to keep costs down.
- The county could contract with an entity experienced in operating an intermodal facility.
- The county would benefit from a contractor's experiences in negotiations with the railroads.
- If operation of an intermodal facility is bundled with long-haul responsibility, the county could require the operating contractor to provide backup transportation and reserve containers in the event of a rail system disruption.

Drawbacks:

- If the Harbor Island site is not used, the county would have the responsibility for siting the intermodal facility unless it procured the facility under a design-build-operate (DBO) alternative delivery method that tasked the DBO contractor with siting responsibility.
- The county would have the responsibility for the capital costs of the facility unless it procured the facility under a design-build-own-operate-transfer (DBOOT) alternative delivery method that made the DBOOT contractor responsible for the capital cost. Under a DBOOT approach those costs would, however, be reflected in the cost of service.
- The county would be more likely to rely on a single, vertically integrated company to handle all aspects of waste export and disposal, which could discourage future competition in the region.

Private Ownership and Operation

Benefits:

- The county would avoid up-front capital costs of developing the intermodal facility. Those costs, however, would still be reflected in the cost of service to ratepayers.
- The county would not be responsible for siting of the intermodal facility.

- The county would expect the cost-competitive bundling of services between the intermodal facility operation and long-haul and disposal to drive down costs to the lowest possible level.
- If operation of the intermodal facility is bundled with long-haul responsibility, the county could require the operating contractor to provide backup transportation and reserve containers in the event of a rail system disruption.
- The contractor would have the responsibility for facility maintenance.
- The contractor would work directly with the serving railroad.

Drawbacks:

- The county would lack the guaranteed intermodal capacity under its exclusive control and could find itself without such service or access to the rail system in the future.
- The county would have much less flexibility to coordinate all elements of the solid waste system and would need to rely on contract terms to ensure that its interests and waste export needs are addressed.
- The county could very likely enable a single, vertically integrated company to handle all aspects of waste export and disposal, which could discourage future competition in the region.

As discussed above, the decision on the need for and type of intermodal facility will depend on several key decisions affecting waste export. An early decision could preclude other options that may become available in the future.

EARLY WASTE EXPORT – FULL OR PARTIAL (SENSITIVITY ANALYSIS)

Recommendation: Issue a Request for Proposals for partial export of approximately 20 percent of the waste stream beginning in 2010 while keeping the Cedar Hills landfill operating; use the actual bid price to determine if this option is more cost effective than disposal at the Cedar Hills landfill

At the currently projected disposal rate, the Cedar Hills landfill is expected to reach its permitted capacity and close in approximately 2015, at which time waste export could begin. There are, however, landfill practices and changes in disposal behaviors (such as increased waste reduction and recycling) that could extend the life of the landfill substantially.

At the request of MSWMAC, the division conducted a sensitivity analysis of three options for the timing of waste export:

1. *Full early export:* Cedar Hills is closed before reaching capacity and 100 percent of the county's solid waste is exported beginning in 2010.
2. *Partial early export:* Cedar Hills remains open and 20 percent of the county's solid waste is exported starting in 2010.
3. *Partial withdrawal:* 20 percent of the county's solid waste becomes part of another solid waste system in 2010.

Option 1 would increase the cost of disposal by approximately \$5.06 per ton. Option 2 would slightly increase the cost of disposal by approximately \$0.71 per ton. And Option 3 would increase costs by \$6.15 per ton, primarily due to the loss in revenue from a 20 percent decrease in disposal fees. The cost of a jurisdiction(s) leaving the county system before their Interlocal Agreement for disposal with the county expires in 2028 would be borne by that jurisdiction.

From the results of this analysis, Option 2 for partial waste export appeared to be only slightly more costly than current practices. In addition, partial waste export would extend the life of the landfill for approximately one year and defer the eventual increase in disposal fees that would occur with full waste export. Partial early export would also allow the division to test the disposal market before full waste export is implemented.

The division recommends issuing a Request for Proposals to implement partial export of approximately 20 percent of the county's solid waste stream beginning in 2010. A comparison of the bid prices with the cost of disposal at Cedar Hills will determine whether partial early export is the more cost-effective option.

NEXT STEPS

The division recognizes that the original intent of this Plan was to present recommendations for implementing waste export. However, in the course of the analyses it became evident that it was possible to extend the life of the Cedar Hills landfill well beyond previous projections. Because market conditions are continually changing, it seemed premature to make critical decisions involving procurement of waste export facilities and services until approximately five years before landfill closure. Decisions on waste export will be based on additional engineering studies, cost analyses, and stakeholder input.

When the planning process began, the cities requested that the transfer system network be analyzed as an integral part of the waste export system plan. As a result, the Plan focuses on upgrades to the transfer system and a timeline for decisions required to implement waste export. As the planning process continues, the final recommendations for implementing waste export will build upon the recommendations made in this Plan.

In the interim, the division will continue to collaborate with the SWAC, MSWMAC, ITSG, commercial solid waste haulers, King County Council staff, the division's labor union representatives, and division employees on the update of the 2001 Solid Waste Plan, which is scheduled for completion in 2007. It is also anticipated that additional interim reports on policy-related issues will be required during the development of the next solid waste plan and before out-of-county disposal is implemented.

The division, in collaboration with stakeholders, will determine what future reports will be needed in order to analyze the following issues:

- Waste Reduction and Recycling
- Lifespan of the Cedar Hills Landfill
- Disposal Options
- Long-Haul Transportation/Intermodal Issues

City of Kirkland

Revised Houghton Transfer Station Position Statement

Adopted by City Council on November 16, 2004

The County's relationship with cities is governed by the Solid Waste Interlocal Agreement, the Forum Interlocal Agreement, the King County 2001 Comprehensive Solid Waste Management Plan, and the King County Charter that establishes the Regional Policy Committee. City and County staff formed a working group in April, 2004 to determine County legislation for the County's Solid Waste Division waste export system plan. The result was King County Ordinance Number 14971 passed July 26, 2004 by the King County Council. Ordinance Number 14971 created a new Metropolitan Solid Waste Management Advisory Committee (MSWMAC) to facilitate ongoing communication between cities and the county on all solid waste management issues.

In August, 2004, King County passed the 2nd Quarter Capital Omnibus Ordinance which added a proviso that encumbers the \$1.7 million appropriation for replacing the 40-year old roof on the Houghton Transfer Station until a Memorandum of Understanding is executed between the City of Kirkland and King County agreeing to site mitigation.

CITY OF KIRKLAND POSITION – HOUGHTON TRANSFER STATION

Kirkland's goal is closure of the Houghton Transfer Station. Until such time as closure is accomplished, it is agreed that the station will remain open. Mitigation measures shall be taken by King County to transform the transfer station into a less objectionable neighbor. Kirkland reserves the right to require further mitigation if there is no measurable improvement from the mitigation measures. Kirkland reserves the right to require further mitigation if the transfer station remains open beyond 2014.

Kirkland shall work with King County to begin implementation of the following mitigation measures:

- Reduce solid waste at the Houghton Transfer Station to a maximum annual tonnage of 135,000 tons/year over a ten year period.
- Prohibit commercial waste haulers from passing Ben Franklin Elementary School (12434 NE 60th ST) and from using 122nd AVE NE, a neighborhood street, en route to or from Houghton Transfer Station.
- Prohibit any overnight parking of full or partially full trailers at the transfer station. The only exception would be the trailer located in the tipping area at the end of regular business hours.
- King County shall pay for equestrian/ADA compliant pathway construction on the north side of NE 60th ST from 116th AVE NE to 120th AVE NE.
- Shade existing luminaries that spill light into residential areas.
- Construct a sound barrier wall to mitigate noise from the transfer station into the residential neighborhood. Sound absorption material must be applied on the east side of the wall to avoid reflecting noise into the residential neighborhood to the east.
- Landscape around the Houghton Transfer Station to reduce the visual impacts of the solid waste facility. Landscaping shall be non-deciduous.
- King County shall honor the Comprehensive Solid Waste Management Plan policy RTS-3, which states: "The county should focus capital investment in part to expand, relocate, or replace, or any combination thereof, transfer stations when safety, efficiency, capacity, or customer services needs cannot be met by existing transfer facilities."
- Cities that host County transfer stations provide value to the entire region and should be provided opportunities for compensation.
- If there are legitimate safety concerns or operational efficiencies that mitigate the impacts of the operation of this facility on this neighborhood, such improvements should be made. However, no capital improvements to this facility should lead to increased capacity.



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MEMORANDUM

To: David Ramsay, City Manager

From: Tracy Burrows, Sr. Management Analyst

Date: August 25, 2006

Subject: Northeast King County Regional Public Safety Communications Center –
NORCOM Status Briefing

Recommendation: It is recommended that the City Council receive this update on the NORCOM project.

Background/Analysis:

The Northeast King County Regional Public Safety Communications Center (NORCOM) project was initiated by 5 cities (Kirkland, Mercer Island, Bellevue, Medina, Clyde Hill) and the Woodinville Fire and Life Safety District to explore the potential for a regional approach to police, fire and EMS dispatch in Northeast King County. An initial study completed in June 2004 found that there was considerable common ground among the jurisdictions regarding the benefits and challenges of pursuing the idea. Based on the strength of the findings of the 2004 study, the NORCOM initiative expanded to fourteen participating agencies, composed of cities and fire districts. This expanded group of participants recently completed an initial Business and Services Plan, including a model governance agreement, for a regional public safety communications agency.

The NORCOM initiative was motivated by the potential for a regional partnership that would consolidate the disparate dispatch services that currently serve the area. Fire and EMS dispatch services in North and East King County are currently provided through a contract with the City of Bellevue. Police dispatch is provided by 5 different cities. The King County Sheriff and Washington State Patrol also operate dispatch centers serving North King County. In other parts of the region (as well as other parts of the state and nation), dispatch services for both police and fire are commonly provided by a single regional entity. As articulated in the initial NORCOM needs assessment, the goals of regionalization are:

- ▶ Higher levels of service
- ▶ Increased efficiency
- ▶ Better interagency collaboration and interoperability
- ▶ Greater involvement by jurisdictions receiving service in operating, financial and governance decisions

The initial needs assessment further identified consensus that a regional dispatch agency should seek to provide:

- ▶ 9-1-1 call answering
- ▶ Police, fire and aid (Emergency Medical Service/Medic 1) dispatch
- ▶ Radio console maintenance and maintenance supporting computer platforms
- ▶ Strong operational linkage to a common wireless mobile data terminal (MDT) system.

Participants further agreed that these systems should be supported by an integrated Computer-Aided Dispatch/Records Management System (CAD/RMS), with additional study to determine the extent to which RMS services should be provided by the new agency.

Current Study Major Components

In March 2005, the City of Kirkland, on behalf of the participants in NORCOM, issued an RFP seeking a firm to develop the Business and Services Plan, including a model governance agreement. The RFP identified the following basic scope of work for 2005:

- ▶ Work with stakeholders to develop the operating values and principles for the development and operation of a regional dispatch agency;
- ▶ Develop governance options and facilitate discussions regarding the optimal governance model and level of service to be provided by such an agency, then draft an interlocal agreement to implement the optimal model; and
- ▶ Develop a business and services plan, to include:
 - an implementation strategy, including next steps;
 - projected staffing levels;
 - facility location options; and
 - an estimate of the cost of full implementation.

The Woodinville-based firm of ADCOMM Engineering, in partnership with Karen Reed Consulting LLC, was selected to perform this Phase II work.

A joint steering committee with representatives from each of the jurisdictions (including multiple participants from Kirkland and others representing different disciplines) was formed to provide input and direction to the study consultants. Through intensive participation of the agencies, particularly those with existing dispatch centers, the steering committee and multiple working committees developed the following products throughout the course of the study:

- ▶ Statement of operating values and principles
- ▶ Proposed governance interlocal agreement
- ▶ Proposed fee structure

- ▶ Services to be provided and service levels
- ▶ An administrative model
- ▶ Labor and employee relations considerations
- ▶ Facility location evaluation and recommendation
- ▶ Staffing plan
- ▶ Budget and cost scenarios
- ▶ Estimate of individual agency user fee charges
- ▶ Broad estimate of start up costs

The joint steering committee accepted the final report from ADCOMM and Karen Reed Consulting LLC at their meeting in early July. The executive summary is provided as an attachment to this memo. Below is a summary of some of the key conclusions:

Continued Interest:

- There is a desire among the steering committee participants to move to a partnership structure for delivery of public safety communications services, where agencies are owners of the service and make decisions jointly rather than the current contract model.

Governance:

- Governance of a new regionalized public safety communications agency should occur through creation of a separate legal entity governed by a board on which all principals/owners are represented with a proportional voting structure.
- Operating boards representing the police and fire/EMS disciplines would advise the board.

Cost and Service:

- In addition to the enhanced level of participation in decision making, there would be a number of operational benefits to a regionalized operation. The benefits should be balanced against the cost impact to individual agencies. Among the benefits are quicker 9-1-1 call receiving and dispatch times; enhanced coordination of police and fire response to major incidents; avoidance of future technology costs by those currently operating dispatch centers; transferring away management responsibilities; freeing up space for those agencies closing dispatch centers; and enhanced data sharing capabilities.
- A regional dispatch agency could provide a range of services and service levels including some that are currently provided individually such as records management.
- As compared to the total amount now being spent to provide dispatch through the existing centers, there are cost efficiencies achievable through a regionalized center.
- Current cost structures are not full cost recovery arrangements; therefore, moving to a full cost sharing partnership model will result in some cost shifting from current dispatch providers (primarily Bellevue) to the current customers.
- In order to minimize the fiscal impact of this large shift, the steering committee discussed

several cost transition strategies whereby fees for current customers are gradually ramped up over time to reflect the full cost of a partnership model. This would result in ramping up the cost savings to Bellevue over that same period.

- A fee structure discussed by the steering committee would share costs between police and fire/EMS on a 50/50 basis and would transition the cost shift over a ten year period to offset the increased costs for current customer agencies.

Location:

- To facilitate a near term start up of NORCOM, the Bellevue City Hall is likely the only viable option meeting all of the facilities criteria developed by the Committee. If the Bellevue City Hall site is pursued, it should be through a lease arrangement with Bellevue. In later years, depending on NORCOM growth, the current space allocated for Dispatch at Bellevue may need to be re-evaluated.

The preliminary recommendations primarily compare operating costs of the current dispatch centers with a regionalized center, assuming consolidation of two or more of the existing centers. The study shows that some efficiencies of scale are possible even with just two centers consolidating (Kirkland and Bellevue), but greater efficiencies are possible if a true regionalized agency is achieved. Some of the outstanding or unknown pricing components that may be associated with formation of a new regional agency are:

- ▶ Lease terms and conditions
- ▶ Cost to reimburse Bellevue for existing equipment
- ▶ Financial transition plan that will accommodate the need for a transition from current contract model to a full partnership model
- ▶ Technology costs to ensure computer aided dispatch system and mobile data systems provide full range of services to participants

Key Considerations for the City of Kirkland

The NORCOM Business and Services Plan demonstrates that there are efficiencies in regionalizing the police, fire and EMS dispatch functions of the agencies participating in NORCOM. The estimated annual operating costs for Phase I of NORCOM are less than the existing combined costs of the Bellevue and Kirkland dispatch operations, based on the proposed NORCOM staffing plan. However, the greatest challenge facing NORCOM is the prospect of significant shifting of costs from the current providers of dispatch services to the current dispatch customers.

Currently, Bellevue charges its dispatch customers on a rough marginal cost basis. Its dispatch center is a sunk cost—Bellevue must have a dispatch center to serve its own needs. The revenue from the contracts with Fire and EMS customers covers the marginal costs of providing the contracted services and helps defray a portion (but not all) of the sunk overhead costs. Likewise, Kirkland charges its customers based on the staffing costs of providing dispatch services, but this charge does not capture all of the overhead

costs of running a dispatch center. Kirkland benefits from this arrangement by higher level of service (in the form of back-up staffing) for its own dispatch operation.

As a stand-alone operation, NORCOM will be charging principals and customers based on their share of the costs of the overall operation – including dispatch staff and administrative overhead. For Kirkland, this translates into higher costs for fire dispatch as the City transitions from a contract model to a partnership model. However, police dispatch costs would be lower because the City would no longer operate a stand-alone dispatch center.

Overall, Kirkland’s total operating costs to participate in NORCOM will increase by approximately \$140,000 in the first year. This first year cost may vary depending upon the final agreement on the financial transition plan. Retained costs are the most obvious driver of this overall increase in costs. Retained costs are approximately \$800,000 in costs of the City’s current dispatch operation that will not be eliminated after NORCOM goes into operation. Absent these retained costs, the NORCOM option would result in an overall savings for the City of Kirkland. These retained costs break out as follows:

DIRECT RETAINED COST: Option 1: \$375,000 Option 2: \$350,000 - \$650,000	
Option 1: Records Staffing	Additional records staff needed to cover records work performed by dispatch staff during evening hours
Option 2: Jail Staffing	Additional jail staff who can also cover records work performed by dispatch staff during evening hours
REALLOCATED COSTS: \$425,000	
Dispatch Management	20% of Chief, Captain, and Admin Coordinator's time and 25% of Supervising Lieutenant's time
Central Overhead	Portion of central overhead assigned to the dispatch center: Finance, HR, city atty, city mgr, etc.
City Hall Space	1,000 SF of dispatch space
Insurance, Telephone	Portion of insurance and telephone costs that are assigned to the dispatch center.
TOTAL RETAINED COSTS: Option 1: \$800,000 Option 2: \$775,000 - \$1,075,000	

Direct Retained Cost

Approximately half of NORCOM's retained costs are attributable to the issues of police records and jail monitoring. Currently, the Kirkland dispatch staff are able to perform off-hours records functions and jail monitoring. If the dispatch staff were to move to NORCOM, the City would have at least two options to replace the functions that were previously performed by the dispatch staff. One option would be to hire off-hours records personnel to perform the required records functions and to monitor the jail at the level of service that is currently performed by dispatch staff. This would be at an expense of approximately \$375,000 annually and these costs have been included in the calculation of the overall Kirkland costs to participate in NORCOM.

The second option would be to address a long-standing need for improvement in jail operations by hiring off-hours jail personnel to perform the jail monitoring function. Depending on the structure and specific job duties of these positions, these jail personnel may also be also perform the required records functions. This would result in an overall increase in the level of service that the Police Department provides, because the jail would have increased monitoring and supervision. The cost of this option ranges from approximately to \$350,000 to \$650,000 depending on the level of jail supervision provided. The City is currently conducting a jail study to develop a recommended staffing level for this option and to identify whether it would be feasible to have the additional jail staff perform the required records functions.

Reallocated Costs

While the reallocated costs attributed to NORCOM have been included in the overall calculation of NORCOM's cost to Kirkland, this reallocation of resources does create operational opportunities that will result in benefits to Kirkland once NORCOM becomes functional.

Under NORCOM, Kirkland's current dispatch center would consolidate with the Bellevue Center. NORCOM operations would be managed by an Executive Director with high-level expertise in the communications field. The benefit of this management structure is that NORCOM will be a contemporary emergency communications center that is staffed with experts skilled and passionate about providing service. This means that NORCOM's customers – fire, EMS and police experts – would be able to focus on the work only they can do without needing to also be responsible for the supporting functions provided by emergency communications professionals.

Specifically for Kirkland, this means that a significant amount of police time that goes into the management of the dispatch center will be freed up to be put to use for direct law enforcement services. These resources may be able to be harnessed to accomplish some objectives in the Police strategic plan that would otherwise require new funding. Rather than considering these retained costs as part of NORCOM's cost, it may make sense to attribute them to the initiatives that will benefit from the move to NORCOM.

Likewise, the City Hall space that will be freed up with the NORCOM consolidation is defined as a retained cost that is attributable NORCOM. However, that space may have a higher value to the City in its new use, particularly in light of the Police Departments space needs.

Accounting for the benefits of additional police department space and the redeployment of high-level police resources to direct law enforcement tasks, then Kirkland's annual operational costs to participate in NORCOM would be roughly comparable to its current annual dispatch costs.

Next Steps

In September, staff will provide a presentation to the City Council covering the general areas of recommendation from the NORCOM study. As the Council considers the 2007-08 budget, staff will provide additional information about the proposed NORCOM transition budget and its cost implications to the City. The Steering Committee has identified a preliminary transition schedule that is contingent on participants providing this direction in the late Fall or early Winter. If there is a consensus to move forward, the actual transition to a regional agency would not likely occur until 2009, with a definitive go/no go decision by the City Council by the fall of 2007. During the transition work over the next year, the NORCOM team will be

working out the details of the financial transition plan, the technology transition costs, and any capital investment costs so that the City Council will have this critical information before making a definitive go/no go decision.

**BUSINESS AND SERVICES PLAN
PRELIMINARY RECOMMENDATIONS**

**NORTH EAST KING COUNTY
REGIONAL PUBLIC SAFETY
COMMUNICATIONS CENTER INITIATIVE**

PHASE II REPORT

July 13, 2006

COMMISSIONED BY:

City of Bellevue
City of Bothell
City of Clyde Hill
City of Issaquah
City of Kirkland
City of Medina
City of Mercer Island
City of Redmond
Eastside Fire and Rescue
King County (Fall City) Fire District 27
King and Kittitas Counties (Snoqualmie Pass) Fire District 51
Northshore Fire District
Shoreline Fire District
Woodinville Fire and Life Safety District

Prepared by:

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Seattle, WA 98126

kreedconsult@comcast.net
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**North East King County
Regional Public Safety
Communications Center Initiative
Phase II Report – Business and Services Plan
Preliminary Recommendations**

EXECUTIVE SUMMARY

Fourteen local jurisdictions in North and East King County – cities, fire districts and a public safety joint operating agency – commissioned this Phase II study to develop a governance interlocal agreement and business and services plan for a regionalized public safety communications agency. Phase I of the project – a needs assessment for the regional agency concept – was completed in 2004. Phase II work began in March 2005 and concluded in May 2006.

The Phase II effort was highly participatory. A Steering Committee composed of top management staff and/or chief executive officers from all participating jurisdictions met approximately monthly and made decisions to shape and move the project forward at every step. The Steering Committee was assisted by six Subcommittees composed of representatives from the participating jurisdictions together with an Executive Committee consisting of the chairs of the various Subcommittees. The City of Kirkland was lead agency for the project, which was jointly funded and managed under a joint powers agreement executed by all Participants. The number of participating agencies grew as the project progressed.

The key conclusions from Phase II are:

- Participants have a strong core of commonly held interests, values and principles with respect to the operation and governance of a regional public safety dispatch agency.
- Participants desire to move to a partnership structure for delivery of public safety communications services, where agencies are owners of the service operation and make decisions jointly. This is often described as seeking a governance model that provides a meaningful voice and vote for all member agencies. The Participants seek to move away from the current contract customer relationship for dispatch, in which a few dispatch operators provide services via contracts to many agencies.
- Governance of a new regionalized public safety communications agency should occur through creation of a separate legal entity formed as a nonprofit corporation whose members are public entities/agencies and governed by a board on which all “principals/owners” are represented.

- In addition to the enhanced voice and vote in management decisions attendant upon a move to a jointly-owned and operated agency, there are a number of operational benefits to a regionalized operation. The benefits should be balanced against the cost impact to individual agencies. Among the benefits are quicker dispatch times; avoidance of future technology costs by those currently operating dispatch centers; transferring away challenging management responsibilities to a new entity; freeing up of scarce office space (for those cities that would be closing their local dispatch operations); and enhanced data sharing capacities.
- A new regional dispatch agency could provide a range of services and service levels. There is agreement that the agency should provide 9-1-1 call intake and dispatch. There is not yet consensus amongst Participants regarding whether the agency should assume the operation of the trunked radio 800 MHz system for the area, or the extent to which public safety records management functions should be performed.¹ Agency operations could be structured in a variety of ways, depending on cost and service preferences of the member agencies. The longest lead-time issue is the selection, migration and implementation of computer-aided dispatch (CAD), mobile data terminal (MDT) and records management system (RMS) technologies. The greatest risks are the impact on existing stand-alone dispatch centers and their ability to retain qualified staff during the transition to a regional agency.
- As compared to the total amount now being spent to provide public safety dispatch to the Participants, there are cost efficiencies achievable through consolidation of the several existing stand-alone public safety dispatch operations serving North and East King County. These efficiencies can be achieved while maintaining and enhancing service levels.²
- Current cost structures—specifically, contracts between existing dispatch providers of Bellevue and Kirkland and their respective dispatch customers—are not full cost recovery arrangements. As a result, moving

¹ It was agreed that there should be one unified records management system (RMS) for police and one unified RMS for fire / EMS. What was not decided is where the systems should be located, how various police records-related duties would be managed and how to sort through the liabilities related to accuracy and timeliness of police records handling.

² Offsetting the efficiencies gained by consolidating dispatch centers are the ongoing costs which will be retained by some of the entities providing dispatch service. Bothell, Issaquah and Kirkland dispatch center employees also provide support monitoring jails and courtrooms, responding to public window inquiries after normal business hours, and accessing and updating police records. These functions will continue whether or not NORCOM is formed. The increased efficiency of a consolidated dispatch center comes from callers to 9-1-1 being served by a single call receiver for police, fire and EMS, rather than being transferred to a second call receiver as often happens if the call requires resources from more than one dispatch center.

from a “marginal cost”³ customer arrangement to a “full cost sharing partnership arrangement” called for by the consensus governance model involves significant cost shifting from current dispatch providers to current customers. To overcome the impact (fiscal and otherwise) of this large cost shift, the partners have discussed a variety of cost transition plans whereby fees for current customers are shared/gradually ramped up over time to reflect the full cost of a partnership model.

- Numerous user fee illustrations were developed. A possible fee structure includes sharing costs between police and fire/EMS on a 50/50 basis and Bellevue contributing some of its savings over a ten year period to offset increased costs for other Participants. The first year total cost for Participants, should this fee structure be adopted, would be \$6.9 million compared to the existing cost of \$8.3 million.⁴

While the work to date has addressed many questions, many matters remain unresolved. What is essentially proposed by this effort is a transition in public safety dispatch operation – a transition from customer arrangements to a jointly owned and operated agency. Whether this transition can be accomplished depends on a number of decisions that have yet to be made (such as staffing configurations or selection of technology) and inputs that have yet to be priced that will have significant impact on the financial realities of dispatch regionalization.

In the category of unknown pricing components, the major near-term challenge is for the Participants to work with Bellevue – as the likely lessor of facility space to a new regional dispatch agency – to determine:

- Lease terms and conditions under which a new regional dispatch agency will lease space in the City Hall. Means must be found to ensure the new agency is able to operate as a stand-alone entity within the Bellevue City Hall location, appropriately segregated from the City’s other systems.
- The cost to reimburse Bellevue for equipment currently owned by Bellevue for its dispatch operation that would be transferred to the new agency.

³ An agency providing emergency communications service has a cost to serve its own users. In this report, the additional amount to serve other users is described as the *marginal cost*. The characterization of the current dispatch service contracts as involving marginal cost arrangements does not bind the participants in upcoming negotiations on the extension of dispatch services to endorse this characterization and is not intended to suggest that future dispatch service contracts (or extensions or amendments of current contracts) will or will not include marginal cost arrangements.

⁴ The user fee illustration of \$6.9 million assumes 19 agencies participate and all administrative support provided by NORCOM and a staffing configuration which includes a supervisor present at all times and 20% employee turnover.

- The financial transition plan that will accommodate the need for a transition user fees from the current marginal costs paid by customers to the full cost approach appropriate to a jointly owned and managed agency.

These items have significant impact on the economics of the project. Given Participant budget cycles, completion of these tasks would ideally occur between June and August 2006 in order that the project may proceed without undue delay and loss of momentum.

The work on Phase II by all Participants created an environment of cooperation and increasing trust. The strong commonality in goals, principles and values regarding a regional dispatch agency was, and remains, a very strong foundation from which to proceed towards implementation if the Participants so choose. Indeed, given the effort over the last two years, and the vision that the group has together created for the future, it is difficult to imagine the Participants walking away from the regional agency concept and returning to an acceptance of current contracting arrangements.

While the challenges of moving ahead should not be underestimated, the value achievable in governance and public safety remain sound and worthy objectives.

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Draft NORCOM Transition Schedule

8/25/2006

ID	Task Name	Start	Finish	2006												2007												2008												2009	
				Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb					
1	Participants Define General Terms of Participation	6/9/2006	8/31/2006	██████████																																					
2	Work Toward Developing Agreement on Terms with Bellevue	8/1/2006	12/29/2006	██████████																																					
3	Define Technology Requirements	8/1/2006	3/1/2007	██████████																																					
4	Complete ILA	1/1/2007	3/30/2007													██████████																									
5	RFP for Technology Vendors	3/8/2007	6/29/2007													██████████																									
6	Selection of Technology	7/2/2007	9/28/2007													██████████																									
7	Initiate Employee and Labor Union Negotiations with Existing Unions	9/28/2007	9/25/2008																									██████████													
8	Technology Implementation	10/1/2007	2/27/2009																									██████████													
9	Executive Director Selection	10/1/2007	12/28/2007																									██████████													
10	Appoint Governing Board and Service Boards	10/1/2007	12/28/2007																									██████████													
11	Define Service Protocols	1/7/2008	8/5/2008																									██████████													
12	Develop NORCOM Budget	3/17/2008	8/15/2008																									██████████													
13	Hire NORCOM Staff	6/16/2008	12/31/2008																									██████████													
14	Begin NORCOM Operations	1/1/2009	2/27/2009																																					██████████	



CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager **QUASI-JUDICIAL**

From: Paul Stewart, Deputy Director
Tony Leavitt, Planner

Date: August 24, 2006

Subject: SKINNER SCHNEIDER REASONABLE USE APPLICATION, ZON05-00033

RECOMMENDATION

Consider the reasonable use application and direct staff to return to the September 19th, 2006 Council meeting with a resolution to:

- a. Grant the application as recommended by the Hearing Examiner; or
- b. Modify and grant the application; or
- c. Deny the application.

In the alternative, direct that the application be considered at a reopening of the hearing before the Hearing Examiner and specify the issues to be considered at the hearing.

The City Council may, by a vote of at least five members, suspend the Council rule of procedure which provides that the Council consider a Process IIB application at one meeting and vote on the matter at the next. A resolution reflecting the recommendation of the Hearing Examiner is enclosed.

RULES FOR CITY COUNCIL CONSIDERATION

The City Council shall consider the reasonable use application based on the record before the Hearing Examiner and the recommendation of the Hearing Examiner. Process IIB does not provide for testimony and oral arguments. However, the City Council in its discretion may ask questions of the applicant and the staff regarding facts in the record, and may request oral argument on legal issues.

BACKGROUND DISCUSSION

The application is a request for approval of a reasonable use permit to allow construction of one single-family residence on the subject property (see Enclosure 1, Exhibit A). The proposal includes demolishing the existing residence and construction of a new residence (approximately 2,681 square feet in size) and detached garage structure (approximately 1,414 square feet in size). The proposal would impact approximately 6,882 square feet of a Type I wetland buffer. The applicant has proposed restoring approximately 10,095 square feet of the wetland and wetland buffer east of the proposed residence.

The Hearing Examiner conducted a public hearing for the proposed project on July 6, 2006 (see Enclosure 2). Staff recommended that the application be approved subject to conditions outlined in the Staff Advisory Report (see Enclosure 1, Exhibit A). At the public hearing, Staff recommended that the Hearing Examiner continue the hearing in order to provide additional public notice of a front yard setback reduction that Staff was recommending as a condition of approval. The Hearing Examiner concurred and held the record open through July 27, 2006 in order to receive additional public comments.

Based on the record established at the hearing and the testimony by parties at the hearing, the Hearing Examiner recommended approval of the application on August 7th (see Enclosure 1). The Hearing Examiner's recommendation of approval includes the following amendments to the conditions recommended by Staff (Enclosure 3 illustrates the recommended site plan changes):

- Condition 2: In order to provide additional wetland buffer width, the improvements shall be shifted closer to the front property line and the required front yard setback shall be reduced from the required 20 feet to 16 feet.
- Condition 4.c: Relocate the proposed garage to 16 feet from the west property line.
- Condition 4.d: Reduce the depth of detached garage structure from the proposed 32 feet to 28 feet.

Additional materials pertaining to this application are available in the official file in the Planning Department.

ENCLOSURES

1. Hearing Examiner Recommendation and Exhibits
2. Hearing Examiner Meeting Minutes (July 6, 2006)
3. Diagram of Hearing Examiner's Recommended Site Plan Changes

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

APPLICANTS: Heather Skinner and Shawn Schneider

FILE NO.: ZON05-00033

SITE LOCATION: 9118 126th Avenue NE

APPLICATION: A request for approval of a reasonable use permit to allow construction of one single-family residence within a wetland buffer. The proposal includes demolition of the existing residence, and construction of a new residence and a detached garage structure.

REVIEW PROCESS: Process IIB, Hearing Examiner conducts public hearing and makes recommendation; City Council makes final decision.

SUMMARY OF KEY ISSUES: Compliance with reasonable use and zoning code decisional criteria

Shifting the improvements closer to the front property line, reducing the front yard setback

Relocating proposed garage to 14 feet from the west of the property line, and reducing garage depth from 32 to 20 feet

Eliminating proposed two-story bay window at the rear of the proposed residence

SUMMARY OF RECOMMENDATIONS:

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

PUBLIC HEARING:

After reviewing the Department of Planning and Community Development Advisory Report, the Hearing Examiner held a public hearing on the application. The hearing commenced at 9 a.m. on July 6, 2006, in City Council Chambers, City Hall, 123 Fifth Avenue, Kirkland, Washington. A verbatim recording of the hearing is available in the City Clerk's Office. The minutes of the hearing and the exhibits are available for public inspection in the Department of Planning and Community Development.

The record was held open through July 27, 2006, to allow additional time to receive public comments on a proposed condition that would reduce the required 20-foot front yard setback by 9 feet.

The following persons spoke at the public hearing:

From the City:

Tony Leavitt, Project Planner

From the Applicant:

Heather Skinner, Applicant

Shawn Schneider, Applicant

Steve Winter, Adolfson and Associates

From the Community:

Jeff Trager

CORRESPONDENCE:

The following persons submitted written comments on this application during the post-hearing public comment period, which ran through July 27, 2006.

Heather Skinner and Shawn Schneider

Dr. Matthew L. Saxton

Jeff Trager and Kaylee Nilan

Jack Teague and Christene Teague

Judy and Daniel Klein

Kevin Nooney and Liz Ottavelli

Clarence and Sandra Stone

Kurt Fisher

Two letters were received after the close of the comment period and are not part of the record: a letter from Scott Caldwell and Kerry Ledgerwood, and an emailed copy of a letter from Jeff Trager, which appears to be a duplicate of a letter already submitted by Mr. Trager.

FINDINGS, CONCLUSIONS AND RECOMMENDATION

After considering the evidence in the record and inspecting the site, the Hearing Examiner enters the following findings of fact and conclusions:

A. Findings:

1. The Findings of Fact set forth at pages 3-12 of the Department's Advisory Report (Exhibit 1), are adopted by reference as part of the Hearing Examiner's Findings, except as revised below.

2. As noted in the Advisory Report, a Type I wetland (palustrine emergent and forested) occupy the eastern two-thirds of the site, and remainder of the site is within the 100-foot buffer area. The applicants currently reside in the existing 840-square foot house on the site, which was constructed in 1919. The applicant's back yard space, which is largely within the emergent wetland area, was likely established some time ago as lawn area. At this time, the applicants use the back yard area for typical residential activities, i.e., storage shed, raised garden beds, and children's play area (see photographs in Attachment 6 of Exhibit A).

3. The applicants propose to construct a new house and a detached garage with a combined footprint of 2,435 square feet. Thus, it represents an increase of 1,595 square feet over the footprint of the existing house. The footprint of the new house would be 1,603 square feet. The detached garage would have a footprint of 832 square feet and would be located on the footprint of the current house. The total square footage of the house would be approximately 2,680 square feet; the garage would be 1,400 square feet. The applicants propose to reside in their existing house during construction of the new house, after which time they will demolish the older structure and construct the garage on the site of the old house.

4. Under the subject proposal, the applicants will essentially give up their current use of the existing back yard area of the property. They would remove the shed and raised beds, and would move the north-south section of the existing fence to demarcate the wetland buffer from the wetland area. The wetland area as well as all other portions of the wetland buffer would be placed under a Natural Greenbelt Protective Easement (NGPE) to protect the buffer and wetland areas in perpetuity. The applicants have submitted a mitigation plan to restore or enhance approximately 10,095 square feet of wetland and wetland buffer. The City's wetland consultant, The Watershed Company, has reviewed the plan and its recommendations are included in the Department's recommended conditions.

5. The Advisory Report notes that the total impact to the wetland buffer would be approximately 6,882 square feet, although it is not clear from the record how many square feet of wetland buffer are already affected by the existing improvements at the property.

6. In order to provide additional public notice and an opportunity to comment on the reduction of the front yard setback recommended by the Advisory Report, additional notice was published, and the record was held open through July 27, 2006, for submission of written comments to the Hearing Examiner.

Hearing Examiner Recommendation

File No. ZON05-00033

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7. A reasonable use permit was granted to the residence located at 9206 126th Avenue NE (north of the subject property) in 1999. The approved design was for a house with a footprint of approximately 2400 square feet, and included a 20-foot front yard setback.

8. The applicants have agreed to amend their proposal to conform to most of the conditions proposed by the Department. They have agreed to use pervious surface for exterior hard surfaces, have reduced the sizes of the proposed driveway, porch area and patio, will observe a 10-foot building setback line from the structure's foundation, and have agreed to the recommended changes to the mitigation plan.

9. However, the applicants oppose the recommendation to shift the improvements to within 11 feet of the front property line. The applicants instead request to move the improvements to within 16 feet of the front property line. The applicants note that they will lose some use of their backyard area and therefore want to retain some useable front yard area. The applicants also note that the house immediately to the north (at 9206 126th Avenue NE) was granted reasonable use approval in 1999 with a 20-foot front yard setback.

10. The applicants propose to move the garage to within 16 feet of the property line, rather than 14 feet as recommended. The applicants also disagree with the Department's recommendation to reduce the proposed garage depth from 32 feet to 20 feet. The applicants instead propose reducing the garage depth to 28 feet. The applicants are concerned that a 20-foot garage is not sufficient depth, and they wish to have some storage area in the garage, since they will be removing an existing storage shed from their backyard (which is located in the wetland).

11. The applicants disagree with the proposed elimination of the two-story bay window at the rear of the proposed residence. The applicants also note that the property to the north received approval for a bay window on the east side of the property.

12. The Hearing Examiner received several written comments on the reduction of the front yard setback. All of the comment letters supported the applicants' proposal, and were opposed to imposing a condition on the proposal that would require the reduction of the front yard setback.

B. Conclusions:

1. The conclusions set forth in the Department's Advisory Report at pages 4-12 are adopted by reference as part of the Hearing Examiner's recommendation, except as noted below.

2. Reasonable use requests must be evaluated against the criteria in KZC 90.140. The first criterion would be met by this application, since no other permitted type of land

use for the property would have less impact on the sensitive area and buffer than would the proposed single family use.

3. The other criteria to be considered are whether there is an on-site alternative that is feasible and reasonable, and whether the proposal would result in the minimum feasible alteration of or impairment of the wetland and wetland buffer. In considering whether this proposal meets these criteria, it is important to note the current uses already established at this property. The existing house and lawn/yard spaces are already located in the wetland buffer and the emergent wetland area, but some uses would be removed from the wetland and buffer as a result of the proposal.

4. The record provided in this case supports the conditional approval recommended by the Department. The removal of the shed and cessation of other uses currently occurring in the back yard, the reduction in size of the proposed improvements, and the smaller front yard setback, will all reduce the proposal's impacts to the wetland and buffers. However, some modifications to the conditions are appropriate in light of some of the information received at the hearing and the comments received after the hearing. The front yard setback for the house and the garage should be reduced from 23 feet to 16 feet, rather than 11 feet, in order to retain usable yard space, given the loss of the current back yard area for active use. A 16-foot setback would also maintain a slightly greater distance between the garage and the sidewalk for purposes of ensuring pedestrian safety. Reducing the depth of the garage from 32 feet to 28 feet, rather than 20 feet, is reasonable in this case. The garage will be shifted seven feet west to preserve wetland buffer area, and the applicants propose to use the garage structure for storage as well, since they are removing the shed and planted areas from their backyard.

5. The Department has also recommended elimination of the proposed bay window on the east side, as a way to reduce the size of the project. The applicants have requested the bay window as a design feature that will allow them to passively enjoy the wetland and buffer area on their property. In light of other proposed conditions that will reduce the impacts to the wetland and its buffer, it does not appear necessary to deny the proposed bay window in order to approve the application. This condition should therefore be deleted.

C. Recommendation:

Based upon the foregoing findings of fact and conclusions, approval of the application is recommended, along with all of the Department's recommended conditions, set forth in Exhibit A, pages 2-3, except that the following recommendations set forth at I.B should be amended as follows:

Condition 2: In order to provide additional wetland buffer width, the improvements shall be shifted closer to the front property line and the required front yard setback shall be reduced from the required 20 feet to ~~11~~ 16 feet.

Condition 4:

- c. *Relocate the proposed garage to ~~44~~ 16 feet from the west property line*
- d. *Reduce the depth of detached garage structure from the proposed 32 feet to ~~20~~ 28 feet.*

Condition 4.f: is deleted.

EXHIBITS

The following exhibits were offered and entered into the record:

Exhibit A: Planning and Community Development Staff Advisory Report

Attachments:

1. Vicinity Map
2. Development Plans
3. Development Standards
4. Email from Jeff Trager
5. Email from Kurt Fisher
6. Statement of Compliance with KZC 90.140 prepared by Adolfsen Associates dated December 2005
7. Revised Mitigation Plan Memo prepared by Adolfsen Associates, dated May 8, 2006
8. The Watershed Company Review Letter, dated June 7, 2006
9. RSX Use Zone Chart
10. Interim Ordinance 3742
11. North Rose Hill Neighborhood Land Use Map

Exhibit B: Applicants' memo to Kirkland Hearing Examiner dated July 6, 2006

Exhibit C: Applicants' Response to Advisory Report Recommendations, dated July 6, 2006

Exhibit D: Comments received during second comment period (see "Correspondence" section above)

In addition to the above exhibits, the Hearing Examiner took official notice of the Hearing Examiner's Findings, Conclusions and Recommendation in a 1999 recommendation on an application for reasonable use by Jim Gartland and Carol Cobb, File IIB-98-110.

PARTIES OF RECORD

Heather Skinner and Shawn Schneider, 9118 126th Avenue NE, Kirkland, WA 98033
Jeff Trager and Kaylee Nilan, 9214 126th Avenue NE, Kirkland, WA 98033
Kurt and Cindy Fisher, 9206 126th Avenue NE, Kirkland, WA 98033
Clarence and Sandra Stone, 9115 126th Avenue NE, Kirkland, WA 98033

Jack Teague and Christene Teague, 9209 126th Avenue NE, Kirkland, WA 98033

Judy and Daniel Klein, 9205 126th Avenue NE, Kirkland, WA 98033

Dr. Matthew Saxton, 9125 126th Avenue NE, Kirkland, WA 98033

Kurt Fisher, no address

Kevin Nooney and Liz Ottavelli, no address

Department of Planning and Community Development

Department of Public Works

Department of Building and Fire Services

Entered this 7th day of August, 2006, per authority granted by KZC 152.70. A final decision on this application will be made by the City Council.



Anne Watanabe
Hearing Examiner

CHALLENGES AND JUDICIAL REVIEW

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

CHALLENGE

Section 152.85 of the Zoning Code allows the Hearing Examiner's recommendation to be challenged by the applicant or any person who submitted written or oral comments or testimony to the Hearing Examiner. A party who signed a petition may not challenge unless such party also submitted independent written comments or information. The challenge must be in writing and must be delivered, along with any fees set by ordinance, to the Planning Department by 5:00 p.m., August 18, 2006, seven (7) calendar days following distribution of the Hearing Examiner's written recommendation on the application. Within this same time period, the person making the challenge must also mail or personally deliver to the applicant and all other people who submitted comments or testimony to the Hearing Examiner, a copy of the challenge together with notice of the deadline and procedures for responding to the challenge.

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

Hearing Examiner Recommendation

File No. ZON05-00033

Page 8 of 8

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

JUDICIAL REVIEW

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

LAPSE OF APPROVAL

Under Section 152.115 of the Zoning Code, the applicant must submit to the City a complete building permit application approved under Chapter 152, within four (4) years after the final approval on the matter, or the decision becomes void; provided, however, that in the event judicial review is initiated per Section 152.110, the running of the four years is tolled for any period of time during which a court order in said judicial review proceeding prohibits the required development activity, use of land, or other actions. Furthermore, the applicant must substantially complete construction approved under Chapter 152 and complete the applicable conditions listed on the Notice of Approval within six (6) years after the final approval on the matter, or the decision becomes void.

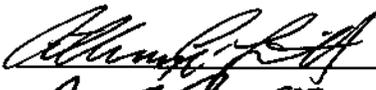


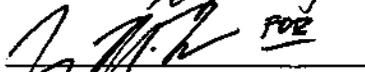
CITY OF KIRKLAND

Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225
www.ci.kirkland.wa.us

**ADVISORY REPORT
FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

To: Kirkland Hearing Examiner

From:  Tony Leavitt, Project Planner

 Eric R. Shields, AICP, Planning Director

Date: June 29, 2006

File: ZON05-00033, SKINNER/SCHNEIDER REASONABLE USE REQUEST

Hearing Date and Place: July 6, 2006 at 9:00 a.m.
City Hall Council Chamber
123 Fifth Avenue, Kirkland

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CITY OF KIRKLAND
Hearing Examiner Exhibit

Applicant ADMITTED
Department DENIED
FILE # _____

A

I. **INTRODUCTION**

A. **APPLICATION**

1. Applicant: Heather Skinner and Shawn Schneider, Property Owners
2. Site Location: 9118 126th Avenue NE (see Attachment 1)
3. Request: A request for approval of a reasonable use permit to allow construction of a single-family residence within a wetland buffer (see Attachment 2). The proposal includes demolishing the existing residence and construction of a new residence (approximately 2,681 square feet in size) and detached garage structure (approximately 1,414 square feet in size). The proposal would impact approximately 6,882 square feet of a Type I wetland buffer. The applicant has proposed restoring approximately 10,095 square feet of the wetland and wetland buffer east of the proposed residence.
4. Review Process: Process IIB, Hearing Examiner conducts public hearing and makes recommendation; City Council makes final decision.
5. Summary of Key Issues and Conclusions: Compliance with Reasonable Use and General Zoning Code Decisional Criteria (see Section II.E & II.F).

B. **RECOMMENDATIONS**

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

1. This application is subject to the applicable requirements contained in the Kirkland Municipal Code, Zoning Code, and Building and Fire Code. It is the responsibility of the applicant to ensure compliance with the various provisions contained in these ordinances. Attachment 3, Development Standards, is provided in this report to familiarize the applicant with some of the additional development regulations. This attachment does not include all of the additional regulations. When a condition of approval conflicts with a development regulation in Attachment 3, the condition of approval shall be followed.
2. In order to provide additional wetland buffer width, the improvements shall be shifted closer to the front property line and the required front yard setback shall be reduced from the required 20 feet to 11 feet.
If the Hearing Examiner concurs, the hearing should be continued in order to provide additional public notice of a front yard setback reduction (see Conclusion II.E.3).
3. The proposed second story "bump-out" on the front façade should be allowed within the required front yard setback (see Conclusion II.E.3).
4. As part of a building permit application, the applicant shall incorporate the following items into the development plans:
 - a. Reduce the width of the front porch to 4 feet by eliminating the ell portion of the porch (see Conclusion II.E.3).
 - b. Reduce the width of the proposed driveway from 24 feet to 20 feet (see Conclusion II.E.3).

- c. Relocate the proposed garage to 14 feet from the west property line (see Conclusion II.E.3).
- d. Reduce the depth of detached garage structure from the proposed 32 feet to 20 feet (see Conclusion II.E.3).
- e. ~~Reduce the width of the proposed porch to 4 feet by eliminating the ell portion of the porch (see Conclusion II.E.3).~~ SAME AS CONDITION A
- f. Eliminate the proposed two-story bay window on the rear of the proposed residence (see Conclusion II.E.3).
- g. Revise the 10 foot buffer setback to measure from the structure's foundation (see Conclusion II.E.3).
- h. Revise the proposed patio to ensure that it does not extend more than 5 feet into the 10 foot buffer setback (see Conclusion II.E.3).
- i. Submit a revised mitigation plan that incorporates the recommendations of The Watershed Company as outlined in Attachment 8 and consistent with Kirkland Zoning Section 90.145 (see Conclusion II.E.4).
- j. Submit plans showing that all exterior hard surfaces (driveways, patios, walkways, etc.) will be constructed of pervious concrete or another comparable substance as approved by the Planning Department (see Conclusion II.E.4).
- k. Submit for recording a Natural Greenbelt Protective Easement (NGPE) over all wetland and wetland buffer areas not impacted by the proposed development (see Conclusion II.E.4)

II. FINDINGS OF FACT AND CONCLUSIONS

A. SITE DESCRIPTION

1. Site Development and Zoning:

a. Facts:

- (1) Size: 35,000 square feet (0.80 acres) according to a survey submitted by the applicant.
- (2) Land Use: The subject property contains an existing single family residence approximately 840 square feet in size. The subject property also contains a lawn, a shed, and raised garden beds within the delineated wetland.
- (3) Zoning: RSX 7.2, a single-family, low density residential zone with a minimum lot size of 7,200 square feet.
- (4) Terrain: The subject property is relatively flat with a slight decline in elevation from west to east.
- (5) Vegetation: The wetland portion of the property is largely covered with Himalayan blackberry, grasses, red alder, willow species, Douglas spiraea, and salmonberry. A large hedge exists on the western edge of

the property that screens the property from 126th Avenue.

- (6) Hydrology: The subject property is completely covered by a Type 1 wetland and its associated buffer (see Attachment 2). Additionally a Class A Stream exists on the very eastern edge of the subject property.
 - b. Conclusions: The combination of the hydrology and vegetation on the subject property are relevant factors in this reasonable use permit application. Due to the fact that the sensitive areas and buffers cover 100 percent of the subject property, no buildable area exists on the subject property without allowing disturbance of a portion of the wetland buffer.
2. Neighboring Development and Zoning:
 - a. Facts: All surrounding properties are zoned RSX 7.2 and contain single family residences.
 - b. Conclusion: The proposed single-family residence is compatible with neighboring developments.

B. HISTORY

1. Facts: The subject property is comprised of Lot 8, Block 39, Burke and Farrar's Kirkland Addition, Division 14 which was recorded on July 11, 1911, when the property was within the jurisdiction of King County. According to the applicant and King County Assessors' Records, the existing residence was constructed in 1919.
2. Conclusion: The subject property is a legal building site which was created on July 11, 1911. The applicant must meet all of the criteria of the zoning regulations which came into effect after the creation of the lot. History is not a constraining factor in the consideration of this application.

C. PUBLIC COMMENT

The public comment period ran from February 2nd to February 24th, 2006. Two letters of support (see Attachment 5 and 6) were received during this time frame.

D. STATE ENVIRONMENTAL POLICY ACT (SEPA)

The project is Categorically Exempt from SEPA Requirements and as a result is exempt from Concurrency Review.

E. REASONABLE USE APPROVAL CRITERIA

1. Approval Criteria of a Reasonable Use Application
 - a. Facts: Zoning Code Section 90.140 establishes three decisional criteria by which the decision maker shall determine whether or not application of Chapter 90 will deny reasonable use of the property, and whether the proposed use and activities are a reasonable use of the property. The applicant's response to the criteria is included as Attachment 6. Additionally the applicant submitted a Revised Mitigation Plan dated May 8, 2006 (see Attachment 7). The City's wetland consultant, The Watershed Company, has reviewed and commented on the applicant's proposal (see Attachment 8). Sections 2 through 4, below contain the staff's findings of fact and conclusions based on these three criteria.

There are two additional criteria that the decision maker must consider in determining whether application of this chapter will deny reasonable use of the property. Sections 5 and 6, below, contain the staff's findings of fact and conclusions based on these two additional criteria.

- b. Conclusions: Based on the following analysis and with the recommended conditions of approval, the application meets the established criteria for approving a reasonable use application.
2. Criterion 1: There is no permitted type of land use for the property with less impact on the sensitive area and the buffer is feasible and reasonable.
 - a. Facts:
 - (1) The subject property is located within the RSX 7.2 zone. This is a low density residential zone that allows the following land uses to be considered on the subject property, providing that all criteria (process, setbacks, special and general regulations, etc.) are met: detached dwelling unit, church, school or daycare center, mini school or day care center, golf course, public utility, government or community facility, or public park (see Attachment 9).
 - (2) One single-family residence generates the least intensive impact on the subject property.
 - (3) The applicant has proposed construction of one single-family residence with a detached garage structure. The site plan indicates that there is a minimum 10-foot setback from the wetland buffer enhancement area. This should provide adequate maintenance access to the house without encroaching into the wetland and buffer mitigation area.
 - b. Conclusion: The proposed single family residence is the least intensive use. There is no other permitted land use for the subject property that would have a lesser impact on the wetland and associated buffer.
 3. Criterion 2: No on-site alternative to the proposal is feasible and reasonable, considering possible changes in site layout, reductions in density and similar factors.
 - a. Facts:
 - (1) A Type 1 wetland is located on the eastern two-thirds of the subject property (see Attachment 2). The required 100 foot buffer from the wetland's edge occupies the remaining one-third of the subject property.
 - (2) The proposed location of the residence is completely outside of the wetland. However, the proposed improvements will be located entirely within the wetland buffer. This will result in a total impact to the wetland buffer of approximately 6,882 square feet. The proposed residence would be, at the closest point, approximately 17 feet from the edge of the delineated wetland.
 - (3) The footprint of the proposed residence is 1,603 square feet, including a 123 square foot covered entry porch (see Attachment 2). The footprint of the proposed detached garage is 832 square feet. The total footprint for both proposed structures is 2,435 square feet.

- (4) The proposed impervious area is approximately 3,450 square feet (walkways, driveway, patio and structure footprints).
- (5) The total floor area for the proposed residence and garage is approximately 4,095 square feet. The gross floor area for the structures, for the purposes of calculating the floor area ratio, is approximately 3,812 square feet. The floor area ratio for the subject property would be approximately 10.7%.
- (6) The residence to the north of the subject property, at 9206 126th Avenue NE, was approved as part of a reasonable use application in April of 1999. The approval of this application included the following elements:
 - Sensitive Area Disturbance of 6,200 square feet
 - Total Footprint of 2,400 square feet
 - Impervious Area Maximum of 2,675 square feet
 - Total Floor Area of approximately 3,180 square feet
- (7) The applicant is proposing a 23 foot front yard setback for the new residence and a 4 foot wide front porch with an ell portion that extends up to 7 feet in this setback (see Attachment 2). Additionally, the applicant is proposing a 1 foot by 14 foot "bump out" on the second story of the front façade.
- (8) The Kirkland Zoning Code requires a 20 foot front yard setback from NE 126th Avenue. Kirkland Zoning Code section 115.115.3.n allows a one-story front porch to extend up to 7 feet into this required front yard setback yard.
- (9) In May of 2001, the City's Hearing Examiner approved a variance to allow the reduction of the required front yard setback from 20 feet to 11 feet for a proposed residence at 9302 126th Avenue NE in order to locate a residence outside of a modified wetland buffer. This residence is located three lots to the north of the subject property.
- (10) The proposed garage would be approximately 23 feet from the property line and approximately 29 feet from the edge of the required right-of-way improvements.
- (11) The Public Works Department requires a 20 foot long parking area in front of a garage to avoid vehicles from extending into an adjacent street or sidewalk.
- (12) As noted in Attachment 3, the Public Works Department is requiring, as part of a building permit application, the installation of half street improvements within the 126th Avenue right-of-way adjacent to the subject property. The improvements will occupy approximately 24 feet of the 30 foot wide eastern half of the right-of-way.
- (13) The necessary garage depth is 20 feet to accommodate a standard parking stall length, per Kirkland Zoning Code, of 18.5 feet.

- (14) The proposed driveway is approximately 24 feet in width. Kirkland Zoning Section 115.115.5.a limits driveways in required front yards to 20 feet in width.
- (15) The applicant is proposing a 4 foot by 12 foot, two-story bay window on the rear of the proposed residence. The bay would accommodate a breakfast nook on the first level and a sitting area on the second story.
- (16) The buffer setback is proposed to be 10 feet from the edge of the proposed residence's eaves. Additionally, the patio is proposed to extend into the buffer setback approximately 8 feet.
- (17) Per the Kirkland Zoning Code, the 10 foot buffer setback is measured from a structure's foundation. Eaves are allowed to extend 18 inches into the buffer setback. Patios are allowed to extend 5 feet into the buffer setback.

b. Conclusion:

- (1) Staff concludes that there are on-site alternatives that are feasible and reasonable and would result in less impact to the wetland and buffer. The proposed home and accessory structure is large, exceeding the size and impacts of the reasonable use project to the immediate north. The size and placement of the improvements results in excessive impact to the wetland and buffer. To lessen the impacts of the proposed development, the following changes should be incorporated into the proposed plans:

- (a) In order to provide additional wetland buffer width, the improvements should be shifted closer to the front property line and the required front yard setback be reduced from the required 20 feet to 11 feet.

If the Hearing Examiner concurs, staff recommends that the hearing be continued in order to provide additional public notice of a front yard setbacks reduction. Additionally, the second story "bump-out" on the front façade should be allowed within the required front yard setback.

- (b) In order to minimize the encroachment into the modified front yard setback, the width of the front porch should be reduced to 4 feet by eliminating the ell portion of the porch (that portion extending north of the entry).
- (c) Reduce the width of the proposed driveway from 24 feet to 20 feet.
- (d) Relocate the proposed garage to 14 feet from the west property line.
- (e) Reduce the depth of detached garage structure from the proposed 32 feet to 20 feet.
- (f) Reduce the width of the proposed porch to 4 feet by eliminating the ell portion of the porch.

- (g) Eliminate the proposed two-story bay window on the rear of the proposed residence.
 - (h) Revise the 10 foot buffer setback to measure from the structure's foundation.
 - (i) Revise the proposed patio to ensure that it does not extend more than 5 feet into the 10 foot buffer setback.
- (2) If the above changes are incorporated into the proposed plans, staff estimates that the impact to the buffer will be reduced by nearly 1,900 square feet. This would result in less impact to the wetland and associated buffer while allowing construction of a reasonable new residence and detached garage on the subject property that is similar to other developments in the immediate vicinity.
4. Criterion 3: The proposal, as conditioned, will result in minimum feasible alteration of or impairment to the functional characteristics of the sensitive areas, and their existing contours, vegetation, fish and wildlife resources, and hydrological conditions; and will not cause significant degradation of groundwater or surface-water quality.

a. Facts:

- (1) The subject property contains an existing residence that is located within the wetland buffer. Additionally the applicants have been using the area east of the residence as a yard, garden, and for the placement of a shed. An existing split rail fence is located approximately 70 feet east of the delineated wetland.
- (2) The applicant is proposing to restore sections of the wetland and wetland buffer including the area west of the existing split rail fence (see Attachment 7). The goal of the mitigation plan is to develop a self-sustaining native vegetation community in the wetland and associated buffer.
- (3) Components of the applicant's mitigation plan include:
 - Removal of the existing shed, raised planting beds, and non native planting from the mitigation area.
 - Relocation of the existing split rail fence to the edge of the building setback.
 - Hydroseeding tilled area with mulch, tackifier, and native seed mix.
 - Installation of habitat features including habitat logs, snags, brush piles, and/or nest boxes.
 - Installation of native trees, shrubs, plants in current lawn area.
 - Removal of non-native/ invasive Himalayan blackberries along the edge of the existing forested wetland.
- (4) The Watershed Company, the City's wetland consultant, reviewed the proposed mitigation plan and concludes the following in their letter (see

Attachment 8):

- The applicant has elected to not use permeable concrete as an additional measure to reduce project impacts and justifies this by arguing that the proposed increase in buffer function is adequate. However, the project does represent a significant reduction of the standard buffer, despite the proposed restoration actions. The addition of innovative design features such as permeable concrete would further reduce the project impact.
 - Recommends the following changes be made to the mitigation plan:
 - Specify a 5-year monitoring and maintenance period.
 - Detail minimum woody species cover percentages of 60% by year three and 80% by year five.
 - Detail maximum percent cover by non-native, invasive weeds of 10% in any monitoring year within the planted areas.
 - Include a monitoring schedule that details two site visits per year.
 - Specify that maintenance include twice-yearly weeding beneath woody plants to the drip line and that mulch rings will be placed and maintained.
 - Provide a cost estimate that includes planting, woody debris and nest boxes, and monitoring and maintenance costs. A good template is the one used by King County DDES. This was just revised to be more simple and accurate on line item costs. A spreadsheet version has been provided to the City of Kirkland.
- (5) The total impervious area is approximately 3,450 square feet (walkways, driveway, patio and structures). Impervious area on the subject property is 9.85 percent (3,450 square feet/35,000 square feet). Impervious area could be further reduced, by approximately 1,020 square feet, if the applicant were to utilize pervious concrete on the exterior of the house.
- (6) The Public Works Department is requiring that all roof and driveway drainage be collected and conveyed to the public storm system in 126th Avenue NE or to an approved on-site dispersal system (see Attachment 3).
- (7) Zoning Code Section 90.150 provides the means of requiring the applicant to grant a greenbelt protection or open space easement to the City to protect sensitive areas and their buffers. A Natural Greenbelt Protective Easement (NGPE) would assure that all undeveloped portions of the subject property would be provided with the highest degree of protection in perpetuity.

b. Conclusion:

- (1) The existing wetland and associated buffer east of the forested wetland is relatively low functioning. The proposed mitigation will increase the function of the wetland and buffer in a way that could not be accomplished if the applicant was only proposing to remodel or repair the existing residence.
 - (2) As part of a building permit application, the applicant should incorporate the following items into the proposed development plan:
 - (a) Submit a revised mitigation plan that incorporates the recommendations of The Watershed Company as outlined in Attachment 8 and consistent with Kirkland Zoning Section 90.145.
 - (b) Submit plans showing that all exterior hard surfaces (driveways, patios, walkways, etc.) will be constructed of pervious concrete or another comparable substance as approved by the Planning Department.
 - (c) Submit for recording a Natural Greenbelt Protective Easement (NGPE) over all wetland and wetland buffer areas not impacted by the proposed development.
 - (3) The proposal, as conditioned above, would result in minimum feasible alteration of or impairment to the functional characteristics of the sensitive areas, and their existing contours, vegetation, fish and wildlife resources, and hydrological conditions; and will not cause significant degradation of groundwater or surface-water quality.
5. Criterion 4: The inability to derive reasonable use is the result of the applicant's actions, such as segregating or dividing property and creating the undevelopable condition, or taking actions in violation of any local, state, or federal law or regulation.
- a. Facts: As discussed in the history section of this report the lots were created when the subdivision of Yarrow Bay Apartment, Division 1 was recorded on June 23, 1959.
 - b. Conclusion: The inability to derive reasonable use is not the result of any action taken by the applicant or property owner.
6. Criterion 5: The land use and environmental regulations which prevent reasonable use of the property were in effect at the time of purchase of the property by the applicant.
- a. Fact:
 - (1) Heather Skinner and Shawn Schneider, the current property owners, purchased the property on August 14, 2000.
 - (2) Interim Ordinance 3742 was in effect at the time of the applicant's purchase of the property (see Attachment 10). These regulations were essentially the same as the current regulation in terms of required buffers, wetland types, buffer modification requirements, etc.

- (3) The applicant requested wetland delineation in August of 2004 in order to locate the wetland for future construction of a new single family residence. The delineation was completed by The Watershed Company in October of 2004 and surveyed soon thereafter.
- b. Conclusion: Interim Ordinance 3742 was in effect at the time of purchase of the property by Heather Skinner and Shawn Schneider. The land use and environmental regulations were essentially the same as the current regulations.

7. GENERAL ZONING CODE CRITERIA

- a. Fact: Zoning Code section 152.70.3 states that a Process IIB application may be approved if:
 - (1) It is consistent with all applicable development regulations and, to the extent there is no applicable development regulation, the Comprehensive Plan; and
 - (2) It is consistent with the public health, safety, and welfare.
- b. Conclusion: With the recommended conditions of approval, the proposal complies with the criteria in section 152.70.3. It is consistent with all applicable development regulations (see Sections II.E) and the Comprehensive Plan (see Section II.F). In addition, it is consistent with the public health, safety, and welfare because it will allow reasonable use of a property, while protecting the wetland on the subject property, which is of value to the community as a whole.

F. COMPREHENSIVE PLAN

1. Facts:

- a. The subject property is located within the North Rose Hill neighborhood. Figure NRH-4 on page XV.F-11 designates the subject property for low density residential; with a density of 6 dwelling units per acre (see Attachment 11).
- b. The following policies listed in the Natural Environment Element of the Comprehensive Plan:

- (1) Policy NE-1.6: Strive to minimize human impacts on habitat areas.

This policy is addressed by Zoning Code Section 90.50 requiring that the applicant install a barrier (split rail fence or vegetative barrier) at the edge of the wetland. The applicant will be required to install a barrier as part of the building permit application.

Zoning Code Section 90.150 further addresses Policy NE 1.6 by requiring dedication of development rights, air space, or grant a greenbelt protection or open space easement to the City to protect sensitive areas and their buffers. The City will require a NGPE that will restrict activities that may occur within the wetland and wetland buffer (see Attachment 12).

- (2) Policy NE-2.2: Protect surface water functions by preserving and enhancing natural drainage systems wherever possible. Steps to limit damage include minimizing creation of new impervious surfaces,

maximizing use of soils and vegetation in slowing and filtering runoff, and installation of structural slow control facilities at redeveloping sites where appropriate to mimic predevelopment hydrologic regime.

2. Conclusions:

- a. The proposed use is consistent the North Rose Hill Neighborhood Plan.
- b. Negative impacts to the storm water facilities can be reduced by minimizing new impervious surfaces. Staff recommends in Conclusion II.E.4 that all exterior hard surfaces (driveways, patios, walkways, etc.) be constructed of pervious concrete or another comparable substance as approved by the Planning Department.
- c. With the inclusion of a split rail fence at the edge of the disturbance area (see Attachment 3), recording of a NGPE over all non-impacted areas, and requiring that all roof and driveway drainage be collected and conveyed to the public storm system in 126th Avenue NE or to an approved on-site dispersal system; the proposal would be consistent with the natural environment element of the Comprehensive Plan

G. DEVELOPMENT REVIEW COMMITTEE

1. Fact: Additional comments and requirements placed on the project are found on the Development Standards Sheet, Attachment 3.
2. Conclusion: The applicant should follow the requirements set forth in Attachment 3.

III. 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.

IV. CHALLENGES AND JUDICIAL REVIEW

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

A. CHALLENGE

Section 152.85 of the Zoning Code allows the Hearing Examiner's recommendation to be challenged by the applicant or any person who submitted written or oral comments or testimony to the Hearing Examiner. A party who signed a petition may not challenge unless such party also submitted independent written comments or information. The challenge must be in writing and must be delivered, along with any fees set by ordinance, to the Planning Department by 5:00 p.m., _____, seven (7) calendar days following distribution of the Hearing Examiner's written recommendation on the application. Within this same time period, the person making the challenge must also mail or personally deliver to the applicant and all other people who submitted comments or testimony to the Hearing Examiner, a copy of the challenge together with notice of the deadline and procedures for responding to the challenge.

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

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

B. JUDICIAL REVIEW

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

V. LAPSE OF APPROVAL

Under Section 152.115 of the Zoning Code, the applicant must submit to the City a complete building permit application approved under Chapter 152, within four (4) years after the final approval on the matter, or the decision becomes void; provided, however, that in the event judicial review is initiated per Section 152.110, the running of the four years is tolled for any period of time during which a court order in said judicial review proceeding prohibits the required development activity, use of land, or other actions. Furthermore, the applicant must substantially complete construction approved under Chapter 152 and complete the applicable conditions listed on the Notice of Approval within six (6) years after the final approval on the matter, or the decision becomes void.

VI. APPENDICES

Attachments 1 through 11 are attached.

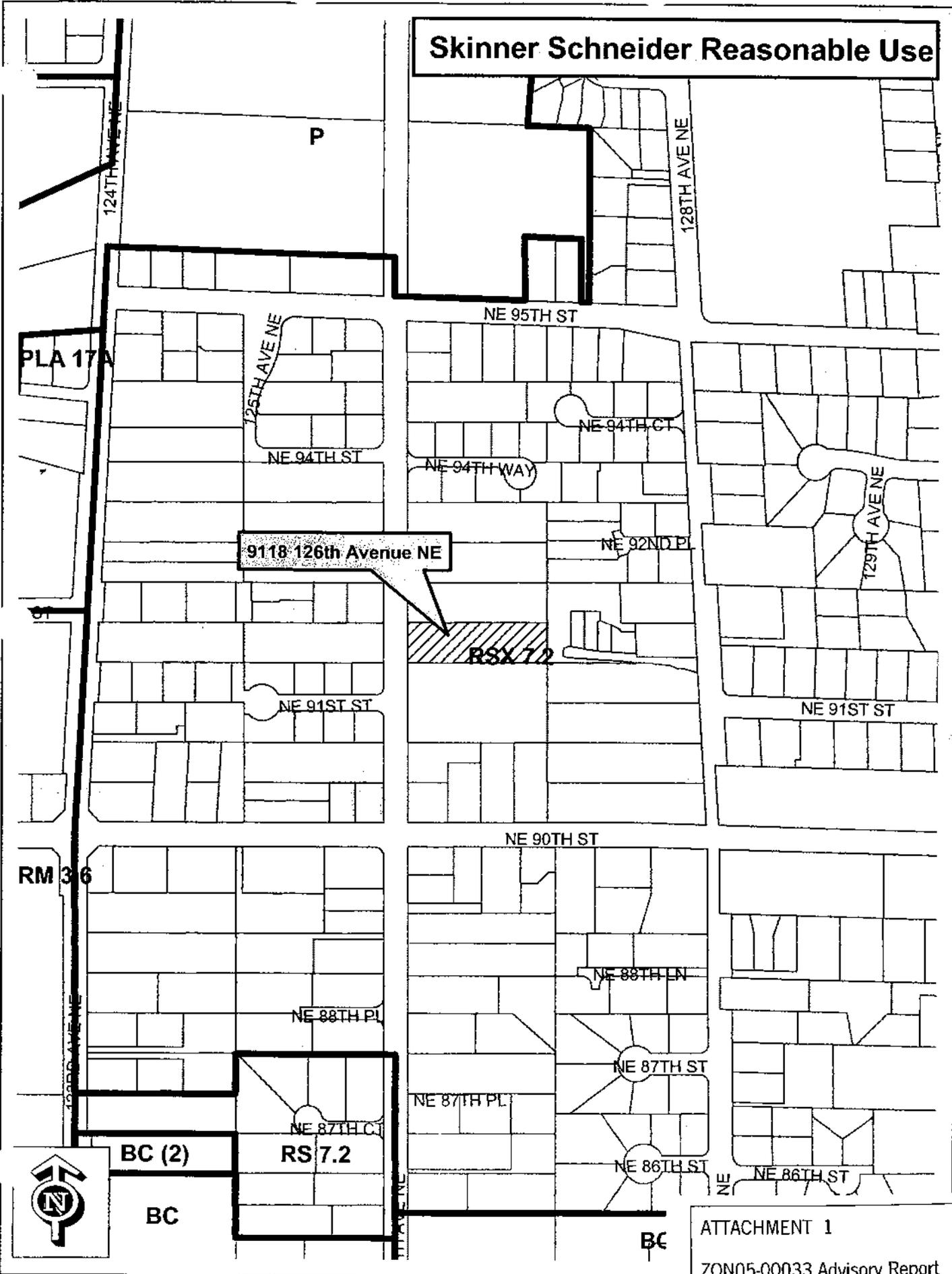
1. Vicinity Map
2. Development Plans
3. Development Standards
4. Email from Jeff Trager dated February 19, 2006
5. Email from Kurt Fisher dated February 20, 2006
6. Statement of Compliance with KZC 90.140 prepared by Adolfson Associates, dated December 2005
7. Revised Mitigation Plan Memo prepared by Adolfson Associates, dated May 8, 2006
8. The Watershed Company Review Letter dated June 7, 2006
9. RSX Use Zone Chart
10. Interim Ordinance 3742
11. North Rose Hill Neighborhood Land Use Map

VII. PARTIES OF RECORD

Heather Skinner and Shawn Schneider, 9118 126th Avenue NE, Kirkland, WA 98033
Jeff Trager, 9214 126th Avenue NE, Kirkland WA 98033
Kurt and Cindy Fisher, 9206 126th Avenue NE, Kirkland, WA 98033
Department of Planning and Community Development
Department of Public Works
Department of Building and Fire Services

A written recommendation will be issued by the Hearing Examiner within eight calendar days of the date of the open record hearing.

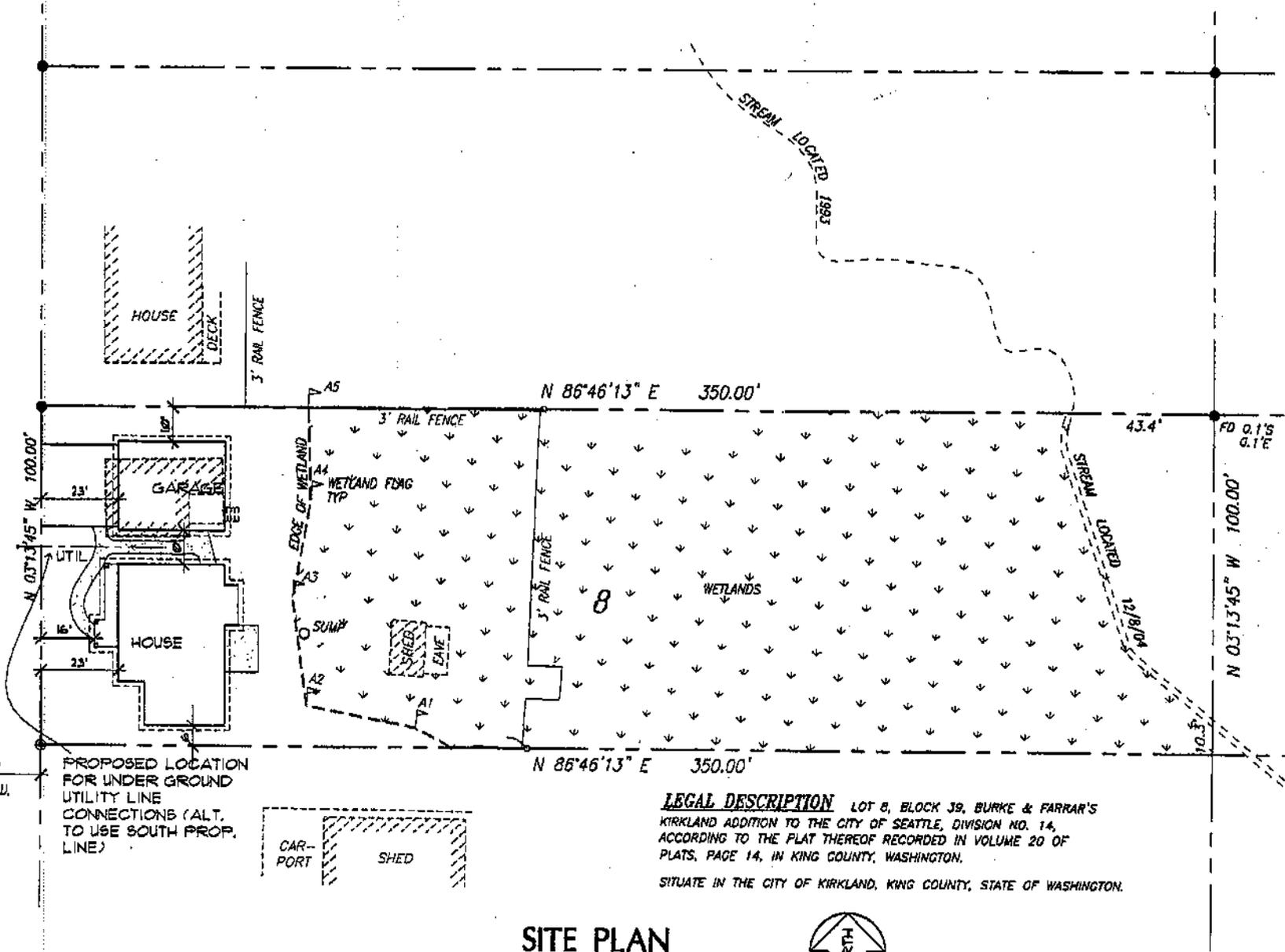
Skinner Schneider Reasonable Use



ATTACHMENT 1
ZON05-00033 Advisory Report

126th AVE. N.E.

N03°13'45"W (P)



LEGAL DESCRIPTION LOT 8, BLOCK 39, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 14, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 14, IN KING COUNTY, WASHINGTON.

SITUATE IN THE CITY OF KIRKLAND, KING COUNTY, STATE OF WASHINGTON.

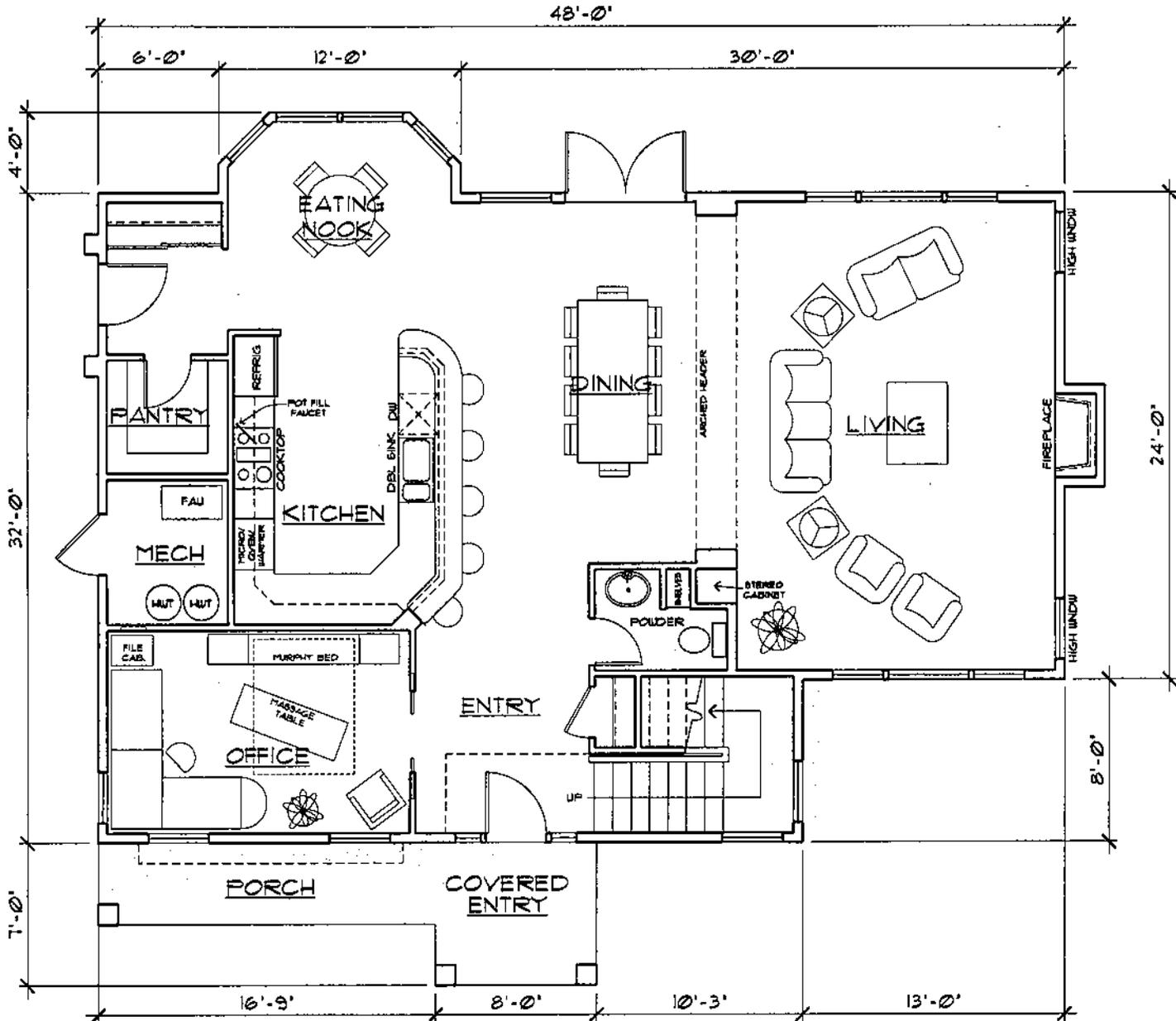
SITE PLAN

1" = 40'



SS SCHNEIDER / SKINNER
RESIDENCE
9118 126TH AVE NE

ATTACHMENT 2
ZON05-00033 Advisory Report



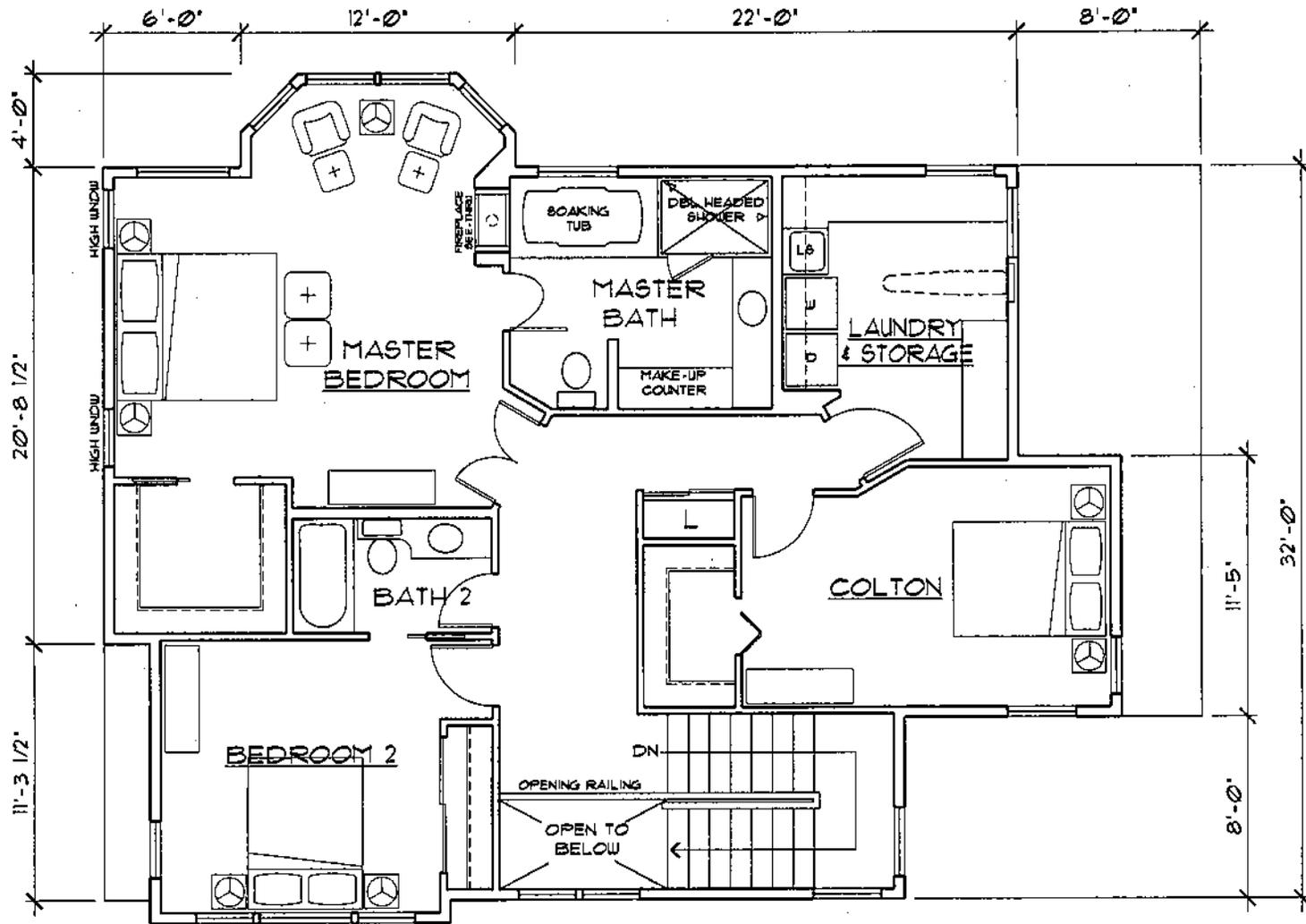
FIRST FLOOR PLAN

1/8" = 1'-0"

1474 SF.

2-14-06

S SCHNEIDER / SKINNER
 RESIDENCE
 9118 126TH AVE NE



SECOND FLOOR PLAN

1/8" = 1'-0"

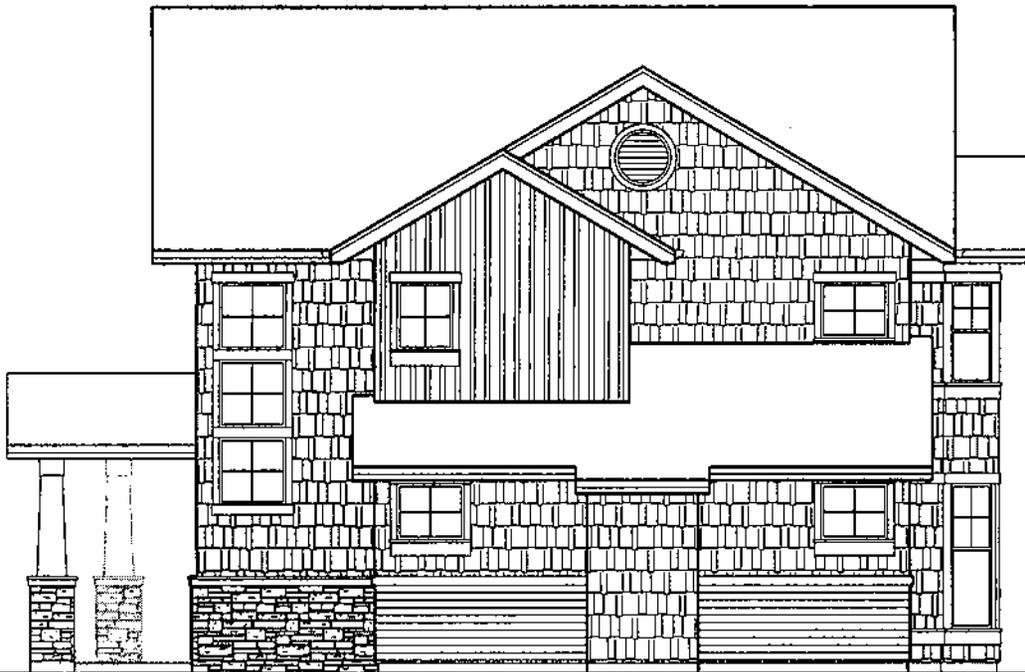
1207 S.F.

2-14-06

S SCHNEIDER / SKINNER
 RESIDENCE
 9118 126TH NE

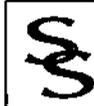


**WEST
ELEVATION**
1/8" = 1'-0"

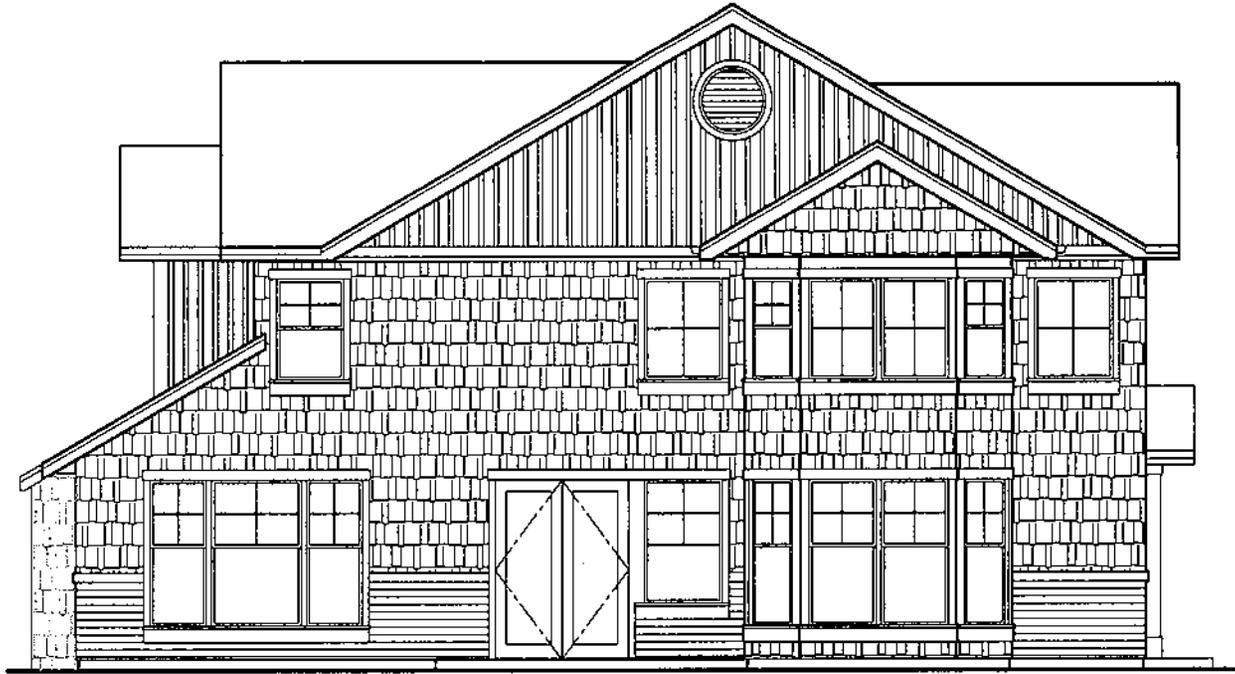


**SOUTH
ELEVATION**
1/8" = 1'-0"

2-13-06



**SCHNEIDER / SKINNER
RESIDENCE**
9118 126TH AVE NE



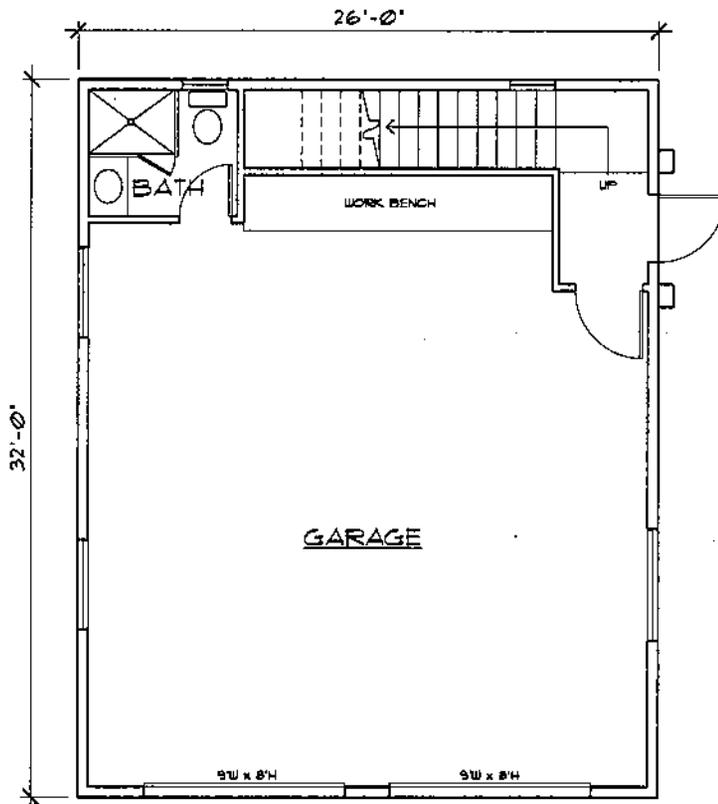
**EAST
ELEVATION**
1/8" = 1'-0"



**NORTH
ELEVATION**
1/8" = 1'-0"

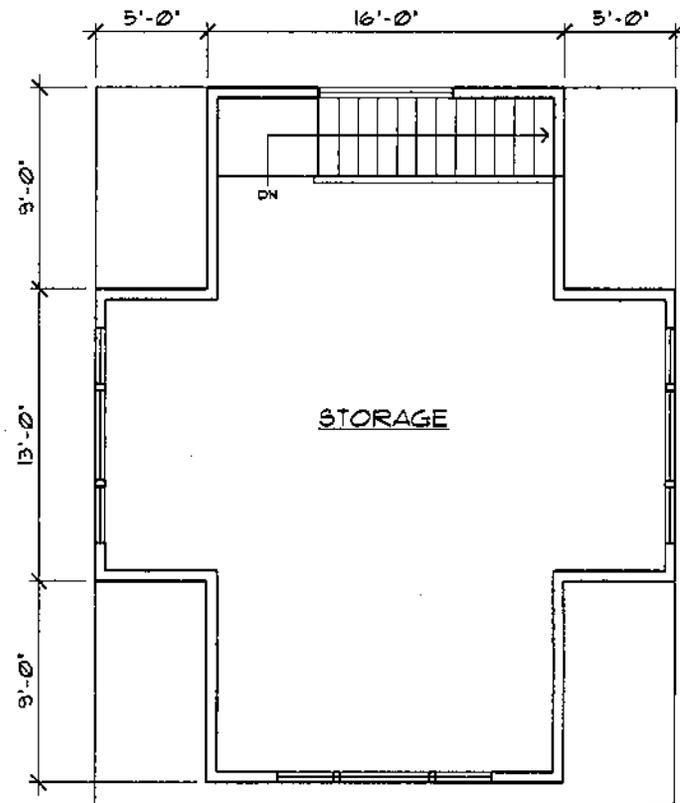
2-13-06

 **SCHNEIDER / SKINNER
RESIDENCE**
9118 126TH NE



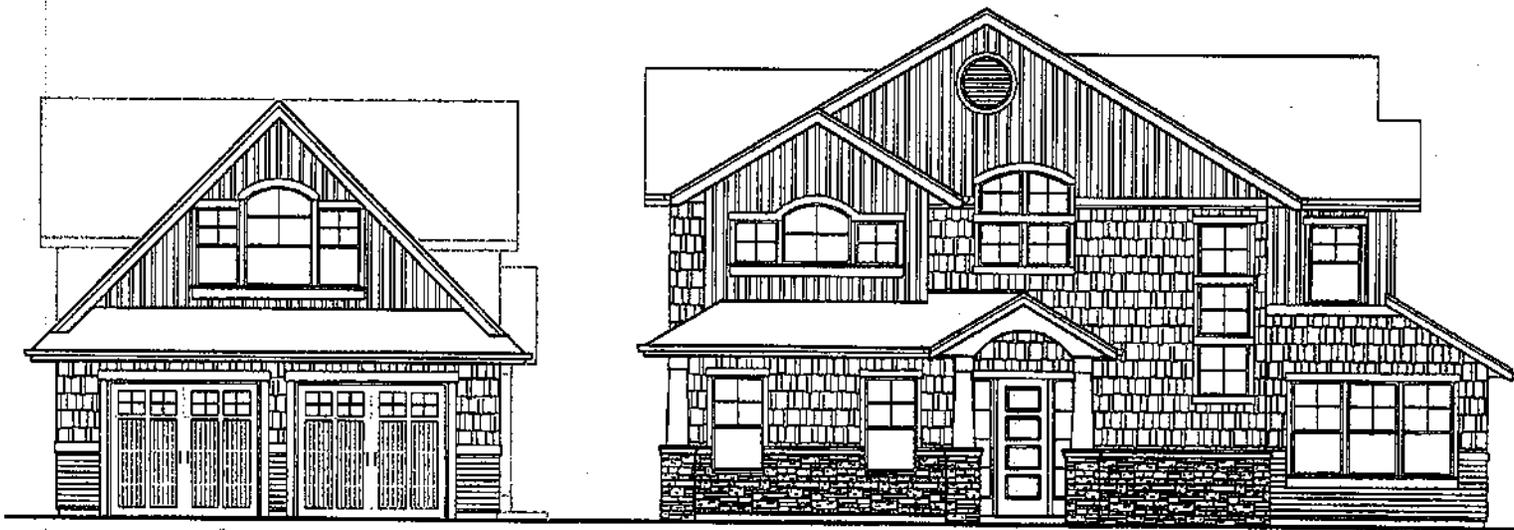
FIRST FLOOR GARAGE PLAN

832 S.F.



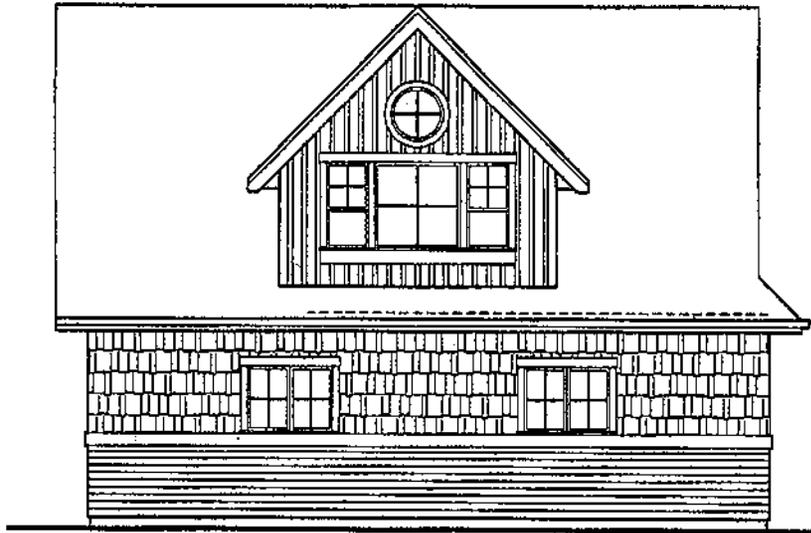
UPPER FLOOR GARAGE PLAN

582 S.F.

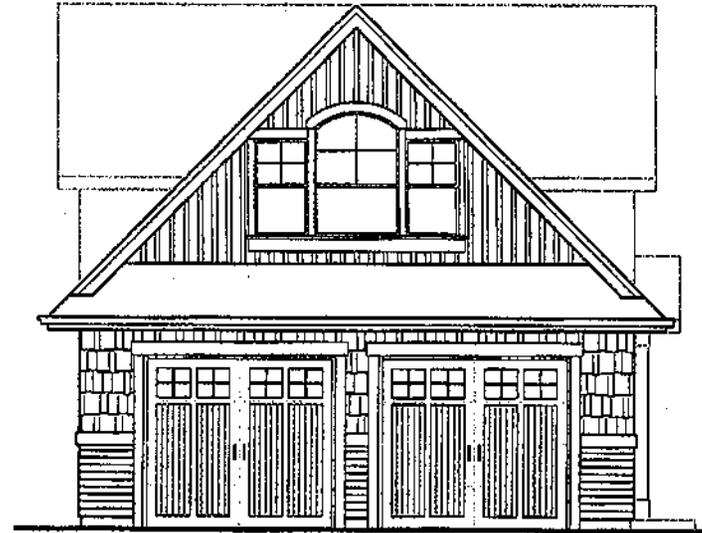


FINAL EAST ELEVATION
W/ GARAGE AND HOUSE FINISHED 1" = 10'

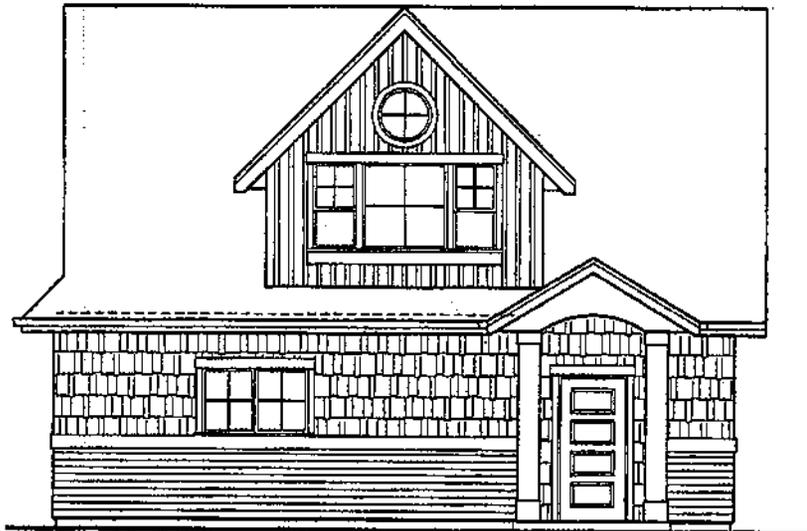
SS SCHNEIDER / SKINNER
RESIDENCE
9118 126TH AVE NE



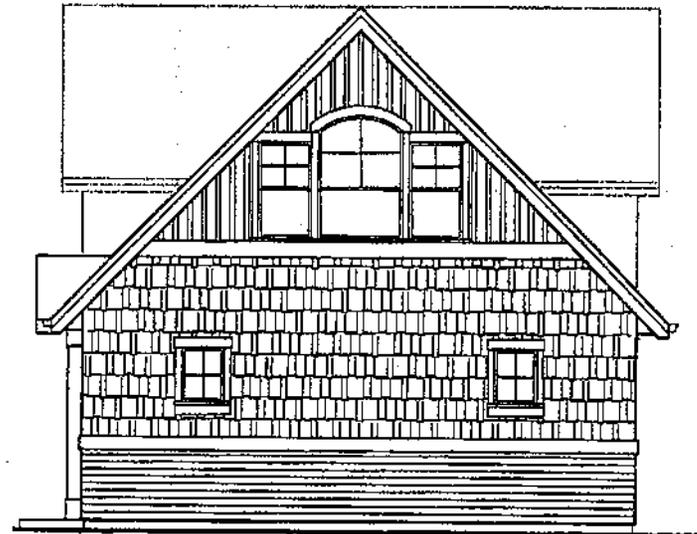
NORTH ELEVATION



WEST ELEVATION



SOUTH ELEVATION



EAST ELEVATION

 SCHNEIDER / SKINNER
RESIDENCE
9118 126TH AVE NE

Date: 6/29/2006

DEVELOPMENT STANDARDS

CASE NO.: ZON05-00033

PCD FILE NO.: ZON05-00033

PUBLIC WORKS CONDITIONS:

The subject property abuts 126th Ave. NE. This street is a Neighborhood Access type street. Zoning Code sections 110.10 and 110.25 require the applicant to make half-street improvements in rights-of-way abutting the subject property. Section 110.30-110.50 establishes that this street must be improved with the following:

The applicant shall install the following half street improvements within 126th Ave. NE along the subject property: widen the street to 14 ft. from centerline to face of curb, install storm drainage, curb and gutter, a 4.5 ft. planter strip with street trees 30 ft. on-center, and a 5 ft. wide sidewalk.

It shall be the responsibility of the applicant to relocate any above-ground or below-ground utilities which conflict with the project associated street or utility improvements.

Underground all new and "existing" on-site utility lines and overhead transmission lines.

Zoning Code Section 110.60.9 establishes the requirement that existing utility and transmission (power, telephone, etc.) lines on-site and in rights-of-way adjacent to the site must be underground. The Public Works Director may determine if undergrounding transmission lines in the adjacent right-of-way is infeasible. If undergrounding is not feasible, the applicant is required to sign a concomitant agreement to underground the overhead lines at a future date. In this case, the Public Works Director has determined that undergrounding of existing overhead utility lines on 126th Ave. NE is infeasible at this time and the undergrounding of off-site/frontage transmission lines should be deferred with a Local Improvement District No Protest Agreement. This agreement will require the property owner to participate in an LID Undergrounding project if one is proposed by the neighbors and approved by the City. The applicant shall submit a signed and notarized agreement which will be recorded with the King County Records and Elections Division.

All civil engineering plans which are submitted in conjunction with a building, grading, or right-of-way permit must conform to the Public Works Policy titled ENGINEERING PLAN REQUIREMENTS. This policy is contained in the Public Works Pre-Approved Plans and Policies manual.

The new home shall be connected to the public sewer main in 126th Ave. NE.

All roof and driveway drainage shall be collected and conveyed to the public storm system in 126th Ave. NE or to an approved on-site dispersal system.

All public improvements associated with this project including street and utility improvements, must meet the City of Kirkland Public Works Pre-Approved Plans and Policies Manual. A Public Works Pre-Approved Plans and Policies manual can be purchased from the Public Works Department, or it may be retrieved from the Public Works Department's page at the City of Kirkland's web site at www.ci.kirkland.wa.us.

ATTACHMENT 3

ZON05-00033 Advisory Report



CITY OF KIRKLAND

Planning and Community Development Department

123 Fifth Avenue, Kirkland, WA 98033 425.587-3225

www.ci.kirkland.wa.us

DEVELOPMENT STANDARDS LIST

File: ZON05-00033: SKINNER SCHNEIDER REASONABLE USE

Zoning Code Standards

90.50 Wetland Buffer Fence. Prior to development, the applicant shall install a six-foot high construction phase fence along the upland boundary of the wetland buffer with silt screen fabric installed per City standard. The fence shall remain upright in the approved location for the duration of development activities. Upon project completion, the applicant shall install between the upland boundary of all wetland buffers and the developed portion of the site, either 1) a permanent 3 to 4 foot tall split rail fence, or 2) permanent planting of equal barrier value.

110.60.8 Street Trees. All trees planted in the right-of-way must be approved as to species by the City. All trees must be two inches in diameter at the time of planting as measured using the standards of the American Association of Nurserymen with a canopy that starts at least six feet above finished grade and does not obstruct any adjoining sidewalks or driving lanes.

115.25 Work Hours. It is a violation of this Code to engage in any development activity or to operate any heavy equipment before 7:00 am. or after 8:00 pm Monday through Friday, or before 9:00 am or after 6:00 pm Saturday. No development activity or use of heavy equipment may occur on Sundays or on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas Day. The applicant will be required to comply with these regulations and any violation of this section will result in enforcement action, unless written permission is obtained from the Planning official.

115.40 Fence Location. Fences over 6 feet in height may not be located in a required setback yard. A detached dwelling unit abutting a neighborhood access or collector street may not have a fence over 3.5 feet in height within the required front yard. No fence may be placed within a high waterline setback yard or within any portion of a north or south property line yard, which is coincident with the high waterline setback yard.

115.42 Floor Area Ratio (F.A.R.) limits. Floor area for detached dwelling units is limited to a maximum floor area ratio in low density residential zones. See Use Zone charts for the maximum percentages allowed. This regulation does not apply within the disapproval jurisdiction of the Houghton Community Council.

115.43 Garage Setback Requirements for Detached Dwelling Units in Low Density Zones. The garage must be set back five feet from the remaining portion of the front façade of a dwelling unit if: the garage door is located on the front façade of the dwelling unit; and the lot is at least 50 feet wide at the front setback line; and the garage width exceeds 50 percent of the combined dimensions of the front facades of the dwelling unit and the garage. This regulation does not apply within the disapproval jurisdiction of the Houghton Community Council.

115.75.2 Fill Material. All materials used as fill must be non-dissolving and non-decomposing. Fill material must not contain organic or inorganic material that would be detrimental to the water quality, or existing habitat, or create any other significant adverse impacts to the environment.

115.90 Calculating Lot Coverage. The total area of all structures and pavement and any other impervious surface on the subject property is limited to a maximum percentage of total lot area. See the Use Zone charts for maximum lot coverage percentages allowed. Section 115.90 lists exceptions to total lot coverage calculations including: wood decks; access easements or tracts serving more than one lot that does not abut a right-of-way; detached dwelling unit driveways that are outside the required front yard; grass grid pavers; outdoor swimming pools; and pedestrian walkways. See Section 115.90 for a more detailed explanation of these exceptions.

115.95 Noise Standards. The City of Kirkland adopts by reference the Maximum Environmental Noise Levels established pursuant to the Noise Control Act of 1974, RCW 70.107. See Chapter 173-60 WAC. Any noise, which injures, endangers the comfort, repose, health or safety of persons, or in any way renders persons insecure in life, or in the use of property is a violation of this Code.

115.115.3.g Rockerries and Retaining Walls. Rockeries and retaining walls are limited to a maximum height of four feet in a required yard unless certain modification criteria in this section are met. The combined height of fences and retaining walls within five feet of each other in a required yard is limited to a maximum height of 6 feet, unless certain modification criteria in this section are met.

115.115.3.n Covered Entry Porches. In low density residential zones, covered entry porches on detached dwelling units may be located within 13 feet of the front property line if certain criteria in this section are met. This incentive is not effective within the disapproval jurisdiction of the Houghton Community Council.

115.115.5.a Driveway Width and Setbacks. For a detached dwelling unit, a driveway and/or parking area shall not exceed 20 feet in width in any required front yard, and shall not be closer than 5 feet to any side property line unless certain standards are met.

115.135 Sight Distance at Intersection. Areas around all intersections, including the entrance of driveways onto streets, must be kept clear of sight obstruction as described in this section.

1

152.22.2 Public Notice Signs. Within seven (7) calendar days after the end of the 21-day period following the City's final decision on the permit, the applicant shall remove all public notice signs.

Prior to issuance of a grading or building permit:

90.50 Wetland Buffer Fence. Prior to development, the applicant shall install a six-foot high construction phase fence along the upland boundary of the wetland buffer with silt screen fabric installed per City standard. The fence shall remain upright in the approved location for the duration of development activities. Upon project completion, the applicant shall install between the upland boundary of all wetland buffers and the developed portion of the site, either 1) a permanent 3 to 4 foot tall split rail fence, or 2) permanent planting of equal barrier value.

90.150 Natural Greenbelt Protective Easement. The applicant shall submit for recording a natural greenbelt protective easement, in a form acceptable to the City Attorney, for recording with King County.

90.155 Liability. The applicant shall enter into an agreement with the City which runs with the property, in a form acceptable to the City Attorney, indemnifying the City for any damage resulting from development activity on the subject property which is related to the physical condition of the stream, minor lake, or wetland.

95.15.4 Tree Protection Techniques. In order to provide the best possible conditions for the retention of significant trees, the applicant shall construct a temporary but immovable 4 foot high chain-link fence generally corresponding to the drip line of each tree or group of trees shown on the tree retention plan to be retained. Additional tree protection measures may be required of the applicant. The protective fencing must remain in place throughout the demolition, clearing, grading, excavation, and construction processes, including the construction of homes. No grading, operation of heavy equipment, stockpiling, or excavation may occur inside the protective fences.

Prior to occupancy:

85.25.3 Geotechnical Professional On-Site. The geotechnical engineer shall submit a final report certifying substantial compliance with the geotechnical recommendations and geotechnical related permit requirements.

90.145 Bonds. The City may require a bond and/or a perpetual landscape maintenance agreement to ensure compliance with any aspect of the Drainage Basins chapter or any decision or determination made under this chapter.

Tony Leavitt

From: Jeff and Kaylee [jtrager@comcast.net]
Sent: Sunday, February 19, 2006 7:15 PM
To: Tony Leavitt
Subject: File # ZON05-00033

Tony,

I reside at 9214 126th Ave NE, in the home that is the second property to the north of the applicant.

I want to go on record in support of the applicant and their desire to build a single family residence and garage on their property.

Sincerely

Jeff Trager
9214 126th Ave NE
Kirkland, WA 98033
425-822-4863
jtrager@comcast.net

ATTACHMENT 4

ZON05-00033 Advisory Report

Tony Leavitt

From: Kurt Fisher [kurtf@gibraltarusa.com]
Sent: Monday, February 20, 2006 4:13 PM
To: Tony Leavitt
Cc: cindy fisher
Subject: ZON05-00033-Shawn Schneider

Tony:

We want to express our support for this project for the record. This is a welcome improvement to the neighborhood and the applicants are a positive influence on the community. We are proud to call them neighbor, and are very excited to see them get this project underway. This is a good thing for the Schneiders, and a good thing for the City of Kirkland and the North Rose Hill neighborhood.

Best regards,
Kurt and Cindy Fisher
9206-126th Avenue NE

Kurt A. Fisher

Principal and Broker



GIBRALTAR
INVESTMENT PROPERTY SOLUTIONS

Investment Property Solutions

Direct-206.367.6088

Fax-206.367.6087

Web- www.gibraltarusa.com

ATTACHMENT 5

ZON05-00033 Advisory Report

DECEMBER 2005

**STATEMENT OF COMPLIANCE WITH
KZC 90.140 (REASONABLE USE)
SCHNEIDER
ZONING PERMIT APPLICATION
KIRKLAND, WASHINGTON**

RECEIVED
DEC 22 2005

PLANNING DEPARTMENT
BY _____

Prepared for:

**Shawn Schneider/Heather Skinner
9118 126th Avenue NE
Kirkland, WA 98034**

Prepared by:

**Adolfson Associates, Inc.
5309 Shilshole Ave. NW, Suite 200
Seattle, WA 98107**

ATTACHMENT 6

ZON05-00033 Advisory Report

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ATTACHMENT A: SCHNEIDER MITIGATION CONCEPT MEMORANDUM A-1

SUMMARY

Shawn Schneider and Heather Skinner are proposing to demolish an existing single-family residence on their lot and construct a new single-family residence in the same general location. The lot is fully encumbered by wetland and wetland buffer.

The applicant is requesting a Reasonable Use Exception for relief from critical area requirements as provided through Kirkland Zoning Code (KZC) 90.140.

SITE DESCRIPTION

The Schneider / Skinner property, an approximately 0.8-acre parcel, is located at 9118 126th Avenue Northeast in the North Rose Hill Neighborhood of Kirkland, Washington (Figure 1 and 2; Section 4, Township 25 North, and Range 5 East). The site is bounded by 126th Avenue to the west, residential lots to the north and south, and undeveloped land to the east.

A single-family residence has existed on the project site since 1919 and is currently occupied by the applicant (Photo 1). In addition to the existing residence, the project site contains a shed, lawn, raised garden beds, a compost pile, landscaped shrubs and trees, and part of an inventoried wetland. Historic fill is evident at the extreme west end of the parcel where the residence is located. The house is currently on a septic system but will eventually be connected to city sewer. The property is relatively flat with a gentle decline in elevation from the west to east. A three-foot high post-and-rail fence separates the developed portion of the site from the inventoried wetland located in the eastern portion of the parcel (Photo 2). A small tributary stream to Forbes Creek traverses the eastern end of property.

The project site was investigated for the presence of wetlands on September 23, 2005 by The Watershed Company, and on September 30, 2005 by Adolfson Associates, Inc. (Adolfson), and is described in *Wetland Delineation Report for the Schneider / Skinner Property* (Adolfson, 2005a). One wetland, Wetland A, was identified on the property (Figure 3). Wetland A covers approximately 0.6 acres of the 0.8-acre parcel, and is part of the larger city-inventoried Forbes No. 19 Wetland, which totals approximately 8.6 acres in size. The western portion of Wetland A is palustrine emergent wetland (lawn) dominated by grasses (Photo 3). The eastern portion is a palustrine scrub-shrub and forested wetland dominated by red alder, willow species, Douglas spiraea, and salmonberry (Photo 3).

The wetland is regulated by the City as a Type I wetland and is inventoried by the City as Forbes Creek 19 wetland of the Forbes Creek Basin section of *Kirkland's Streams Wetlands, and Wildlife Study*. Type 1 wetland designations apply to: (a) wetlands that are contiguous to Lake Washington; (b) wetlands containing at least one-quarter acre of organic soils, such as peat bogs or mucky soils; (c) wetland equal to or greater than 10 acres in size and having three or more wetland classes, as defined by U.S. Fish and Wildlife Service (Cowardin et al., 1979), one of

which is open water; (d) wetlands that have significant habitat value to state or federally listed threatened or endangered wildlife species; or (e) wetlands that contain state or federally listed threatened or endangered plant species (KZC 90.30). The subject wetland was classified as Type I due to its size and vegetation classes, and because it has more than one-quarter acre of organic soils. Type I wetlands in a Primary Basin (i.e. Forbes Creek Basin) require a protective 100-foot buffer. The entire upland area of the property is within the 100-foot protective wetland buffer. Proposed development in this area will require a Reasonable Use Exception by the City.

APPLICABLE CRITERIA (KZC 90.10.140)

The site is subject to a number of zoning development conditions and critical areas regulations under KZC Chapter 90. Under KZC 15.10, a maximum 50% lot coverage is allowed within a single-family residential zone (RSX 7.2 – Low Density Residential). As noted, a Type I wetland covers approximately 75% of the applicant's property. That wetland, together with its required buffer, occupies 100% of the applicant's property, and is regulated under KZC Chapter 90.

The application of KZC 90.35 (Delineations, Regulations, Criteria, and Procedures) would deny the applicant any ability to construct a residence on the property, which is zoned single-family residential. The site is fully encumbered with sensitive areas, the majority of which is wetland and the remainder being wetland buffer.

REASONABLE USE CRITERIA (KZC 90.140):

The applicant is requesting a Reasonable Use Exception under KZC 90.140. Statements are required as part of the application describing how the proposal complies with three applicable criteria:

1. There is no permitted type of land use for the property with less impact on the sensitive area and the buffer is feasible and reasonable; and
2. No on-site alternative to the proposal is feasible and reasonable, considering possible changes in site layout, reductions in density and similar factors; and
3. The proposal, as conditioned, will result in minimum feasible alteration of or impairment to the functional characteristics of the sensitive areas, and their existing contours, vegetation, fish and wildlife resources, and hydrological conditions; and will not cause significant degradation of groundwater or surface-water quality.

STATEMENT OF COMPLIANCE WITH APPLICABLE CRITERIA

Criteria (1)

There is no permitted type of land use for the property with less impact on the sensitive area and the buffer is feasible and reasonable.

The property is zoned RSX 7.2, single-family residential, in an area of single-family homes. Other uses permitted in this zone include church, school, day-care facility, golf course, public utility, park, and government facility. Other than parks, no other use with less impact are permitted in the zone. The property has been in single-family residential use since 1919 and is the only feasible and reasonable use for a private property owner. The proposal would not change the use of the site. The new residence would replace the existing residence and would be located on a portion of the property that has previously been altered as a result of single-family use of the site.

Criteria (2)

No on-site alternative to the proposal is feasible and reasonable, considering possible changes in site layout, reductions in density and similar factors.

This site is fully encumbered with sensitive areas, the majority of which is wetland and the remainder being wetland buffer on the western portion of the lot. Since the site is fully encumbered by wetland and wetland buffer, no portion of the proposed residence could occur within a non-sensitive area. In order to minimize impacts on wetlands on this site, the applicant proposes to develop the westernmost portion of the site, which is the wetland buffer (non-wetland) area of the lot. This is also the portion of the site where the existing single-family residence is currently located. The western portion of the property fronts 126th Ave NE, which is the only street access to the site. A portion of the existing disturbed wetland will be restored through removal of non-native invasive species and native plantings to improve the functions and values on the site [see attached *Schneider Wetland Mitigation Concept Memorandum* (Adolfson, 2005b)].

The proposal focuses the development away from the wetland to the extent KZC 15.10 allows. The new residence would abut the 20-foot minimum required front setback from 126th Ave NE. Siting the house close to the road reduces the footprint of the development in the portion of the wetland buffer nearest the wetland. It also places the structure in a relatively degraded area within the on-site portion of the wetland buffer. This area has evidence of historic fill, and is the location of the existing single-family residence, lawn, and landscaped areas. While the proposal will impact a portion of the wetland buffer, the proposal leaves much of the property for critical areas protection.

The proposal would demolish the existing small residence (total 840 square feet) that was constructed in 1919 and replace it with a new residence that will accommodate the needs of the applicant's growing family. The proposed structure will be a two-story home that includes 1,480 square feet of main floor space, 1,142 square feet of upper floor space, and a two-car garage. The total gross footprint of the proposed house and garage is 2,349 square feet. Compared to the total footprint of the current residence (840 square feet), the proposal represents an increase in building footprint by 1,509 square feet. Lot coverage would increase by 4.2% from 2.5% to 6.7%, well below the maximum 50% lot coverage specified in KZC 15.10.

The proposal is consistent with the typical development expectations for a residential property in the neighborhood. The total above ground living area (AGLA) of the proposed house is 2,622 square feet. Based on information provided by King County Assessor's Office eReal Property

System¹, the AGLA of newer residences (constructed after 1990) in the immediate neighborhood ranges from approximately 2,060 square feet to 2,970 square feet. Based on this information, the proposed residence consistent with the character and size of other newer homes in the neighborhood.

It is also important to note that the house footprint occurs on the portion of the lot that has been previously disturbed by single-family residential uses. Because the proposed new residence would be constructed on the footprint of the existing residence, the proposal provides for reasonable use of the property while protecting critical area functions. The applicant proposes to restore a portion of the existing disturbed wetland area to improve wetland function on the site and increase wetland function in the basin.

Criteria (3)

The proposal, as conditioned, will result in minimum feasible alteration of or impairment to the functional characteristics of the sensitive areas, and their existing contours, vegetation, fish and wildlife resources, and hydrological conditions; and will not cause significant degradation of groundwater or surface water quality.

The proposal has been designed to avoid impacts to the wetland functions and values, to minimize impacts to the wetland buffer, and to provide mitigation to benefit the wetland functions and values on the site. Descriptions of how the proposal results in minimum feasible alternation/impairment to the items included in Criteria (3) are provided below:

Functional Characteristics

In order to minimize impacts to natural systems on this site, the applicant proposes to develop that portion of the property that is most altered as a result of existing single-family residential use. The proposal will increase impervious area in the wetland buffer by 1,981 square feet (0.045-acre) (the proposed single-family residence footprint minus the existing single-family residence footprint), all of which is existing mowed lawn and landscaped areas. The proposed development does not disturb the wetland area. The applicant proposes to provide mitigation for the wetland buffer impact by restoring a portion of the on-site wetland through removal of non-native, invasive species and revegetating with native plants. The applicant wishes to continue to use the remainder of the current established yard and garden area.

Removing invasive species (e.g., Himalayan blackberry) and planting native plant species in a portion of the wetland will provide some additional wildlife habitat, and potentially reduce surface water velocities. The proposed project has been designed to avoid impacts to the onsite wetland functions and values, to minimize impacts to the on-site wetland buffer to the extent

¹ This system may not reflect recent construction or remodels of existing structures. A drive through the neighborhood indicates recent and current construction of newer homes that are not yet reflected in the eReal Property System. As such, the actual average AGLA in the neighborhood may be higher.

possible, and to provide mitigation such that wetland function and values are increased in the basin as a result of site development.

Existing Contours

The site has a very slight slope, therefore grading will be limited to that necessary to construct the house. Existing contours east of the proposed structure will not be modified as part of the site development.

Vegetation

No formal landscape design has been developed for the new residence. The applicant proposes to continue to use the area around the residential site for yard use; including the existing mowed lawn, raised garden beds, and landscaped areas. A portion of the current lawn area identified in the *Schneider Wetland Mitigation Concept Memorandum* (Adolfson, 2005b) will be fenced off and planted with native trees and shrubs. In addition, non-native/invasive Himalayan blackberry will be removed along the edge of the undisturbed wetland. Native trees and shrubs will be planted east of the split-rail fence (between the fence and the undisturbed wetland).

The *Schneider Wetland Mitigation Concept Memorandum* describes maintenance and ongoing activities in these areas. All mitigation work will be performed to minimize the impact to existing native plant communities. The mitigation work will not require mechanical clearing or earthwork. No herbicides will be used to control invasive species. The plant material used will (typically be one gallon in size) to provide soil stability and is intended to further enhance the existing wetland, vegetative diversity, and wildlife habitat.

Fish and Wildlife Resources

All mitigation work done in the wetland will be performed in such a manner as to minimize the impact to wildlife habitat. Native plantings installed by hand east of the developed portion of the property are intended to increase the habitat value and structural diversity of the vegetation in the area.

Hydrological Conditions

Surface water runoff on the developed portion of the site will be allowed to infiltrate into the ground with no other provision for collection. Surface and subsurface water will be directed away from the foundation. However, the overall flow path for surface and sub-surface water will not result in altered drainage patterns post-construction. Water will continue to flow downslope through the wetland complex to Forbes Creek. Therefore, wetland hydrologic conditions are not expected to be affected by site development.

Groundwater and Surface Water Quality

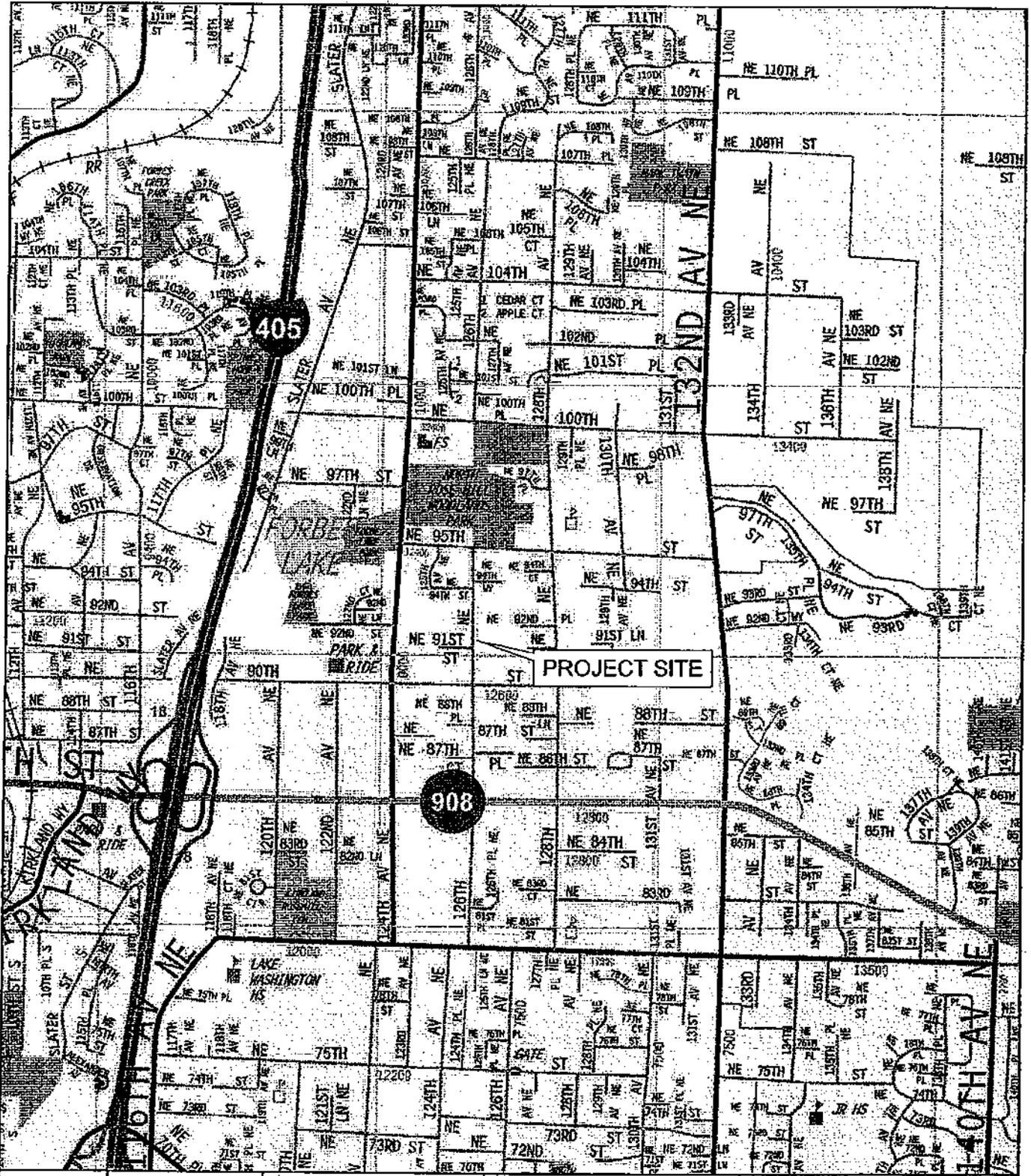
All earthwork will be conducted during the dry season from June to October to minimize sediment transport to wetlands. Construction of the single-family residence is not expected to negatively affect groundwater or surface water quality.

REFERENCES

Adolfson Associates, Inc. 2005a. Wetland Delineation for the Schneider / Skimmer Property.
Prepared for Mr. Shawn Schneider, City of Kirkland, WA.

Adolfson Associates, Inc. 2005b. Schneider Wetland Mitigation Concept. Prepared for Mr.
Shawn Schneider, City of Kirkland, WA.

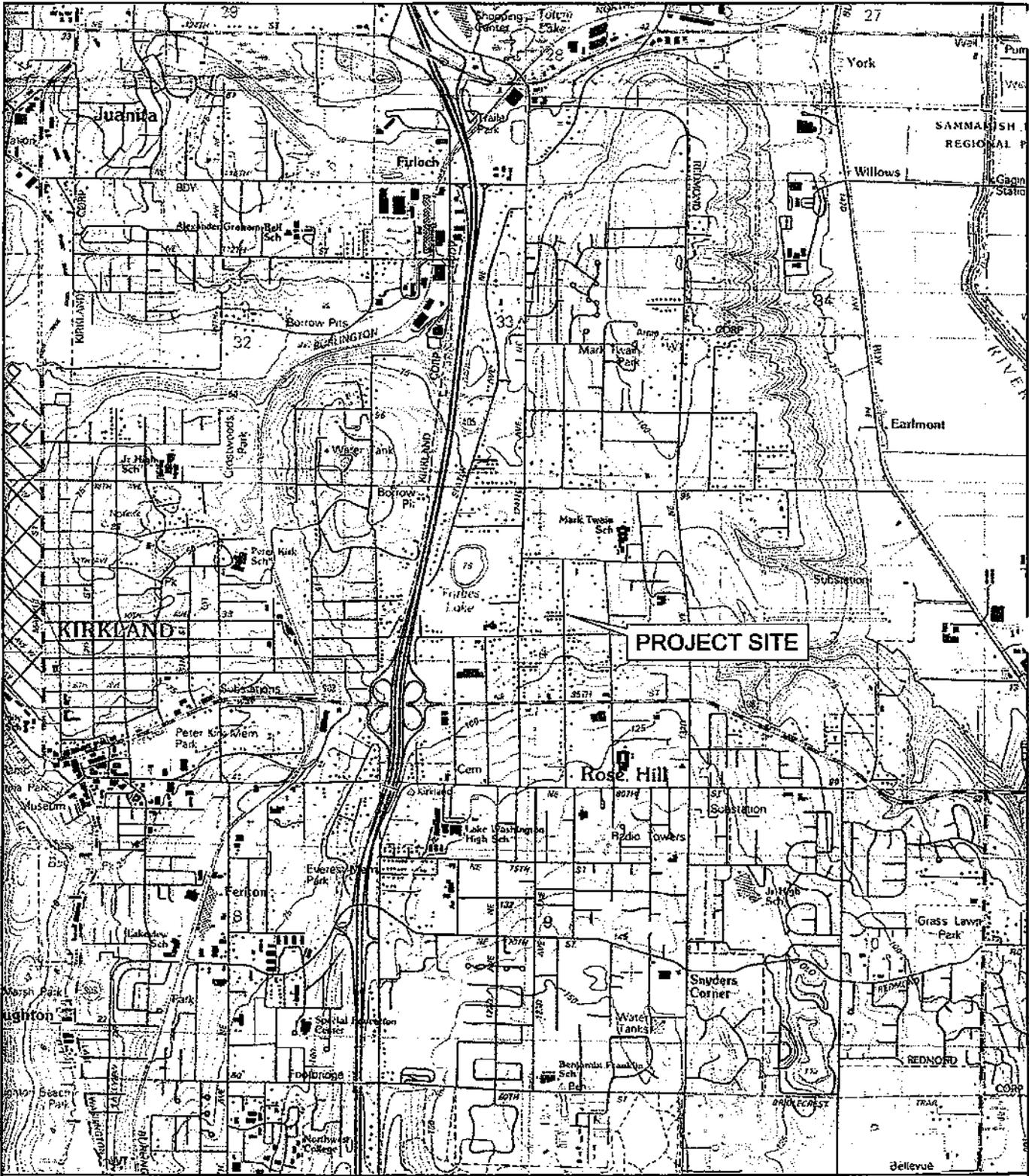
FIGURES AND PHOTOS



File name: Fig01_ThMap_location.mxd
 Created/last edited by: JAS
 Date last updated: 12/20/05
 Reference: 250133

Map data are the property of the sources listed below.
 Inaccuracies may exist, and Adolfson Associates, Inc. implies no warranties or
 guarantees regarding any aspect of data depiction.
 SOURCE: Thomas Guide Maps, 2004.

FIGURE 1
LOCATION MAP
 SCHNEIDER PROPERTY RUE REPORT
 KIRKLAND, WASHINGTON



PROJECT SITE



File name: Fig02_USGSchtopo.apl
 Created/last edited by: JAB
 Date last updated: 12/02/05
 Reference no: 250133



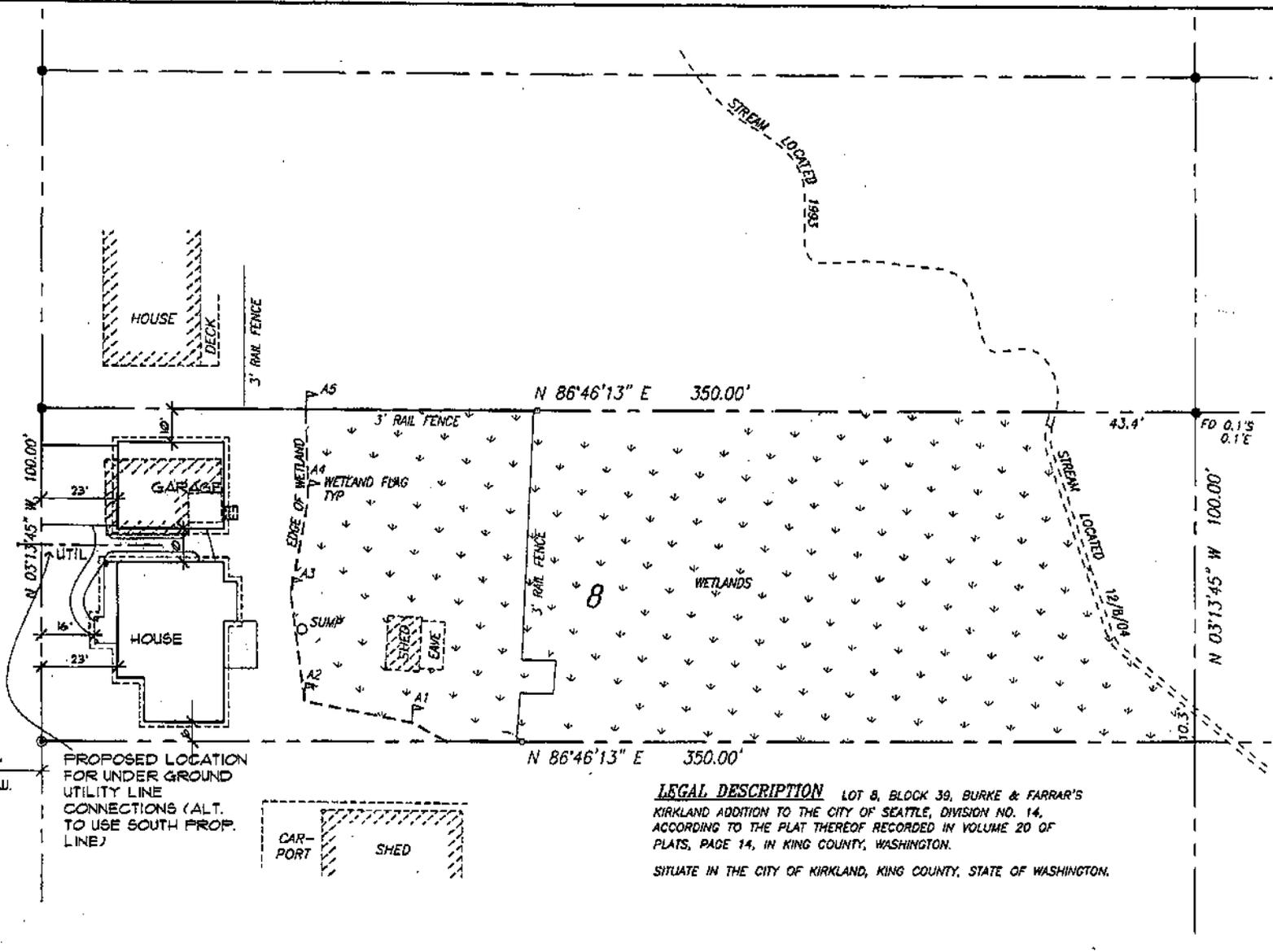
Map data are the property of the sources listed below.
 Inaccuracies may exist, and Adolphson Associates, Inc. implies no warranties or
 guarantees regarding any aspect of data depicted.
 SOURCE: USGS Topographic Series,
 Bellevue North Quadrangle, 1982.

**FIGURE 2
 SITE MAP**

**SCHNEIDER PROPERTY RUE REPORT
 KIRKLAND, WASHINGTON**

126th AVE. N.E.

N03°13'45" W (P)



LEGAL DESCRIPTION LOT 8, BLOCK 39, BURKE & FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 14, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 14, IN KING COUNTY, WASHINGTON.

SITUATE IN THE CITY OF KIRKLAND, KING COUNTY, STATE OF WASHINGTON.



File name: Schneider/Skinner
 Created/last edited by: MLJ/AB
 Date last updated: 12/13/05
 Reference: 2005135.0



NOT TO SCALE

Map data are the property of the sources listed below. Inaccuracies may exist, and Adolphson Associates, Inc. implies no warranties or guarantees regarding any aspect of data duplication.
 SOURCE: Professional Land Survey, 2004
 Note: Sample plot (SP) locations are estimated.

Key:
 SP = Sample plot location (estimated)
 P# = Photo point location and direction

FIGURE 3
 SCHNEIDER/SKINNER
 PROPOSED RESIDENCE AND WETLAND LOCATION
 SCHNEIDER PROPERTY RUE REPORT
 KIRKLAND, WASHINGTON



Photo 1 – Looking west at the Schneider / Skinner property from the east end of the backyard.



Photo 2 – Looking northeast at the undisturbed scrub-shrub / forested wetland beyond the fence.



Photo 3: An elevation break is evident at the eastern edge of the wetland (approximated by the yellow-dashed lines).



Photo 4 – Cedar and spruce saplings have been planted east of the fence to restore forested wetland conditions.

**ATTACHMENT A: SCHNEIDER MITIGATION
CONCEPT MEMORANDUM**

MEMORANDUM



A D O L F S O N

Environmental Solutions

DATE: December 2, 2005
TO: Mr. Shawn Schneider
FROM: Sarah Hartung
CC: Project file
RE: Proposed Mitigation for the Schneider / Skinner Property

INTRODUCTION

On behalf of Mr. Shawn Schneider (Applicant), Adolfson Associates, Inc. (Adolfson) has prepared this conceptual mitigation memorandum in support of a Reasonable Use Exception (RUE) for proposed residential construction in a wetland buffer. The project site is located at 9118 126th Avenue NE in the City of Kirkland (City), WA (Figures 1 and 2). The parcel contains a forested Category I. The wetland and associated buffer are described in a report prepared by Adolfson (2005). The required 100-foot wetland buffer encompasses all of the non-wetland area on the parcel. The western portion of the wetland is a mowed lawn and contains a shed and raised garden beds. A split-rail fence separates the mowed lawn (emergent wetland) from the remainder of the wetland (Figure 3). There is a 15-foot wide band of grass and a few planted saplings between the split-rail fence and the forested wetland.

The proposed project would involve demolishing an existing single-family residence and constructing a new single-family residence and garage, resulting in 0.04 acres of new impervious surface in the wetland buffer. No native trees or shrubs would be removed from the buffer and no construction is proposed within the wetland.

RESTORATION PLAN

The City code does not have specific mitigation requirements for wetland buffer impacts under the RUE process. The Applicant, however, is proposing to restore a portion of the emergent wetland to compensate for impacts to the wetland buffer. The proposed restoration area includes an approximate 80 square foot (sf) section in the north corner of the backyard (just west of the split-rail fence) and a 15'x 100' section of disturbed wetland habitat just east of the split rail fence (where vegetation clearing historically occurred) (Attachment 1).

Components of the restoration plan include:

- Shift the north end of the split-rail fence towards the west to remove/restore some lawn and increase the amount of naturally vegetated wetland area.
- Install native trees and shrubs east of the split-rail fence (between the fence and the undisturbed wetland) to enhance the existing wetland vegetation.
- Remove non-native/invasive Himalayan blackberry along the edge of the existing forested wetland.

The restoration will not require mechanical clearing or earthwork (excavation or filling). Planting materials (plants, mulch, etc.) may be delivered to the site in trucks, but otherwise no heavy machinery will be required. Plants will be installed manually, using small hand tools and possibly gas-powered weed-cutters and lawn mowers. No herbicides will be used to control invasive species.

Plant List

Table 1 lists the species that are appropriate for installation in the restoration area. These species, native to western Washington, were selected based on site conditions, existing native vegetation observed near the mitigation area, and the desire to increase species diversity in the wetland.

Table 1. Planting List for the Schneider / Skinner Property

Scientific Name	Common Name	Wetland Indicator Status*	Size
Trees			
<i>Alnus rubra</i>	Red alder	FAC	1 gallon
<i>Fraxinus latifolia</i>	Oregon ash	FACW	1 gallon
<i>Malus fusca</i>	Western crabapple	FACW	1 gallon
<i>Picea sitchensis</i>	Sitka spruce	FAC	1 gallon
<i>Thuja plicata</i>	Western red cedar	FAC	1 gallon
Shrubs			
<i>Cornus stolonifera</i>	Red-osier dogwood	FACW	1 gallon
<i>Lonicera involucratâ</i>	Black twinberry	FAC+	1 gallon
<i>Physocarpus capitatus</i>	Pacific ninebark	FACW-	1 gallon
<i>Rosa pisocarpa</i>	Cluster rose	FAC	1 gallon
<i>Rubus spectabilis</i>	Salmonberry	FAC+	1 gallon
<i>Salix lasiandra</i>	Pacific willow	FACW+	Live stake
<i>Salix scouleriana</i>	Scouler's willow	FAC	Live stake
<i>Salix sitchensis</i>	Sitka willow	FACW	Live stake
<i>Spiraea douglasii</i>	Douglas spiraea	FACW	1 gallon
Herbs/Grasses			

Scientific Name	Common Name	Wetland Indicator Status*	Size
<i>Carex obtusifolia</i>	Slough sedge	OBL	10 inch plug
<i>Glyceria elata</i>	Tall mannagrass	FACW+	10 inch plug
<i>Scirpus microcarpus</i>	Small-fruited bulrush	OBL	10 inch plug

*Categories assigned to plant species based upon estimated probabilities (expressed as a percent) of the species occurring in a wetland. Probability of occurring in a wetland: OBL = > 99%; FACW = 67-99%, FAC = 34-66%, FACU = 1-33%, UPL = < 1%. A (+) or (-) indicates a greater or lesser likelihood, respectively, of the species being found in a wetland. Source: USFWS, 1997.

Site Preparation and Removal of Invasive Species

Existing lawn grasses such as bentgrass, bluegrass, and fescue should be cleared in a 3-foot diameter area around each planted shrub or tree to reduce root-competition. The optimal time for establishing plants is during the cool, rainy season (late fall, winter, or early spring).

Himalayan blackberry, an aggressive, non-native species, occurs east of the split-rail fence along the edge of the undisturbed wetlands. Blackberry stems (also called canes) can be controlled through a combination of manual and mechanical means. A weed-wacker or machete may be used to reduce thickets then the root crowns should be completely removed to prevent re-sprouting. The optimal time to dig up the root crown is when the plant starts to flower (June-August), since most of the root reserves have gone into flowering. Remove all fragments of canes and root crowns at an approved, off-site location. If left on-site, these pieces will spread the infestation. Complete removal of Himalayan blackberry is difficult because of dormant seeds in the soil and may require several seasons of vigilance.

Planting Methods

A variety of herbs, shrubs, and trees will be selected from the plant list (Table 1) and installed throughout the proposed restoration area to enhance the existing wetland. The minimum proposed plant density is 10 feet on center for trees (or one tree per 100 sf), four feet on center for shrubs (one shrub per 16 sf), and two feet on center for herbaceous species (one plant per four sf). Substitutions of native wetland species are acceptable depending on plant availability. Bare-root stock may also be available for some of the shrubs and trees. No non-native, invasive plants would be installed. Prohibited plants include English ivy, reed canarygrass, and holly. Contact the City of Kirkland for a complete list of prohibited plants.

Performance Standards

For this project, the restoration plan will be considered successful if the installed plantings meet the following criteria:

- Installed plant survival of 100% through the first growing season;

- No more than 10% invasive species during any of the three monitoring years.

Maintenance and On-going Activities

Maintenance and on-going activities include, but are not be limited to:

- installing supplemental plants as needed;
- watering during unseasonable dry periods or when the soils are unusually dry;
- removing non-native or invasive plant species as needed;
- removing portions of or entire trees that pose a hazard to the residence;
- continuing to garden in the backyard where raised beds are established.

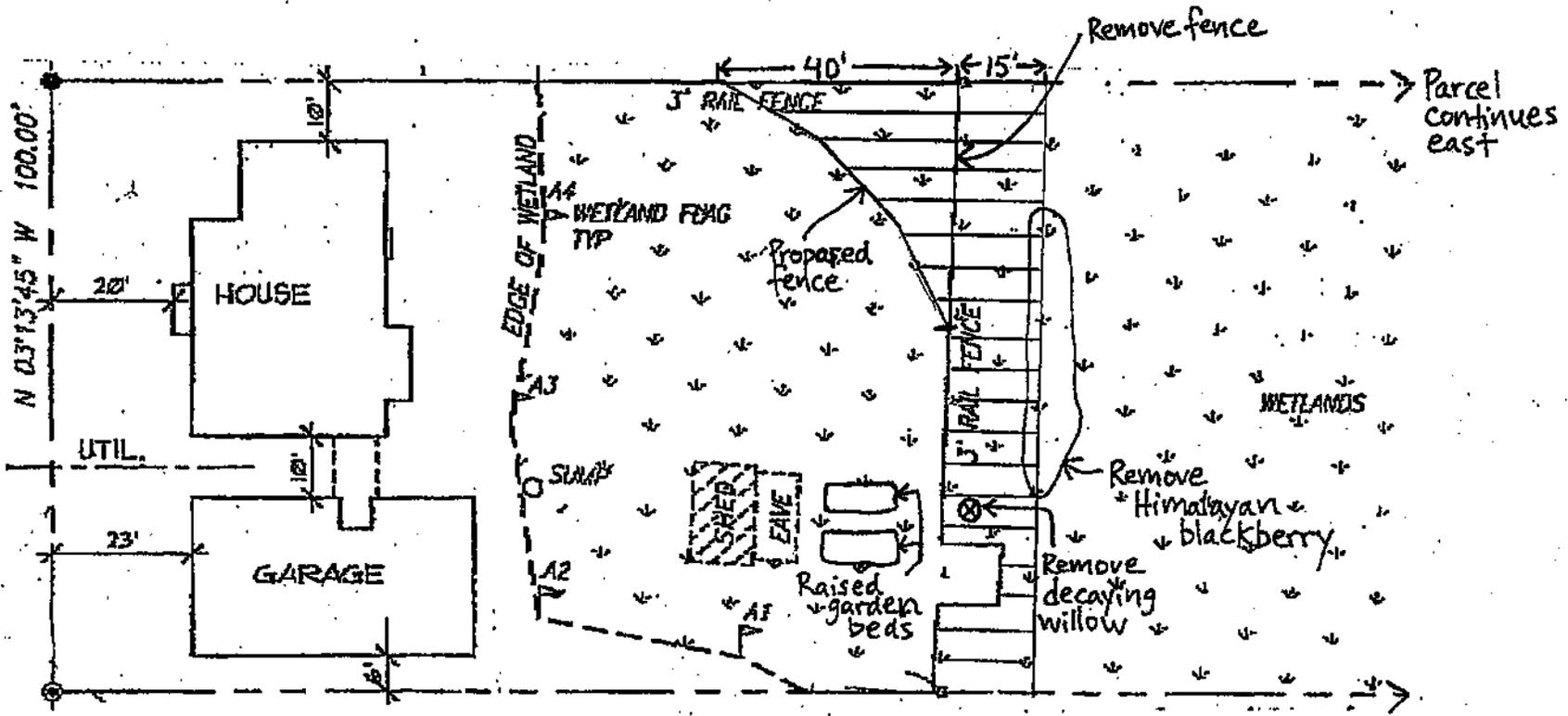
REFERENCES

Adolfson Associates, Inc. 2005. Wetland Delineation for the Schneider / Skinner Property. Prepared for Mr. Shawn Schneider, City of Kirkland, WA.

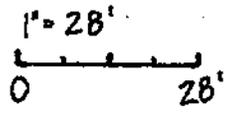
USFWS (U.S. Fish and Wildlife Service). 1997. *National List of Vascular Plant Species that Occur in Wetlands: 1996 National Summary*. Biol. Rpt. 88(26.9). A draft revision of P.B. Reed, Jr., 1988, *National List of Plant Species That Occur in Wetlands: Northwest (Region 9)*. United States Department of Interior, Washington, DC.

**ATTACHMENT A: Proposed Restoration Area for the
Schneider / Skinner Property**

126th Ave. N.E.



 Proposed Restoration Area



↑
North

Attachment A
Proposed Restoration Area for the Schneider / Skinner Property

RECEIVED

MAY 10 2006

MEMORANDUM

AM PM
PLANNING DEPARTMENT
BY _____



DATE: May 8, 2006
TO: Mr. Shawn Schnelder
FROM: Steve Winter *SMW*
CC: Cathie Conolly; Project File
RE: Revised Mitigation Plan for 9118 - 126th Avenue NE

Environmental Solutions

Introduction

Adolfson Associates, Inc. (Adolfson) has revised the conceptual mitigation plan originally proposed to support a Reasonable Use Exception (RUE) application for proposed residential construction in a wetland buffer (Adolfson 2005a). The project site is located at 9118 126th Avenue NE in the City of Kirkland (Figure 1) and includes part of a forested Category I wetland that extends beyond the property boundaries (Sheet 1). The 100-foot wetland buffer for the wetland encompasses the entire remainder of the parcel. The wetland and associated buffer are described in a report prepared by Adolfson (2005b).

The western portion of the wetland (adjacent to the existing and proposed buildings) is a mowed lawn and contains a shed and raised garden beds. A split-rail fence separates the mowed lawn (emergent wetland) from the remainder of the forested wetland (Sheet 1). There is a 15-foot wide band of grass and a few planted saplings between the split-rail fence and the forested wetland.

The proposed project would involve renovating an existing house and constructing a garage, resulting in approximately 0.04 acre of new impervious surface in the wetland buffer. No native trees or shrubs would be removed from the buffer and no construction is proposed within the wetland.

Response to Comments

In a letter dated March 20, 2006, the City of Kirkland's consultant, the Watershed Company, provided comments on our December 2005 conceptual mitigation plan. The letter indicated that the mitigation plan as proposed was not sufficient to offset the proposed buffer impacts, and included a number of comments and recommendations. These comments have been addressed in this revised mitigation plan. Table 1 summarizes Adolfson's responses to comments in the March 20, 2006 letter.

Table 1. Responses to Watershed Company's Comments on December 2005 Mitigation Plan

Comment/Recommendation	Adolfson Response
Correct the scale on the Site Plan.	The revised plan includes two sheets, one site map at 1 inch = 40 feet, and a mitigation plan at 1 inch = 20 feet.
Show the building setback lines on the wetland side of the structures	A building setback line 10 feet away from the eave line of the proposed house and garage is shown on Sheet 1. Please note that this line generally becomes the edge of mitigation area on Sheet 2.
Restore all degraded wetland and buffer areas that are outside of the building setbacks.	<p>The mitigation described below and shown on Sheet 3 proposes to enhance native plant communities to the currently managed lawn and portion of the buffer on the property.</p> <p>Please note that the proposed project includes some weed removal, but does not include removing weeds over the entire wetland area to the eastern property boundary. Non-native invasive weeds exist on all sides of the property, reducing the chances of success for weed control in this area. Further, weed control through the entire site would require significant disturbance to the existing system.</p>
Incorporate the use of pervious hardscape materials for the driveway and walks.	No changes have been made to the design of the driveway and/or walks. It is our opinion that the enhancement plan as proposed provides more than sufficient increase in function of the buffer and wetland to support the RUE.
Incorporate other innovative design components, as feasible.	As part of the revised plan, we propose to add features that will improve buffer and wetland functioning, including habitat logs, brush piles, and nest boxes.
Garage stairs.	The stairs shown near the back of the proposed garage are the stairs from the existing house. These stairs are not part of the proposed design.

Revised Mitigation Plan

The City code does not have specific mitigation requirements for wetland buffer impacts under the RUE process. The Applicant, however, is proposing to enhance the emergent wetland and as much buffer as is available outside a 10 foot building set back. The proposed mitigation area is approximately 0.22 acre (Sheet 2). The goal of the mitigation plan is to develop self-sustaining native vegetation community in the wetland and buffer that is currently lawn with some outbuildings.

Components of the mitigation plan include:

1. Remove the shed, raised planting beds, and non-native plantings from the mitigation area.
2. Shift the north-south section of the split-rail fence west to the edge of the building setback to provide a physical demarcation of the buffer and wetland area.
3. Prepare site for planting with focused rototilling in the dry season.
4. Hydroseed tilled areas with mulch, tackifier, and native emergent seed mix.
5. Install habitat features that include habitat logs, snags, brush piles, and/or nest boxes.
6. Install native trees, shrubs, and emergent plants within the wetland and buffer area that is currently managed lawn.
7. Remove non-native/invasive Himalayan blackberry along the edge of the existing forested wetland.

The mitigation project will not require mechanical clearing or earthwork (excavation or filling), but will include rototilling during the dry season to break through grass sod and loess soils. Disturbed areas will be hydroseeded with mulch, tackifier, and a native emergent seed mix to stabilize the site between rototilling in the dry season and planting in the wet season. Planting materials (plants, mulch, etc.) may be delivered to the site in trucks. Plants will be installed manually, using hand tools and possibly gas-powered weed-cutters and lawn mowers. No herbicides will be used to control invasive species.

Planting Approach

The planting approach has been modified from the original plan to install native plants over a 0.22 acre area. Plantings are intended to enhance the buffer and wetland by installing native plants in three planting polygons that focus on different mixes of native species.

The proposed spatial distribution of these polygons is shown on Sheet 2. This distribution was partially derived by using site observations to identify approximate areas of seasonal inundation versus saturation to the surface that could impact planting success. The distribution is also designed to establish stands of trees and dense shrubs around the western perimeter of the proposed mitigation site in an attempt to maximize buffer functioning between the wetland and the proposed development.

Tables 2-4 list the species appropriate for each Planting Polygon. The species listed in Tables 2-4 provide a number of species that can be used as a general guide to the exact species selected for each polygon. It is our intent to provide flexibility in selecting the exact species for each polygon. These species, native to western Washington, were selected based on site conditions, existing native vegetation observed near the mitigation area, and the desire to increase species diversity in the wetland. Substitutions of native wetland species are acceptable depending on plant availability. No non-native, invasive plants would be installed. Prohibited plants include English ivy, reed canarygrass, and holly. Contact the City of Kirkland for a complete list of prohibited plants.

Table 2. Potential Plant List for Polygon 1

Scientific Name	Common Name	Wetland Indicator Status ¹	Size
Herbs/Grasses			
<i>Carex obnupta</i>	Slough sedge	OBL	10 inch plug
<i>Glyceria elata</i>	Tall mannagrass	FACW+	10 inch plug
<i>Scirpus microcarpus</i>	Small-fruited bulrush	OBL	10 inch plug

Table 3. Potential Plant List for Polygon 2

Scientific Name	Common Name	Wetland Indicator Status ¹	Size
Trees			
<i>Alnus rubra</i>	Red alder	FAC	bareroot
<i>Fraxinus latifolia</i>	Oregon ash	FACW	1 gallon
<i>Malus fusca</i>	Crabapple	FACW	1 gallon
<i>Picea sitchensis</i>	Sitka spruce	FAC	bareroot
<i>Thuja plicata</i>	Western red cedar	FAC	bareroot
Shrubs			
<i>Cornus stolonifera</i>	Red-osier dogwood	FACW	1 gallon
<i>Rubus spectabilis</i>	Salmonberry	FAC+	1 gallon
<i>Physocarpus capitatus</i>	Pacific ninebark	FACW-	1 gallon
<i>Salix sitchensis</i>	Sitka willow	FACW	Live stake
<i>Spiraea douglasii</i>	Douglas spiraea	FACW	1 gallon

¹ Categories assigned to plant species based upon estimated probabilities (expressed as a percent) of the species occurring in a wetland. Probability of occurring in a wetland: OBL = > 99%, FACW = 67-99%, FAC = 34-66%, FACU = 1-33%, UPL = < 1%. A(+) or (-) indicates a greater or lesser likelihood, respectively, of the species being found in a wetland. (USFWS, 1997)

Table 4. Potential Plant List for Polygon 3

Scientific Name	Common Name	Wetland Indicator Status ¹	Size
Trees			
<i>Alnus rubra</i>	Red alder	FAC	bareroot
<i>Thuja plicata</i>	Western red cedar	FAC	bareroot
<i>Pseudotsuga menziesii</i>	Douglas fir	Not Listed	bareroot
Shrubs			
<i>Ribes sanguinum var sanguinum</i>	Red-flowering current	FAC+	1 gallon
<i>Oemlaria cerasiformis</i>	Indian plum	FACU	1 gallon
<i>Rosa pisocarpa</i>	Cluster rose	FAC	1 gallon
<i>Rubus spectabilis</i>	Salmonberry	FAC+	1 gallon
<i>Corylus cornuta</i>	Beaked hazelnut	FACU	1 gallon
<i>Spiraea douglasii</i>	Douglas spiraea	FACW	1 gallon

Polygons 2 and 3 are proposed to occur over areas that are dominated by lawn and pasture grasses. Therefore, tree and shrub species are proposed to be installed in 'islands' of dense plantings. To break existing grass sod and loft soils, rototilling is proposed over a portion (approximately 50 to 75 percent of the total area) of the scrub-shrub, wetland forest, and buffer forest planting polygons. Rototilling is not proposed for the entire area to limit disturbance and potential sediment impacts to the existing system. By focusing plantings, access will be provided for maintenance of the plantings (e.g., using a string trimmer). Rototilled areas will extend for the length and width of the polygons (i.e., plantings will not be focused all on one side of a specific polygon).

Numbers of plants will be based on planting the entire polygon with trees at 10 feet on-center and shrubs at 6 feet on-center. Where possible, bareroot trees will be used, so tree densities will be increased to allow for mortality and future thinning. Trees and shrubs will then be planted in the rototilled areas. Tree species (bareroots) will be also planted in un-rototilled areas in spots where at least three feet of grass have been removed.

Removal of Invasive Species

Himalayan blackberry, an aggressive, non-native species, occurs east of the split-rail fence along the edge of the forested wetlands. Blackberry stems (also called canes) can be controlled through a combination of manual and mechanical means. A weed-wacker or machete may be used to reduce thickets then the root crowns should be completely removed to prevent re-sprouting. The optimal time to dig up the root crown is when the plant starts to flower (June-August), since most of the root reserves have gone into flowering. Remove all fragments of canes and root crowns at an approved, off-site

location. If left on-site, these pieces will spread the infestation. Complete removal of Himalayan blackberry is difficult because of dormant seeds in the soil and may require several seasons of maintenance.

Habitat Features

Habitat features will also be installed to provide short-term habitat, and to provide additional structure within the relatively homogenous western portion of the wetland. Habitat features will include: (1) habitat logs, (2) brush piles, and (3) nest boxes. The exact numbers and sizes of the habitat logs and brush piles will be determined by material availability, but will only include native species. These habitat features are intended to provide microtopographic relief and a source of nutrients to the system. Please note that the number and exact placement of these features has yet to be established. The design is intended to incorporate material availability to limit project costs.

Performance Standards

We propose a three-year monitoring period for the enhancement area. For this project, the enhancement will be considered successful if the installed plantings meet the following criteria:

- Installed containerized plant survival of 100% through the first growing season;
- Installed bareroot plant survival of greater than 75% through the first growing season;
- No more than 20% invasive species during any of the three monitoring years.
- Establish at least two native tree species and three native shrubs in Polygons 2 and 3 by year 3.
- Tree and shrub cover shall be greater than 10% after the first growing season in Polygons 2 and 3, and shall be greater than 25% by the end of year 3.

Maintenance and On-going Activities

Maintenance and on-going activities include, but are not be limited to:

- installing supplemental plants as needed;
- watering during unseasonable dry periods or when the soils are unusually dry;
- removing non-native or invasive plant species as needed; and
- adding boughs to the brush piles.

References

Adolfson Associates, Inc. 2005a. Proposed Mitigation for the Schneider/Skinner Property. Memo Prepared for Mr. Shawn Schneider, City of Kirkland, WA.

Adolfson Associates, Inc. 2005b. Wetland Delineation for the Schneider / Skinner Property. Prepared for Mr. Shawn Schneider, City of Kirkland, WA.

USFWS (U.S. Fish and Wildlife Service). 1997. *National List of Vascular Plant Species that Occur in Wetlands: 1996 National Summary*. Biol. Rpt. 88(26.9). A draft revision of P.B. Reed, Jr., 1988, *National List of Plant Species That Occur in Wetlands: Northwest (Region 9)*. United States Department of Interior, Washington, DC.



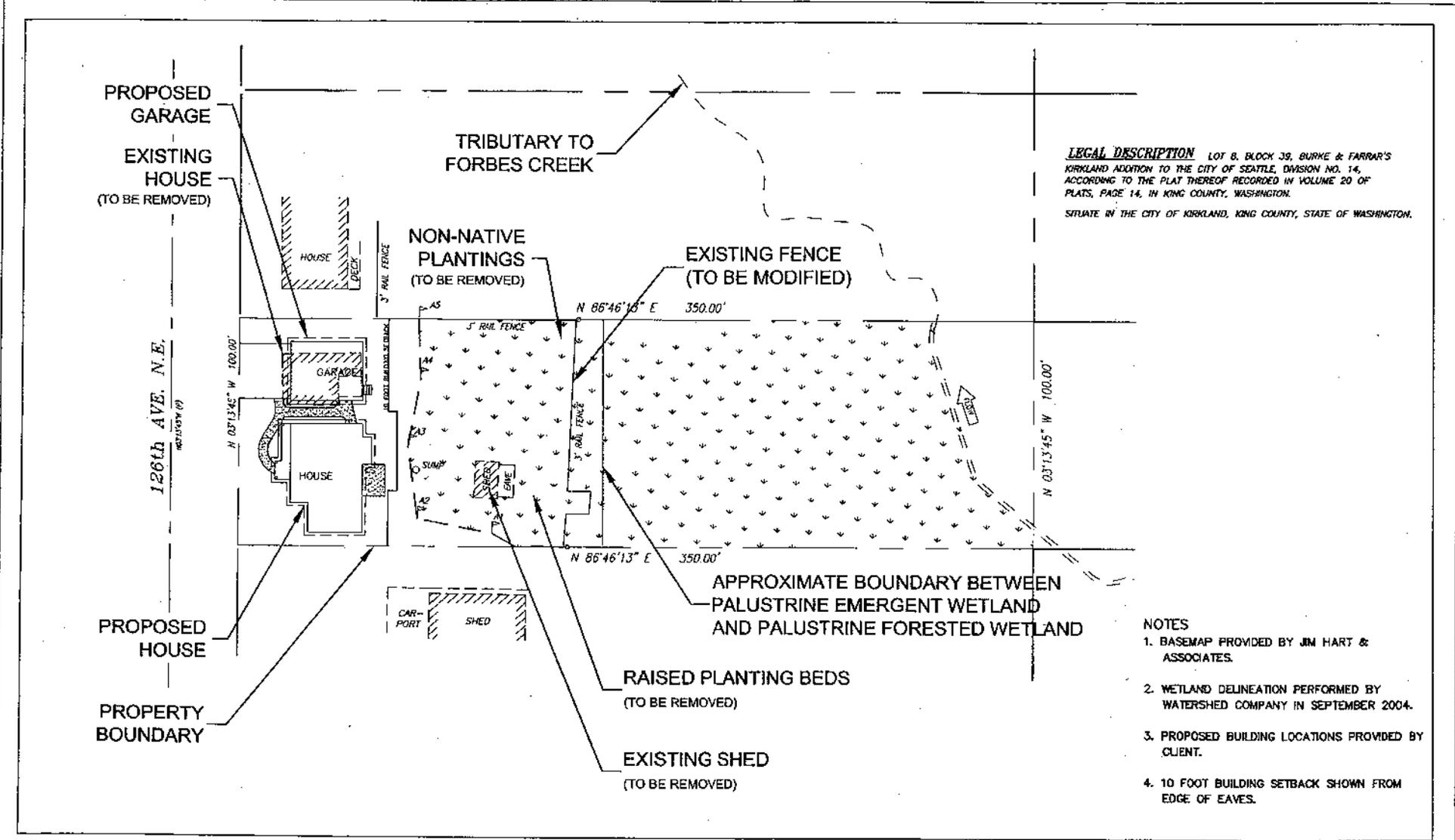
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 Created/last edited by: JAS
 Date last updated: 02/06/05
 Reference: 250133



Map data are the property of the sources listed below.
 Inaccuracies may exist, and Adolphson Associates, Inc. implies no warranties or
 guarantees regarding any aspect of data depiction.
 SOURCE: USGS Topographic Series,
 Bellevue North Quadrangle, 1962.

FIGURE 1
SITE MAP

SCHNEIDER/SKINNER PROPERTY MITIGATION PLAN
KIRKLAND, WASHINGTON



ADOLPHSON ASSOCIATES, INC.
 Environmental Solutions
 6308 26th Avenue, NW
 Seattle, WA 98107
 P: (206) 758-8666
 F: (206) 758-8668

File name: MITIGATIONPLAN.DWG
 Date: MAY 8, 2006 SMW
 Revised:

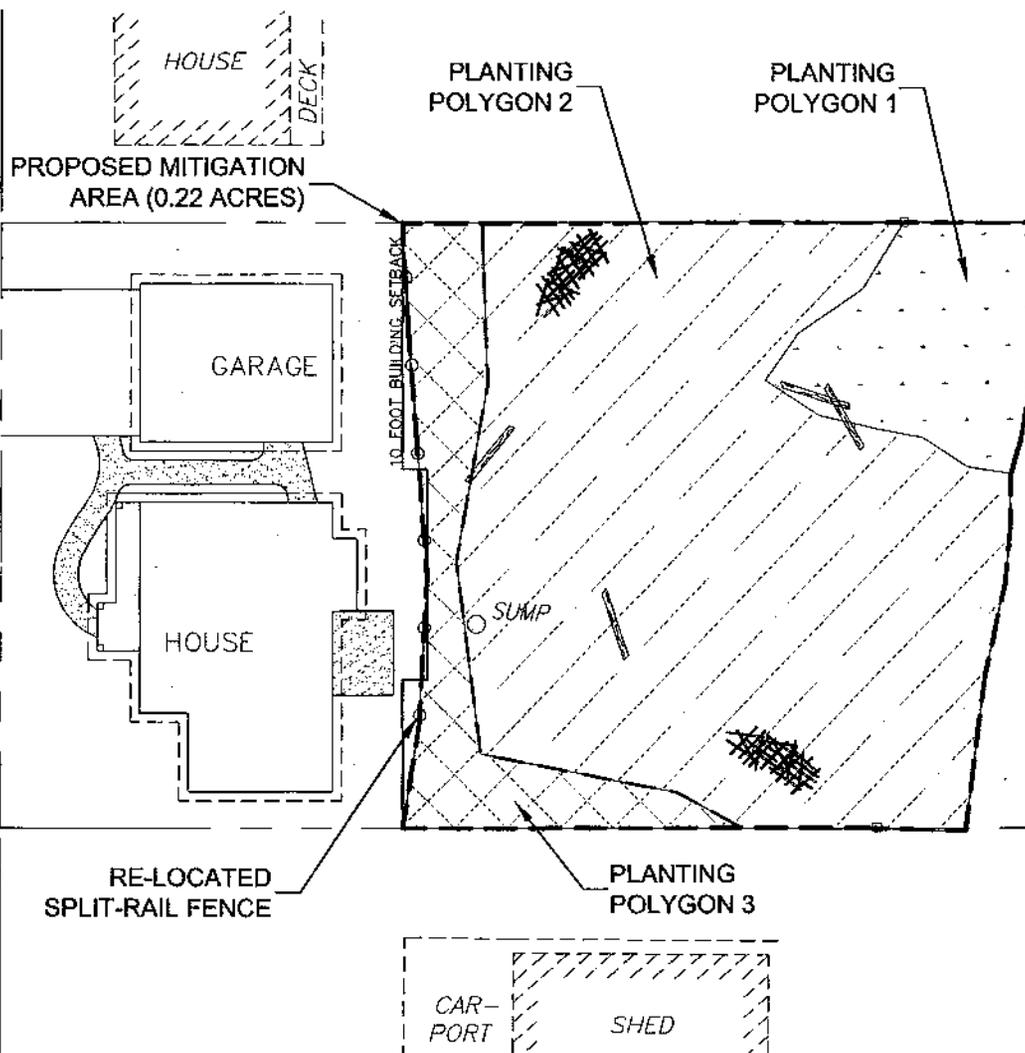
THIS DRAWING IS THE PROPERTY OF THE UNDERSIGNED FIRM. NO REPRODUCTION OR TRANSMISSION OF THIS DRAWING IS PERMITTED WITHOUT THE WRITTEN PERMISSION OF THE UNDERSIGNED FIRM. SOURCE: WETLAND PROVIDED BY CLIENT 8/14/06

SITE PLAN
 SCHNEIDER/SKINNER RESIDENCE
 KIRKLAND, WASHINGTON

SHEET NO.
1.0

126th AVE. N.E.

N03°13'45"W (P)



LEGEND

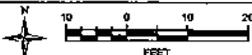
-  PLANTING POLYGON 1 (1,235 SQUARE FEET)
-  PLANTING POLYGON 2 (7,287 SQUARE FEET)
-  PLANTING POLYGON 3 (1,316 SQUARE FEET)
-  PROPOSED SPLIT RAIL FENCE
-  HABITAT LOG (TYPICAL)
-  BRUSH PILE (TYPICAL)

NOTES

1. BASEMAP PROVIDED BY JIM HART & ASSOCIATES.
2. WETLAND DELINEATION PERFORMED BY WATERSHED COMPANY IN SEPTEMBER 2004.
3. PROPOSED BUILDING LOCATIONS PROVIDED BY CLIENT.
4. PROPERTY EXTENDS TO THE EAST AND INCLUDES TRIBUTARY CHANNEL TO FORBES CREEK.
5. HABITAT LOGS WILL BE AT LEAST 12 FEET LONG AND 12 INCH DIAMETER. EXACT NUMBER AND PLACEMENT TO BE DETERMINED.
6. BRUSH PILES SHALL CONSIST OF A 2-4 FOOT BASE OF INTERLACED 4 TO 8 INCH DIAMETER, 6 TO 10 FOOT LONG STEMS WITH AN ADDITIONAL 2-4 FEET OF LOOSE BOUGHS COMPLETELY COVERING THE BASE. EXACT NUMBER AND PLACEMENT TO BE DETERMINED.



ADOLPHSON
ASSOCIATES, INC.
Environmental Solutions
8309 24th Avenue, NW
Seattle, WA 98147
PH (206) 770-0400
FX (206) 770-0404



ALL RIGHTS ARE THE PROPERTY OF THE SOURCE(S) LISTED BELOW.
NO WARRANTIES OR GUARANTEES REGARDING ANY ASPECT OF DATA
SOURCE: BASEMAP PROVIDED BY CLIENT IN FILE 204

File name: MITIGATIONPLAN.DWG
Date: MAY 8, 2008 SMW
Revised:

PROPOSED MITIGATION
SCHNEIDER/SKINNER RESIDENCE
KIRKLAND, WASHINGTON

SHEET NO.

2.0



SCIENCE & DESIGN

RECEIVED

JUN 12 2006

AM PM
PLANNING DEPARTMENT
BY _____

June 7th, 2006

Tony Leavitt
City of Kirkland Planning Department
123 Fifth Avenue
Kirkland, WA 98033

Re: Schneider/Skinner Reasonable Use Exception Application

Dear Tony,

Thank you for the opportunity to review re-submitted information for the Schneider/Skinner new residence project located at 9118 - 126th Avenue NE (tax parcel 1238500315). This letter shall serve as our second environmental review of the reasonable use request prepared by the applicant's environmental consultant, Adolfsen Associates Inc. (AAI).

AAI prepared a revised mitigation plan and memorandum, dated 5/8/06 in response to our initial review comments.

Findings

The new plan presents a much more comprehensive and complete approach to restoring the wetland and buffer areas on the property. All areas outside of the 10-foot building setback are shown as restored with sufficiently dense plantings of native trees and shrubs. Rototilling of a majority of the area is planned to prepare the soil for planting. Not all areas are proposed to be rototilled; this is appropriate to limit site disturbance and the potential for erosion and siltation.

The applicant has elected to not use permeable concrete as a further measure to reduce project impacts and justifies this by arguing that the proposed increase in buffer function is adequate. However, the project does represent a significant reduction from the standard buffer, despite the proposed restoration actions. The addition of innovative design features such as permeable concrete will further reduce the project impact.

The proposed performance monitoring and maintenance period appears to be 3 years as it is described in the performance standards section of the plan. However, Kirkland Zoning Code (KZC) section 90.55.4 (c) requires that such plans have a five-year maintenance and monitoring program.

The performance standards for this plan are adequate with two exceptions. Percent cover goals are required to achieve at least 10% tree and shrub cover after the first growing season and 25% or more after the third growing season. Because this site is not infested with aggressive weeds and due to the density of plants proposed, it could achieve cover standards of more than 60% tree and shrub cover by year three and 80% by year five. These figures are both realistic and typical

Leavitt, T.
June 7th, 2006
Page 2 of 2

of mitigation standards routinely used in Kirkland and the broader region. Additionally, a maximum cover limit of 10% by invasive weeds in any monitoring year is expected and achievable for these plans.

No monitoring schedule is provided. Monitoring is required to take place twice per year with an annual report submitted to the Planning Official (KZC 90.55.4 – second to last paragraph). The schedule can consist of an informal spring weed/maintenance visit followed by a more intensive monitoring visit in the summer to measure survival, percent cover, etc. In the fourth year, both site visits may be less intensive than the summer field visit if the site is generally on track to meet standards.

The maintenance section does not specify that trees and shrubs are to be weeded to limit root competition and there is no provision to place or maintain mulch rings around installed woody vegetation. Mulch rings greatly improve plant survival and growth by conserving soil moisture and limiting weed competition.

No cost estimate is included for bonding purposes.

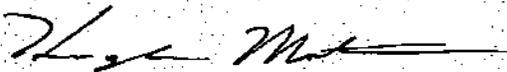
Recommendations

The following plan changes are recommended for correction to the submittal.

- 1) Specify a 5-year monitoring and maintenance period
- 2) Detail minimum woody species cover percentages of 60% by year three and 80% by year five.
- 3) Detail maximum percent cover by non-native, invasive weeds of 10% in any monitoring year within the planted areas.
- 4) Include a monitoring schedule that details two site visits per year.
- 5) Specify that maintenance include twice-yearly weeding beneath woody plants to the drip line and that mulch rings will be placed and maintained.
- 6) Provide a cost estimate that includes planting, woody debris and nest boxes, and monitoring and maintenance costs. A good template is the one used by King County DDES. This was just revised to be more simple and accurate on line item costs. A spreadsheet version has been provided to the City of Kirkland.

Please call if you have any questions or if you need further assistance on this project.

Sincerely,



Hugh Mortensen, PWS
Ecologist

Section 17.10

Zone
RSX

USE ZONE CHART

ATTACHMENT 9

ZON05-00033 Advisory Report

DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS												
Section 17.10	USE ↓ REGULATIONS ↓	Required Review Process	MINIMUMS			MAXIMUMS		Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)	
			Lot Size	REQUIRED YARDS (See Ch. 115)			Lot Coverage					Height of Structure
				Front	Side	Rear						
.010	Detached Dwelling Unit	None	As established on the Zoning Map. See Spec. Reg. 1.	20'	5' each side. See Spec. Reg. 3.	10'	50% See Spec. Reg. 5.	30' above average building elevation.	E	A	2.0 per dwelling unit.	<ol style="list-style-type: none"> Minimum lot size per dwelling unit is as follows: <ol style="list-style-type: none"> In RSX 35 zones, the minimum lot size is 35,000 square feet. In RSX 8.5 zones, the minimum lot size is 8,500 square feet. In RSX 7.2 zones, the minimum lot size is 7,200 square feet. In RSX 5.0 zones, the minimum lot size is 5,000 square feet. In RSX 35, 8.5, 7.2 and 5.0 zones, not more than one dwelling unit may be on each lot, regardless of the size of the lot. Floor Area Ratio (F.A.R.) allowed for the subject property is as follows: <ol style="list-style-type: none"> In RSX 35 zones, F.A.R. is 20 percent of lot size. In RSX 12.5 zones, F.A.R. is 35 percent of lot size. In RSX 8.5 zones, F.A.R. is 50 percent of lot size. In RSX 7.2 zones, F.A.R. is 50 percent of lot size. In RSX 5.0 zones, F.A.R. is 60 percent of lot size. See KZC 115.42, Floor Area Ratio (F.A.R.) Calculation for Detached Dwelling Units in Low Density Residential Zones, for additional information. On corner lots, only one front yard must be a minimum of 20 feet. All other front yards shall be regulated as a side yard (minimum five-foot yard). The applicant may select which front yard shall meet the 20-foot requirement. Chapter 115 KZC contains regulations regarding home occupations and other accessory uses, facilities and activities associated with this use. Residential lots in RSX zones within the Bridle Trails neighborhood north of Bridle Trails State Park must contain a minimum area of 10,000 permeable square feet, which shall comply with Special Regulation 6 for large domestic animals in KZC 115.20(4) (chart).

ORDINANCE NO. 3742

AN ORDINANCE OF THE CITY OF KIRKLAND, RELATING TO SENSITIVE AREAS, EXTENDING TO SEPTEMBER 30, 2000 INTERIM REGULATIONS FOR SENSITIVE AREAS AS ADOPTED BY ORDINANCE NO. 3658; AND AMENDING SECTION 2 OF ORDINANCE NO. 3706.

WHEREAS, the City Council has the authority to adopt interim regulations pursuant to RCW 35A.63.220 and 36.70A.390; and

WHEREAS, by Ordinance No. 3658, passed on October 20, 1998, the City Council adopted interim regulations that protect the particular functions and values of each drainage basin (sensitive areas); and

WHEREAS, by Ordinance No. 3684, passed on April 6, 1999, the City Council renewed Ordinance No. 3658 until September 30, 1999; and

WHEREAS, by Ordinance No. 3706, passed on September 7, 1999, the City Council renewed Ordinance No. 3658 until March 31, 2000; and

WHEREAS, on March 21, 2000, the City Council held a public hearing on renewal of Ordinance No. 3658 until September 30, 2000; and

WHEREAS, the City Council desires to renew Ordinance No. 3658 until September 30, 2000; now, therefore

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

Section 1. Findings of Fact. The City Council finds that renewal or extension of Ordinance No. 3658 until September 30, 2000 is necessary in order to verify the effectiveness of the requirements of Ordinance No. 3658 and to complete permanent regulations for sensitive areas.

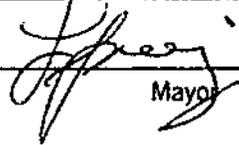
Section 2. Amendment. Section 2 of Ordinance No. 3658, as last amended by Section 2 of Ordinance No. 3706, is further amended as follows:

This ordinance shall be effective until September 30, 2000. This ordinance may be renewed if a subsequent public hearing is held and findings of fact are made prior to each renewal.

Section 3. Effective Date. This ordinance shall be in effect five days from and after its passage by the Kirkland City Council and publication, pursuant to Section 1.088.017 Kirkland Municipal Code, in the summary form attached to the original of this ordinance, and by this reference approved by the City Council, as required by law.

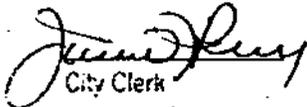
PASSED by majority vote of the Kirkland City Council in regular, open meeting this 21st day of March, 2000.

SIGNED IN AUTHENTICATION thereof this 21st day of March, 2000.



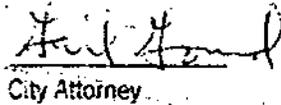
Mayor

Attest:



City Clerk

Approved as to Form:



City Attorney

SACDCCRE

CHAPTER 90 - DRAINAGE BASINS

I:	User Guide
II:	Purpose
III:	Applicability
IV:	General Exceptions
V:	Sensitive Areas Maps and Other Resources
VI:	Definitions
VII:	Activities in or Near Wetlands, Totem Lake, and Forbes Lake
VIII:	Activities in or Near Streams
IX:	Frequently Flooded Areas
X:	Site Requirements and Sensitive Areas Protection Techniques
XI:	Maximum Development Potential
XII:	Reasonable Use
XIII:	Bond or Performance Security
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XVI:	Appeals
XVII:	Setbacks and Buffers Required by Prior Approvals

I. USER GUIDE

These regulations apply to activities, work, and conditions in or near any stream, wetland, frequently flooded area, or lake in the City. These regulations add to and in some cases supersede other City regulations. Anyone interested in conducting any development activity on or near a wetland, stream, lake, or frequently flooded areas; wishing to participate in the City's decision on a proposed development on or near any of these areas; or wishing to have a determination made as to the presence of one of these areas on their property, should read these regulations.

II. PURPOSE

These regulations were prepared to comply with the Growth Management Act, RCW Chapter 36.70A. The purpose of these regulations is to protect the environment, human life, and property. This purpose will be achieved by preserving the important ecological functions of wetlands, streams, lakes, and frequently flooded areas. The designation and classification of these sensitive areas is intended to assure their preservation and protection from loss or degradation, and to restrict incompatible land uses.

Sensitive areas perform a variety of valuable biological, chemical, and physical functions that benefit the City and its residents. The functions of sensitive areas include, but are not limited to, the following.

- A. **Wetlands.** Wetlands help maintain water quality; store and convey storm and flood water; recharge ground water; provide fish and wildlife habitat; and serve as areas for recreation, education, scientific study, and aesthetic appreciation. The City's goal is to achieve no net loss of wetlands through retention of wetland functions, values, and acreage within each drainage basin. Wetlands are protected in part by buffers, which are upland areas adjacent to wetlands.

Wetland buffers serve to moderate runoff volume and flow rates; reduce sediment loads; remove waterborne contaminants such as excess nutrients, synthetic organic chemicals (e.g., pesticides, oils, and greases), and metals; provide shade for surface water temperature moderation; provide wildlife habitat; and deter harmful intrusion into wetlands.

The primary purpose of wetland regulations is to achieve a goal of no net loss of wetland function, value, and acreage within each drainage basin, which, where possible, includes enhancing and restoring wetlands.

- B. **Streams.** Streams and their associated buffers provide important fish and wildlife habitat and travel corridors; help maintain water quality; store and convey storm and flood water; recharge groundwater; and serve as areas for recreation, education, scientific study, and aesthetic appreciation. Streams are protected in part by buffers, which are adjacent upland areas that interact with streams.

Stream buffers - sometimes known as riparian buffers - serve to moderate runoff volume and flow rates; reduce sediment loads; remove waterborne contaminants such as excess nutrients, synthetic organic chemicals (e.g., pesticides, oils, and greases), and metals; provide shade for surface water temperature moderation; provide wildlife habitat; and deter harmful intrusion into streams.

The primary purpose of stream regulations is to avoid reducing stream and riparian corridor functions, and where possible, to enhance and restore streams and riparian areas.

- C. **Lakes.** Lakes provide important fish and wildlife habitat; store and convey storm and flood water; recharge ground water; store ground water discharge; and serve as areas for recreation, education, scientific study, and aesthetic appreciation. Many activities in and around lakes are regulated under the wetland regulations, because the shallow perimeter of most lakes (the littoral zone) often meets the definition of a wetland. Lake Washington is a Shoreline of the State, and is subject to the Shoreline Management Act. Activities on or in Lake Washington are regulated by the use zone regulation for the zones that include Lake Washington (see the Kirkland Zoning

Code). Activities in wetlands contiguous to Lake Washington are subject to both the Shoreline Master Program and the wetland regulations; where these regulations differ, the more protective of wetlands shall apply.

The primary purpose of the lake regulations is to avoid impacts to lakes and contiguous riparian areas, and where possible, to enhance and restore lakes.

- D. Frequently Flooded Areas. Frequently flooded areas help to store and convey storm and flood water, recharge ground water; provide important riparian habitat for fish and wildlife; and provide areas for recreation, education, and scientific study. Development within these areas can be hazardous to those inhabiting such development, and to those living upstream and downstream. Flooding also can cause substantial damage to public and private property that results in significant costs to the public as well as to private individuals.

The primary purpose of frequently flooded areas regulations is to regulate development in the 100-year floodplain to avoid substantial risk and damage to public and private property and loss of life.

III. APPLICABILITY

- A. General. These regulations apply to any property that contains or is within 100 feet of any of the following:

1. Streams;
2. Type 1 or 2 wetlands;
3. Type 3 wetlands greater than 1,000 square feet in a Primary Basin;
4. Type 3 wetlands greater than 2,500 square feet in a Secondary Basin;
5. Totem Lake and Forbes Lake; and
6. Frequently flooded areas.

- B. Conflict with the Kirkland Zoning Code. The provisions of these regulations supersede any conflicting provisions of the Kirkland Zoning Code. If more than one provision of these regulations applies to the subject property, then the regulation that provides the greatest protection to sensitive areas shall apply.

- C. Other Jurisdictions. Nothing in these regulations eliminates or otherwise affects the responsibility of the applicant to comply with all other applicable local, state, and federal laws regulating development activities in sensitive areas, as herein defined.

- D. **SEPA Compliance.** Nothing in these regulations or the decisions made pursuant to these regulations affects the authority of the City to review, condition, and deny projects under the State Environmental Policy Act, RCW Chapter 43.21C.

IV. GENERAL EXCEPTIONS

The following activities or conditions shall be exempt from this Chapter:

- A. Activities involving artificially created wetlands or streams intentionally created from non-wetland sites, including but not limited to grass-lined swales, irrigation and drainage ditches, retention and/or detention facilities, farm ponds, and landscape features, *except* wetlands or streams that are created as mitigation for impacts to regulated sensitive areas, or that support state or federally listed threatened or endangered species.
- B. Legally filled wetlands or wetlands created after July 1, 1990 that were unintentionally created as a result of the construction of a road, street, or highway.
- C. Activities affecting Type 3 wetlands that are 1,000 square feet or less in any of the Primary Basins, or affecting Type 3 wetlands that are 2,500 square feet or less in any of the Secondary Basins.
- D. All utility work in improved City rights-of-way, and all normal and routine maintenance, operation and reconstruction of existing roads, streets, and associated rights-of-way and structures; and public and private connections to existing public utilities, where no feasible alternative location exists based on an analysis of technology and system efficiency; provided, that the Planning Official determines that (1) such activities will not increase the impervious area or reduce flood storage capacity, and (2) the construction drawings specify that all affected sensitive areas and buffers will be expeditiously restored to their pre-project condition or better. For purposes of this Subsection only, "improved City rights-of-way" include those rights-of-way that have improvements only underground, as well as those with surface improvements.
- E. Normal and routine maintenance or repair of buildings or driveways; provided, that such activities do not increase the previously approved building footprint within a sensitive area or its buffer. Increases in building footprint outside of such areas shall be allowed, even if all or a portion of the previously approved footprint is within such areas.

- F. Site investigative work and studies necessary for preparing and processing land use applications, including, but not limited to hand dug holes for soils tests, water quality sampling, wildlife studies, and wetland and stream investigations; provided, that any disturbance of the sensitive area or its buffer shall be the minimum necessary to carry out the work or studies.
- G. Educational activities, scientific research, and passive outdoor recreational activities such as bird watching.
- H. Emergency activities necessary to prevent an immediate threat to public health, safety, or welfare.

V. SENSITIVE AREAS MAPS AND OTHER RESOURCES

As part of the City's SEPA Ordinance, the City Council adopted, and may amend, a map folio entitled "Kirkland Sensitive Areas." Some of the maps in this folio depict wetlands, streams, and 100-year floodplains. The most recent amendment to this map folio is a 1998 study of wetlands and streams throughout the City's drainage basins. The map folio, subsequent amendments, and other available resources (such as topographic maps, soils maps, and air photos) are intended only as guides. They depict the *approximate* location and extent of known wetlands and streams. Some sensitive areas depicted in these resources may no longer exist; further, sensitive areas not shown in these resources may occur. Property owners and project applicants are strongly advised to retain qualified professionals to conduct site-specific studies for the presence of sensitive areas.

VI. DEFINITIONS

- A. Basin -- A specific area of land drained by a particular watercourse and its tributaries.
- B. Buffer -- The area immediately adjacent to wetlands and streams that protects these sensitive areas and provides essential habitat elements for fish and/or wildlife.
- C. Building Setback Line (BSBL) -- A setback distance of 10 feet from a designated or modified wetland or stream buffer within which no buildings or other above-ground structures, with the exception of fencing or other minor improvements, may be constructed. The BSBL serves to protect the wetland or stream buffer during development activities and routine maintenance occurring adjacent to these resources.
- D. Class A Streams -- Streams that are used by salmonids. Class A streams generally correlate with Type 3 streams as defined in the Washington State Hydraulic Code.

- E. Class B Streams - Perennial streams (during years of normal precipitation) that are not used by salmonids. Class B streams generally correlate with Type 4 streams as defined in the Washington State Hydraulic Code.
- F. Class C Streams - Intermittent or ephemeral streams (during years of normal precipitation) not used by salmonids. Class C streams generally correlate with Type 5 streams as defined in the Washington State Hydraulic Code.
- G. Frequently Flooded Areas - All areas shown on the Kirkland Sensitive Areas maps as being within a 100-year floodplain, as well as all areas regulated by Chapter 21.56 of the Kirkland Municipal Code.
- H. Minor Improvements - Walkways, pedestrian bridges, benches, and similar features as determined by the Planning Official, that present minimal disturbance to the area affected.
- I. Primary Basins - The watersheds associated with the following five creeks: (1) Juanita Creek, (2) Forbes Creek, (3) Cochran Springs Creek, (4) Yarrow Creek, and (5) Carillon Creek, as shown in the Kirkland Sensitive Areas maps.
- J. Qualified Professional - An individual with relevant education and training, as determined by the Planning Official, and with at least three years experience in biological fields such as botany, fisheries, wildlife, soils, ecology, and similar areas of specialization, and including a professional Wetland Scientist.
- K. Salmonid - A member of the fish family salmonidae, which include Chinook, coho, chum, sockeye, and pink salmon; rainbow, steelhead, and cutthroat trout; brown trout; brook and Dolly Varden char, kokanee, and white fish.
- L. Secondary Basins - The Moss Bay Basin, Houghton Basin, and Kirkland Slope Basin, which are also depicted as the Urban Drainage Basins on the Kirkland Sensitive Areas maps.
- M. Sensitive Areas - Wetlands, streams, lakes, and frequently flooded/flood hazard areas.
- N. Significant Habitat Area - An area that provides food, protective cover, nesting, breeding, or movement for threatened, endangered, sensitive, monitor, or priority species of plants, fish, or wildlife, or a species of local significance due to its rarity within the City. The terms threatened, endangered, sensitive, monitor, and priority pertain to lists, categories, and definitions of species promulgated by the Washington

Department of Wildlife (Non-Game Data Systems Special Animal Species), as identified in WAC Sections 232-12-011 or 232-12-014, or in the Priority Habitat and Species (PHS) program of the Washington State Department of Wildlife, or in rules and regulations adopted from time to time by the U.S. Fish and Wildlife Service.

- O. Streams – Areas where surface waters produce a defined channel or bed that demonstrates clear evidence of the passage of water, including but not limited to bedrock channels, gravel beds, sand and silt beds, and defined-channel swales. The channel or bed need not contain water year-round. Streams do not include irrigation ditches, canals, storm or surface water runoff devices, or other entirely artificial water courses, unless they are used by salmonids or convey a naturally-occurring stream that has been diverted into the artificial channel.
- P. Type 1 Wetlands – Wetlands that meet any of the following conditions:
1. Wetlands contiguous to Lake Washington;
 2. Wetlands containing at least ¼ acre of organic soils, such as peat bogs or mucky soils;
 3. Wetlands equal to or greater than 10 acres in size and having three or more wetland classes, as defined by the U.S. Fish & Wildlife Service (Cowardin et al., 1979), one of which is open water;
 4. Wetlands that have significant habitat value to state or federally-listed threatened or endangered wildlife species; or
 5. Wetlands that contain state or federally listed threatened or endangered plant species.
- Q. Type 2 Wetlands – Wetlands that do not meet any of the criteria for Type 1 Wetlands, yet provide significant habitat function and value, and that merit at least 22 points as determined by using the City's Wetland Field Data Form, which is Appendix A at the end of this Chapter.
- R. Type 3 Wetlands – Wetlands that do not meet the criteria for either Type 1 or Type 2 wetlands and that merit fewer than 22 points as determined by using the City's Wetland Field Data Form, which is Appendix A at the end of this Chapter.
- S. Watershed – A region or area bounded on the periphery by a parting of water and draining to a particular watercourse or body of water.
- T. Wetlands – Those areas that are inundated or saturated by surface or groundwater at a frequency and duration to support, and that under normal conditions do support, a prevalence of vegetation typically adapted for life in saturated soils conditions.

Wetlands generally include swamps, marshes, bogs, and similar areas. Wetlands do not include those artificial wetlands intentionally created from non-wetland sites, including but not limited to irrigation and drainage ditches, grass-lined swales, canals, retention and/or detention facilities, wastewater treatment facilities, farm ponds, and landscape amenities, or those wetlands created after July 1, 1990, that were unintentionally created as a result of the construction of a road, street, or highway. However, wetlands do include those artificial wetlands intentionally created from non-wetland sites as mitigation for the conversion of wetlands.

VII. ACTIVITIES IN OR NEAR WETLANDS, TOTEM LAKE, AND FORBES LAKE

Wetland Determinations, Delineations, Regulations, Criteria, and Procedures. All determinations and delineations of wetlands shall be made using the criteria and procedures contained in the *Washington State Wetlands Identification and Delineation Manual* (Washington Department of Ecology, 1997). All determinations, delineations, and regulations of wetlands shall be based on the entire extent of the wetland, irrespective of property lines, ownership patterns, and the like.

A. Determination of Wetlands. Either prior to or during review of a development application, the Planning Official shall determine whether a wetland or its buffer is present on the subject property using the following provisions.

1. During or immediately following a site inspection, the Planning Official shall make an initial assessment as to whether any portion of the subject property or surrounding area (which shall be the area within 100 feet of the subject property) meets the definition of a wetland. If this initial site inspection does not indicate the presence of a wetland on the subject property or surrounding area, no additional wetland studies will be required. However, if the initial site inspection or information subsequently obtained indicates the presence of a wetland on the subject property or surrounding area, then the applicant shall follow the procedure in paragraph 2 below.
2. If the initial site inspection or information subsequently obtained indicates that a wetland may exist on or near the subject property or surrounding area, the applicant shall either (1) fund a study and report prepared by the City's wetland consultant, or (2) submit a report prepared by a qualified professional approved by the City, and fund a review of this report by the City's wetland consultant.

3. If a wetlands study and report are required, at a minimum the report shall include the following:
- a) A summary of the methodology used to conduct the study;
 - b) A professional survey which is based on the KCAS or plat bearing system and tied to a known monument, depicting the wetland boundary on a map of the surrounding area which shows the wetland and its buffer;
 - c) A description of the wetland habitat(s) found throughout the entire wetland (not just on the subject property) using the U.S. Fish & Wildlife Service classification system (*Classification of Wetlands and Deepwater Habitats in the U.S.*, Cowardin et al., 1979);
 - d) A description of nesting, denning, and breeding areas found in the wetland or its surrounding area;
 - e) A description of the surrounding area, including any drainage systems entering and leaving the wetland, and a list of observed or documented plant and wildlife species;
 - f) A description of historical, hydrologic, vegetative, topographic, and soil modifications, if any;
 - g) A proposed classification of the wetland as a Type 1, 2, or 3 wetland, including the rationale for the proposed classification; and
 - h) A completed Wetland Field Data Form, which is Appendix A at the end of this Chapter.
4. Formal determination of whether a wetland exists on the subject property, as well as its boundaries, habitat classes, and rating, shall be made by the Planning Official after review of the report prepared under paragraph 3 of this Section. A decision of the Planning Official may be appealed pursuant to Section XVI of this Chapter. The Planning Official's decision under this section shall be used for review of any development activity proposed on the subject property for which an application is received within two years of the decision; provided, that the Planning Official may modify any decision whenever physical circumstances have markedly and demonstrably changed on the subject property or the surrounding area as a result of natural processes or human activity.

B. Standard Wetland Buffers. Required, or standard, buffers for wetlands are as follows.

Wetland Type	Primary Basin	Secondary Basin
1	100'	75'
2	75'	50'
3	50'	25'

- C. Building Setback Line (BSBL). Structures shall be set back at least 10 feet from the designated or modified wetland buffer. This BSBL shall not be modified except through provisions for reasonable use.
- D. Minor Improvements. Minor improvements may be located within the sensitive area buffers of Section VII.B. These minor improvements shall be located within the outer one-half of the sensitive area buffer, except where approved stream crossings are made. The Planning Official shall approve a proposal to construct a minor improvement within an environmentally sensitive area buffer if:
1. It will not adversely affect water quality;
 2. It will not destroy or damage a significant wildlife habitat area;
 3. It will not adversely affect drainage or storm water detention capabilities;
 4. It will not lead to unstable earth conditions or create erosion hazards; and
 5. It will not be materially detrimental to any other property in the area of the subject property or to the City as a whole, including the loss of significant open space or scenic vistas.

The Planning Official's decision may be appealed in accordance with Section XVI of this Chapter.

The Planning Official may require the applicant to submit a report prepared by a qualified professional which describes how the proposal will or will not comply with the criteria for approving a minor improvement.

- E. Modification of Type 1 Wetlands. No land surface modification shall occur and no improvement shall be located in a Type 1 wetland, except as provided in this Section. Furthermore, all modifications of a Type 1 Wetland shall be consistent with *Kirkland's Streams, Wetlands and Wildlife Study* (The Watershed Company, 1998) and the *Kirkland Sensitive Areas Regulatory Recommendations Report* (Adolfson Associates, Inc., 1998).

An applicant may request a modification of the requirements of this Section. The Hearing Examiner shall review a modification request, and when deemed appropriate, issue a Modification Request Approval under a Process IIA, described in Chapter 150 of the Kirkland Zoning Code. As part of the Modification Request, the applicant shall submit a report prepared by a qualified professional approved by the Planning Official, and fund a review of this report by the City's wetland consultant. In either event, the report shall contain all information required in Section VII.A.3 as well as an assessment of the habitat, water quality, storm water detention, ground water recharge, shoreline protection, and erosion protection functions of the wetland and its

buffer. The report shall also assess the effects on those functions of the proposed modification. In addition to criteria of Process IIA, the Hearing Examiner shall approve an improvement or land surface modification in a wetland only if:

1. It will not adversely affect water quality;
 2. It will not destroy, damage, or disrupt a significant habitat area;
 3. It will not have an adverse effect on drainage and/or storm water detention capabilities;
 4. It will not lead to unstable earth conditions or create an erosion hazard;
 5. It will not be materially detrimental to any other property or the City as a whole;
 6. It will result in land surface modification of no more than 5% of the wetland on the subject property;
 7. Compensatory mitigation is provided in accordance with the table in Section I below;
 8. Fill material does not contain organic or inorganic material that would be detrimental to water quality or fish and wildlife habitat;
 9. All exposed areas are stabilized with vegetation normally associated with native wetlands and/or buffers, as appropriate; and
 10. There is no practicable or feasible alternative development proposal that results in less impact to the Type 1 wetland and its buffer.
- F. Modification of Type 2 Wetlands. No land surface modification shall occur and no improvement shall be located in a Type 2 wetland, except as provided in this Section.

An applicant may request a modification of the requirements of this Section. The Hearing Examiner shall review a modification request, and when deemed appropriate, issue a Modification Request Approval under Process IIA, described in Chapter 150 of the Kirkland Zoning Code. The requirements for requesting such a modification are identical to those listed above for a Type 1 wetland with the following exceptions:

1. In Primary Basins, the modification shall not affect more than 10% of the wetland on the subject property; and
 2. In Secondary Basins, the modification shall not affect more than 25% of the wetland on the subject property.
- G. Modification of Type 3 Wetlands. No land surface modification shall occur and no improvement may be located in a Type 3 wetland, except as provided in this Section.

An applicant may request a modification of the requirements of this Section. The Planning Official shall review a modification request, and when deemed appropriate, issue a Modification Request Approval in conjunction with approval of the applicable

development permit. The requirements for requesting such a modification are identical to those listed above for a Type 1 wetland with the following exceptions:

1. In Primary Basins, the modification shall not affect more than 50% of the wetland on the subject property; and
2. In Secondary Basins, the modification may affect all of the wetland on the subject property.

Decisions on requests to modify Type 3 Wetlands may be appealed in accordance with Section XVI of this Chapter.

- H. Compensatory Mitigation Ratios. All approved impacts to regulated wetlands require compensatory mitigation so that the goal of no net loss of wetland function, value, and acreage may be achieved. Mitigation shall be implemented through the creation of wetlands (from non-wetland areas) or through the restoration of wetlands (from uplands that were formerly wetlands). The following mitigation ratios (the ratio of the mitigated area to the impacted area) shall apply:

Wetland Type	Primary Basins	Secondary Basins
1	3:1	3:1
2	2:1	1.5:1
3	1.5:1	1:1

Compensatory mitigation as wetland enhancement (that is, the improvement of existing wetlands) shall also be allowed. In Primary Basins, no more than 1/3 of the mitigation may consist of enhancement; in Secondary Basins, no more than 1/2 of the mitigation may consist of enhancement.

On-site mitigation is presumed to be preferable to off-site mitigation. The decision maker may approve a plan to implement all or a portion of the required mitigation off-site, if the off-site mitigation is within the same drainage basin as the property that will be impacted by the project. The applicant shall demonstrate that the off-site mitigation will result in higher wetland functions, values, and/or acreage than on-site mitigation. Required compensatory mitigation ratios shall be the same for on-site or off-site mitigation, or a combination of both.

If the proposed on-site or off-site mitigation plan will result in the creation or expansion of a wetland or its buffer on any property other than the subject property, the plan shall not be approved until the applicant submits to the Planning Official a copy of a statement signed by the owners of all affected properties, in a form approved by the City Attorney and recorded in the King County Department of

Elections and Records, consenting to the wetland and/or buffer creation or increase on such property.

1. **Mitigation Plan Requirements.** Applicants proposing to alter wetlands or their buffers shall submit a sensitive area mitigation plan prepared by a qualified professional. The mitigation plan shall consist of a description of the sensitive areas and buffers affected by the proposed project, the nature and extent of impacts to those areas, and the mitigation measures to offset those impacts. The mitigation plan shall also contain success criteria by which the mitigation will be assessed, and plans for a five-year monitoring and maintenance program. The monitoring program shall consist of at least two site visits per year by a qualified professional, with annual progress reports submitted to the Planning Official and all other agencies with jurisdiction.

The mitigation plan shall also contain a drawing that illustrates the compensatory mitigation elements. The plan and/or drawing shall list plant materials and other habitat features to be installed. The cost of the plan, program, reports, and drawing shall be borne by the applicant.

- J. **Modification of Wetland Buffers:** Wetland buffer impact is assumed to occur when wetland fill/modification is proposed. Any proposal for wetland fill/modification shall include provisions for establishing a new wetland buffer zone to be located around the compensatory mitigation sites and to be equal in width to its standard buffer in Section VII.B or a buffer reduced in accordance with this Subsection J by no more than $\frac{1}{3}$ of the standard buffer width in all cases (regardless of wetland type or basin type).

The remainder of this section applies to proposals that involve reduction of only the wetland buffer, and not the wetland itself.

No land surface modification may occur and no improvement may be located in a wetland buffer, except as provided for in this Subsection J. Buffer widths may be decreased if an applicant receives a Modification Request Approval. Any modification (increase or decrease) of a standard buffer shall be consistent with *Kirkland's Streams, Wetlands and Wildlife Study* (The Watershed Company, 1998) and the *Kirkland Sensitive Areas Regulatory Recommendations Report* (Adolfson Associates, Inc., 1998). Buffers may be reduced through one of two means, either (1) buffer averaging, or (2) buffer reduction with enhancement. A combination of these two buffer reduction approaches shall not be used.

1. Buffer averaging requires that the area of the buffer resulting from the buffer averaging be equal in size and quality to the buffer area calculated by the

standards in Section VII.B. Buffers may not be reduced at any point by more than 1/3 of the standards in Section VII.B. Buffer averaging calculations shall only consider the subject property.

2. Buffers may be decreased through buffer enhancement. The applicant shall demonstrate that through enhancing the buffer (by removing invasive plants, planting native vegetation, installing habitat features such as downed logs or snags, or other means) the reduced buffer will function at a higher level than the existing standard buffer. At a minimum, a buffer enhancement plan shall provide the following: 1) a map locating the specific area of enhancement, 2) a planting plan that uses native species, including groundcover, shrubs, and trees, and 3) provisions for monitoring and maintenance. Buffers may not be reduced at any point by more than 1/3 of the standards in Section VII.B.

Modification requests for averaging or reduction/enhancement of Types 1 and 2 Wetland buffers shall be reviewed and decided upon by the Hearing Examiner under Process IIA, described in Chapter 150 of the Kirkland Zoning Code. Modification requests for averaging or reduction/enhancement of Type 3 Wetland buffers shall be reviewed and decided upon by the Planning Official. Decisions on modification requests may be appealed pursuant to the provisions of Section XVI of this Chapter.

- K. Restoration. The Planning Official may permit or require the applicant to restore and maintain a wetland and/or its buffer by removing material detrimental to the area, such as debris, sediment, or vegetation. The Planning Official may also permit or require the applicant to restore a wetland or its buffer through the addition of native plants and other habitat features. Restoration may be required whenever a condition detrimental to water quality or habitat exists.
- L. Public Park. The City may develop access through a wetland and its buffer in conjunction with a public park.
- M. Totem Lake and Forbes Lake. The majority, if not the entirety, of the perimeters of Totem Lake and Forbes Lake meet the definition of wetlands. All activities in the shallow (less than or equal to 6.6 feet) portions of these lakes as well as in their contiguous wetlands (located above the high waterline) are regulated pursuant to Sections VIIA-L above. Activities in deep water portions (water depths greater than 6.6 feet) of these lakes, that is, waterward of the lakes' perimeter wetlands, shall be regulated as follows.
 - 1 The Planning Official may permit or require the applicant to rehabilitate and maintain a lake by removing material detrimental to the lake, such a debris,

sediment, or non-native vegetation. Rehabilitation may be required when a condition detrimental to water quality or habitat exists. Decisions made under this paragraph may be appealed in accordance with Section XVI of this Chapter.

2. Moorage structures are permitted in Totem Lake and Forbes Lake. The Planning Official shall consider requests to construct, replace, or repair existing structures concurrently with the Washington Department of Fish and Wildlife's review of a Hydraulic Project Approval (HPA), or upon notification by that agency that an HPA is not required.
3. The Planning Official shall review applications for moorage structures using Process I, described in Chapter 145 of the Kirkland Zoning Code. The Planning Director shall authorize a moorage structure to be constructed only if (1) it is accessory to a dwelling unit or public park on the subject property, and (2) no significant habitat area will be destroyed.
4. A moorage structure shall extend no farther than is necessary to function properly, but in no event may extend more than 125 feet waterward of the high waterline.
5. A moorage structure shall not be treated with creosote or oil base or toxic substances.
6. Dock and pier decks and the top of other moorage structures shall not be more than two feet above the high waterline.
7. Bulkheads are prohibited unless (1) necessary to prevent significant erosion and (2) the use of vegetation or other "bioengineering" materials and techniques would not sufficiently stabilize the shoreline.

VIII. ACTIVITIES IN OR NEAR STREAMS

- A. General. No land surface modification may occur and no improvements may be located in a stream or its buffer except as provided in this Section.
- B. Stream Determination. The Planning Official shall determine whether a stream or stream buffer is present on the subject property using the following provisions. During or immediately following a site inspection, the Planning Official shall make an initial assessment as to whether a stream exists on any portion of the subject property or surrounding area (which shall be the area within approximately 100 feet of the subject property).

If the initial site inspection indicates the presence of a stream, the Planning Official shall determine, based on the definitions contained in this Chapter and after a review of all information available to the City, the classification of the stream.

If this initial site inspection does not indicate the presence of a stream on or near the subject property, no additional stream study will be required.

If an applicant disagrees with the Planning Official's determination that a stream exists on or near the subject property or the Planning Official's classification of a stream, the applicant shall submit a report prepared by a qualified professional approved by the Planning Official that independently evaluates the presence of a stream or the classification of the stream, based on the definitions contained in this Chapter.

The Planning Official shall make final determinations regarding the existence of a stream and the proper classification of that stream. This determination may be appealed pursuant to the provisions of Section XVI of this Chapter.

- C. Stream Buffers. No land surface modification shall occur and no improvement may be located in a stream or its buffer, except as provided in this Section. Required, or standard, buffers for streams are as follows.

Stream Class	Primary Basins	Secondary Basins
A	75 ft.	N/A
B	60 ft.	50 ft.
C	35 ft.	25 ft.

Stream buffers shall be measured from each side of the top of the stream banks (see Plate 16 of the Kirkland Zoning Code).

- D. Building Setback Line (BSBL). Structures shall be set back at least 10 feet from the designated or modified stream buffer. This BSBL shall not be modified except through provisions for reasonable use.
- E. Minor Improvements. Minor improvements may be located within the sensitive area buffers of Section VIII.C. These minor improvements shall be located within the outer one-half of the sensitive area buffer, except where approved stream crossings are made. The Planning Official shall approve a proposal to construct a minor improvement within a sensitive area buffer if:
 1. It will not adversely affect water quality;

2. It will not destroy or damage a significant wildlife habitat area;
3. It will not adversely affect drainage or storm water detention capabilities;
4. It will not lead to unstable earth conditions or create erosion hazards; and
5. It will not be materially detrimental to any other property in the area of the subject property or to the City as a whole, including the loss of significant open space or scenic vistas.

The Planning Official's decision may be appealed in accordance with Section XVI of this Chapter. The Planning Official may require the applicant to submit a report prepared by a qualified professional which describes how the proposal will or will not comply with the criteria for approving a minor improvement.

F. Modification of Stream Buffers.

Buffer widths may be increased when it is determined that wider buffers are necessary to protect stream functions and values. For example, increased buffer widths may be required for buffers located on steep slopes or adjacent to existing or proposed high-impact land uses.

Buffer widths may be decreased if an applicant receives a Modification Request Approval. Any modification (increase or decrease) of the buffers contained in Section VIII.C shall be consistent with *Kirkland's Streams, Wetlands and Wildlife Study* (The Watershed Company, 1998) and the *Kirkland Sensitive Areas Regulatory Recommendations Report* (Adolfson Associates, Inc., 1998).

Buffers may be reduced through one of two means, either (1) buffer averaging, or (2) buffer reduction with enhancement. A combination of these two buffer reduction approaches shall not be used.

1. Buffer averaging requires that the area of the buffer resulting from the buffer averaging be equal in size and quality to the buffer area calculated by the standards in Section VIII.C. Buffers may not be reduced at any point by more than 1/3 of the standards in Section VIII.C. Buffer averaging calculations shall only consider the subject property.
2. Buffers may be decreased through buffer enhancement. The applicant shall demonstrate that through enhancing the buffer (by removing invasive plants, planting native vegetation, installing habitat features such as downed logs or snags, or other means) the reduced buffer will function at a higher level than the standard existing buffer. A buffer enhancement plan shall at a minimum provide the following: 1) a map locating the specific area of enhancement, 2) a planting plan that uses native species, including groundcover, shrubs, and trees, and 3)

provisions for monitoring and maintenance. Buffers may not be reduced at any point by more than 1/3 of the standards in Section VIII.C.

Modification requests for averaging or reduction/enhancement of Class A Stream buffers shall be reviewed and decided upon by the Hearing Examiner under Process IIA, described in Chapter 150 of the Kirkland Zoning Code. Modification requests for averaging or reduction/enhancement of Class B Stream buffers shall be reviewed and decided upon by the Planning Official under Process I, described in Chapter 145 of the Kirkland Zoning Code. Modification requests for averaging or reduction/enhancement of Class C Stream buffers shall be reviewed and decided upon by the Planning Official. Decisions on modification requests may be appealed pursuant to the provisions of Section XVI of this Chapter.

- G. Stream Relocation or Modification. A proposal to relocate or modify a Class C stream shall be reviewed and decided upon by the Planning Official. The decision of the Planning Official may be appealed in accordance with Section XVI of this Chapter. A proposal to relocate or modify a Class A or B stream shall be considered under Process I. The Planning Official shall permit a stream to be relocated or modified only if water quality, conveyance, fish and wildlife habitat, wetland recharge (if hydrologically connected to a wetland), and storm water detention capabilities of the stream, will be significantly improved by the relocation or modification. Convenience to the applicant in order to facilitate general site design may not be considered.

A proposal to relocate or modify a Class A stream shall be approved only if the Washington Department of Fish and Wildlife issues a Hydraulic Project Approval for the project. Furthermore, all modifications shall be consistent with *Kirkland's Streams, Wetlands and Wildlife Study* (The Watershed Company, 1998) and the *Kirkland Sensitive Areas Regulatory Recommendations Report* (Adolfson Associates, Inc., 1998).

If the proposed stream activity will result in the creation or expansion of a sensitive area or its buffer on any property other than the subject property, the Planning Official shall not approve the plan until the applicant submits to the Planning Official a copy of a statement signed by the owners of all affected properties, in a form approved by the City Attorney and recorded in the King County Department of Elections and Records, consenting to the sensitive area and/or buffer creation or increase on such property.

Prior to the Planning Official's approval of a stream relocation or modification, the applicant shall submit a stream relocation/modification plan prepared by a qualified

professional approved by the Planning Official. This plan shall contain or demonstrate the following.

1. A topographic survey showing existing and proposed topography and improvements;
2. The filling and revegetation of the existing stream channel;
3. A proposed phasing plan specifying time of year for all project phases;
4. The ability of the new stream channel to accommodate flow and velocity of 100-year storm events; and
5. The design and implementation features and techniques listed below, unless clearly and demonstrably inappropriate for the proposed relocation or modification:
 - a) The creation of natural meander patterns;
 - b) The formation of gentle and stable side slopes, no steeper than two feet horizontal to one-foot vertical, and the installation of both temporary and permanent erosion control features (the use of native vegetation on streambanks shall be emphasized);
 - c) The creation of a narrow sub-channel (thalweg) against the south or west streambank;
 - d) The utilization of native materials;
 - e) The installation of vegetation normally associated with streams, emphasizing native plants with high food and cover value for fish and wildlife;
 - f) The creation of spawning areas, as appropriate;
 - g) The re-establishment of fish population, as appropriate;
 - h) The restoration of water flow characteristics compatible with fish habitat areas;
 - i) Demonstration that the flow and velocity of the stream after relocation or modification shall not be increased or decreased at the points where the stream enters and leaves the subject property, unless the change has been approved by the Planning Official to improve fish and wildlife habitat or to improve storm water management; and
 - j) A written description of how the proposed relocation or modification of the stream will significantly improve water quality, conveyance, fish and wildlife habitat, wetland recharge (if hydrologically connected to a wetland), and storm water detention capabilities of the stream.

Prior to diverting water into a new stream channel, a qualified professional approved by the Planning Official shall inspect the completed new channel and issue a written report to the Planning Official stating that the new stream channel complies with the requirements of this Section. The cost for this inspection and report shall be borne by the applicant.

H. Bulkheads. Bulkheads are not permitted along a stream except as provided in this Section. A proposal for a bulkhead shall be reviewed and decided upon by the Planning Official. Decisions made under this Subsection may be appealed in accordance with Section XVI of this Chapter. The Planning Official shall allow a bulkhead to be constructed only if:

1. It is not located within a wetland or between a wetland and a stream;
2. It is needed to prevent significant erosion;
3. The use of vegetation and/or other biological materials would not sufficiently stabilize the streambank to prevent significant erosion;
4. The applicant submits a plan prepared by a qualified professional approved by the Planning Official that shows a bulkhead and implementation techniques that meet the following criteria:
 - a) There will be no adverse impact to water quality;
 - b) There will be no adverse impact to fish and wildlife habitat;
 - c) There will be no increase in the velocity of stream flow, unless approved by the Planning Official to improve fish habitat;
 - d) There will be no decrease in flood storage volumes;
 - e) Neither the installation, existence, nor operation of the bulkhead will lead to unstable earth conditions or create erosion hazards; and
 - f) Neither the installation, existence, nor operation of the bulkhead will be detrimental to any other property or the City as a whole.

The bulkhead shall be designed and constructed to minimize the transmittal of water current and energy to other properties. Changes in the horizontal or vertical configuration of the land shall be kept to a minimum. Fill material used in construction of a bulkhead shall be non-dissolving and non-decomposing. The applicant shall also stabilize all exposed soils by planting native riparian vegetation with high food and cover value for fish and wildlife.

I. Culverts. Culverts are not permitted in streams except as specified in this Section. The Planning Official shall review and decide upon an application to place a stream in a culvert under an access drive, driveway, or street. Decisions made under this Subsection may be appealed in accordance with Section XVI of this Chapter. The Planning Director will review and decide upon proposals to place streams in culverts, other than as specified above, using Process I, described in Chapter 145 of the Kirkland Zoning Code. A stream shall be allowed to be put in a culvert only if:

1. No significant habitat area will be destroyed;

2. Placing the stream in a culvert is necessary to make reasonable use of the subject property (see Section XII). Convenience to the applicant in order to facilitate general site design shall not be considered;
3. The applicant submits a plan prepared by a qualified professional approved by the Planning Official that shows the culvert and implementation techniques that meet the following criteria:
 - a) There will be no adverse impact to water quality;
 - b) There will be no adverse impact to fish and wildlife habitat;
 - c) There will be no increase in the velocity of stream flow, unless approved by the Planning Official to improve fish habitat;
 - d) There will be no decrease in flood storage volumes;
 - e) Neither the installation, existence, nor operation of the culvert will lead to unstable earth conditions or create erosion hazards; and
 - f) Neither the installation, existence, nor operation of the culvert will be detrimental to any other property or to the City as a whole.

The culvert shall be designed and constructed to allow passage of fish inhabiting the stream or which may inhabit the stream in the future. The culvert shall be large enough to accommodate a 100-year storm event. The applicant shall at all times keep the culvert free of debris and sediment so as to allow free passage of water and fish. The Planning Official shall require a security or perpetual culvert maintenance agreement under Section XIII of this Chapter for continued maintenance of the culvert.

If a proposal for a culvert is denied, a bridge may be approved if the bridge complies with the above criteria.

If a proposed project requires approval through Process IIB or Process III, the City Council may require that any stream in a culvert on the subject property be opened, relocated, and restored, consistent with the provisions of this Subsection.

- I. Rehabilitation. The Planning Official may permit or require the applicant to restore and maintain a stream and/or its buffer by removing material detrimental to the stream and its surrounding area such as debris, sediment, or vegetation. The Planning Official may also permit or require the applicant to restore a stream or its buffer through the addition of native plants and other habitat features. Restoration may be required at any time that a condition detrimental to water quality or habitat exists.

IX. FREQUENTLY FLOODED AREAS

No land surface modification may take place and no improvements may be located in a frequently flooded area except as specifically provided for in Chapter 21.56 of the Kirkland Municipal Code.

X. SITE REQUIREMENTS AND SENSITIVE AREAS PROTECTION TECHNIQUES

In addition to any other requirement of this Chapter, the applicant shall locate all improvements on the subject property to minimize adverse impacts to sensitive areas.

The applicant shall install a berm, curb, or other physical barrier during construction and following completion of the project when necessary to prevent direct runoff and erosion from any modified land surface into any sensitive area.

The applicant shall locate parking and vehicle circulation areas as far as possible from sensitive areas.

The decision maker may limit development activity in or near sensitive areas to specific months and to a maximum number of continuous days or hours in order to minimize adverse impacts.

The decision maker may require that equipment be operated from only one side of a stream in order to minimize bank disruption.

The decision maker may require other construction techniques, conditions, and restrictions in order to minimize adverse impacts to sensitive areas or to other areas not subject to development activity.

XI. MAXIMUM DEVELOPMENT POTENTIAL

- A. Dwelling Units. The theoretical maximum number of dwelling units for a site which contains a wetland, stream, minor lake, or their buffers shall be the Buildable Area in square feet divided by the minimum lot area per unit as specified by Kirkland Zoning Code Chapters 15 through 65, plus the area of the wetland, stream, minor lake, and buffer in square feet divided by the minimum lot area per unit as specified by Kirkland Zoning Code Chapters 15 through 65, multiplied by the Development Factor derived from Section XI.C:

MAXIMUM DWELLING UNIT POTENTIAL = (BUILDABLE AREA/THE PRESCRIBED MINIMUM LOT AREA PER UNIT) + [(SENSITIVE AREA AND BUFFER AREA/THE PRESCRIBED MINIMUM LOT AREA PER UNIT) X (DEVELOPMENT FACTOR)]

For purposes of this subsection only, "Buildable Area" means the total area of the subject property minus sensitive areas and their buffers.

Lot size and/or density may be limited by or through other provisions of this Code or other applicable law, and the application of the provisions of this Chapter may result in the necessity for larger lot sizes or lower density due to inadequate buildable area.

- B. Development Factor. The development factor, consisting of a "percent credit", to be used in computing the number of dwelling units per square feet or the maximum allowable commercial floor area for a site which contains a wetland, stream, minor lake, or buffer is derived from the following table:

Percentage of Site in Wetland, Stream, Minor Lake, and Buffer			Counted at
< 1	to	10%	30%
> 10	to	20%	27%
> 20	to	30%	24%
> 30	to	40%	21%
> 40	to	50%	18%
> 50	to	60%	15%
> 60	to	70%	12%
> 70	to	80%	9%
> 80	to	90%	6%
> 90	to	100%	0%

XII. REASONABLE USE

This Chapter is not intended, and shall not be construed or applied in a manner, to deny all economically viable use of private property. Using Process IIB, described in Chapter 152 of the Kirkland Zoning Code, if an applicant demonstrates to the satisfaction of the decision maker that application of this Chapter will deny all economically viable use of the property in a residential area, one single family home may be permitted subject to appropriate conditions if the applicant also demonstrates all of the following to the satisfaction of the decision maker:

- A. No use with less impact on the wetland or stream and the buffer is feasible and reasonable; and

- B. There is no feasible and reasonable on-site alternative to the proposed activities, considering possible changes in site layout, reductions in density and similar factors; and
- C. The proposed activities, as conditioned, will result in minimum feasible alteration or impairment to the wetland's or stream's functional characteristics and its existing contours, vegetation, fish and wildlife resources, and hydrological conditions; and
- D. The proposed activities will not cause significant degradation of groundwater or surface-water quality; and
- E. All reasonable mitigation measures have been implemented or assured; and
- F. The proposed activities will not cause or result in damage to other properties; and
- G. The inability to derive economically viable use is not the result of the applicant's actions, including such actions as segregating or dividing the property and creating the undevelopable condition, or taking actions in violation of any local, state, or federal law or regulation. The purchase price paid for the property shall not be the measure of economically viable use.

The applicant shall either fund a report prepared by the City's wetland consultant or submit a report prepared by a qualified professional, and fund a review of this report by the City's wetland/stream consultant. The report shall describe how the proposal will or will not comply with the applicable decisional criteria.

If the decision maker determines that alteration of a wetland, stream, and/or buffer is necessary and unavoidable, the decision maker shall set forth in writing its findings with respect to each of the items listed in this subsection.

For the purpose of this section only, "residential area" means all portions of the City located in a zone in which "detached dwelling units" or "detached, attached or stacked dwelling units" are uses that are permitted or are approved pursuant to this Code.

XIII. BOND OR PERFORMANCE SECURITY

The Planning Official shall require a performance or maintenance bond, a performance or maintenance security, a perpetual culvert maintenance agreement, and/or a perpetual landscape maintenance agreement, as determined to be appropriate by the Planning Official, to ensure compliance with any aspect of this Chapter or any decision or determination made pursuant to this Chapter.

- A. **Performance or Maintenance Bond or Security Requirement.** The performance or maintenance security required by the Planning Official shall be provided in such forms and amounts as the Planning Official deems necessary to assure that all work or actions are satisfactorily completed or maintained in accordance with the approved plans, specifications, permit or approval requirements, and applicable regulations, and to assure that all work or actions not satisfactorily completed or maintained will be corrected to comply with approved plans, specifications, requirements, and regulations to restore environmental damage or degradation, protect fish and wildlife habitat and protect the health, safety, and general welfare of the public.
- B. **Form of Performance Security.** The performance security shall be a surety bond obtained from companies registered as surety in the state or certified as acceptable sureties on federal bonds. In lieu of a surety bond, the Planning Official may allow alternative performance security in the form of an assignment of funds or account, an escrow agreement, an irrevocable letter of credit, or other financial security device in an amount equal to that required for a surety bond. The surety bond or other performance security shall be conditioned on the work being completed or maintained in accordance with requirements, approvals, or permits; on the site being left or maintained in a safe condition; and on the site and adjacent or surrounding areas being restored in the event of damages or other environmental degradation from development or maintenance activities conducted pursuant to the permit or approval.
- C. **Amount of Performance Security.** The amount of the performance or maintenance security shall be 125 percent of the estimated cost, as approved by the Planning Official, of conformance to plans, specifications, and permit or approval requirements, under this Chapter, including corrective work and compensation, enhancement, mitigation, maintenance, and restoration of sensitive areas. All bond or performance security shall be submitted in their original form with original signatures of authorization.
- D. **Administration of Performance Security.** If during the term of the performance or maintenance security, the Planning Official determines that conditions exist which do not conform with plans, specifications, approval or permit requirements, the Planning Official may issue a stop work order prohibiting any additional work or maintenance until the condition is corrected. The Planning Official may revoke the performance or maintenance security, or a portion thereof, in order to correct conditions that are not in conformance with plans, specifications, approval or permit requirements. The performance or maintenance security may be released upon written notification by the Planning Official, following final site inspection or completion, as appropriate, or

when the Planning Official is satisfied that the work or activity complies with permits or approved requirements.

- E. **Exemptions for Public Agencies.** State agencies and local government bodies, including school districts, shall not be required to secure the performance or maintenance of permit or approval conditions with a surety bond or other financial security device. These public agencies are required to comply with all requirements, terms, and conditions of the permit or approval, and the Planning Official may enforce compliance by withholding certificates of occupancy or occupancy approval, by administrative enforcement action, or by any other legal means.

XIV. DEDICATION

Consistent with law, the applicant shall dedicate development rights, air space, or a greenbelt protection or open space easement to the City to ensure the protection of sensitive areas and their buffers.

XV. LIABILITY

Prior to issuance of a building permit, the applicant shall enter into an agreement with the City that runs with the property, in a form acceptable to the City Attorney, indemnifying the City from any claims, actions, liability and damages to sensitive areas arising out of development activity on the subject property. The applicant shall record this agreement with the King County Department of Elections and Records.

XVI. APPEALS

All classifications, decisions, and determinations made pursuant to this Chapter may be appealed using, except as stated below, the applicable appeal provisions of Chapter 145 of the Kirkland Zoning Code. The applicant or any other aggrieved person shall file the appeal within 15 days of the date of the decision maker's written classification, determination, or decision. If a proposed development activity requires approval through Process IIA, IIB, or III (as described in Chapters 150, 152, and 155, respectively, of the Kirkland Zoning Code), any appeal of a classification, determination, or decision will be heard as part of that other process.

XVII. SETBACKS AND BUFFERS REQUIRED BY PRIOR APPROVALS

If, subsequent to October 2, 1982, the City approved a subdivision, short subdivision, or development permit for the subject property with established setbacks or buffers on the subject property from a stream or wetland, those setbacks or buffers shall apply to any

development on the subject property pursuant to that subdivision, short subdivision, or development permit, or any redevelopment or remodeling pursuant to that subdivision, short subdivision, or development permit. Any inconsistent environmentally sensitive area buffer requirements of this Chapter shall not apply, provided that all of the provisions of this Chapter which do not directly conflict with the previously imposed setback or buffer requirements shall fully apply to the subject property.

Section 2. Duration. This Ordinance shall be effective for six months. This Ordinance may be renewed for one or more six-month periods if a subsequent public hearing is held and findings of fact are made prior to each renewal.

Section 3. Severability. Should any section, paragraph, sentence, clause, phrase, or word of this Chapter be declared invalid or unconstitutional by a court or agency of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, phrases, or words of this Chapter, all of which will remain in full force and effect.

Section 4. Effective Date. This ordinance shall be in effect five days from and after its passage by the Kirkland City Council and publication, pursuant to Section 1.088.017 Kirkland Municipal Code, in the summary form attached to the original of this ordinance, and by this reference approved by the City Council, as required by law.

PASSED by majority vote of the Kirkland City Council in regular, open meeting this 20th day of October, 1998.

SIGNED IN AUTHENTICATION thereof this 20th day of October, 1998.



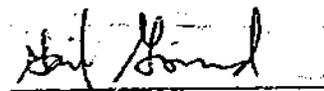
Mayor

Attest:

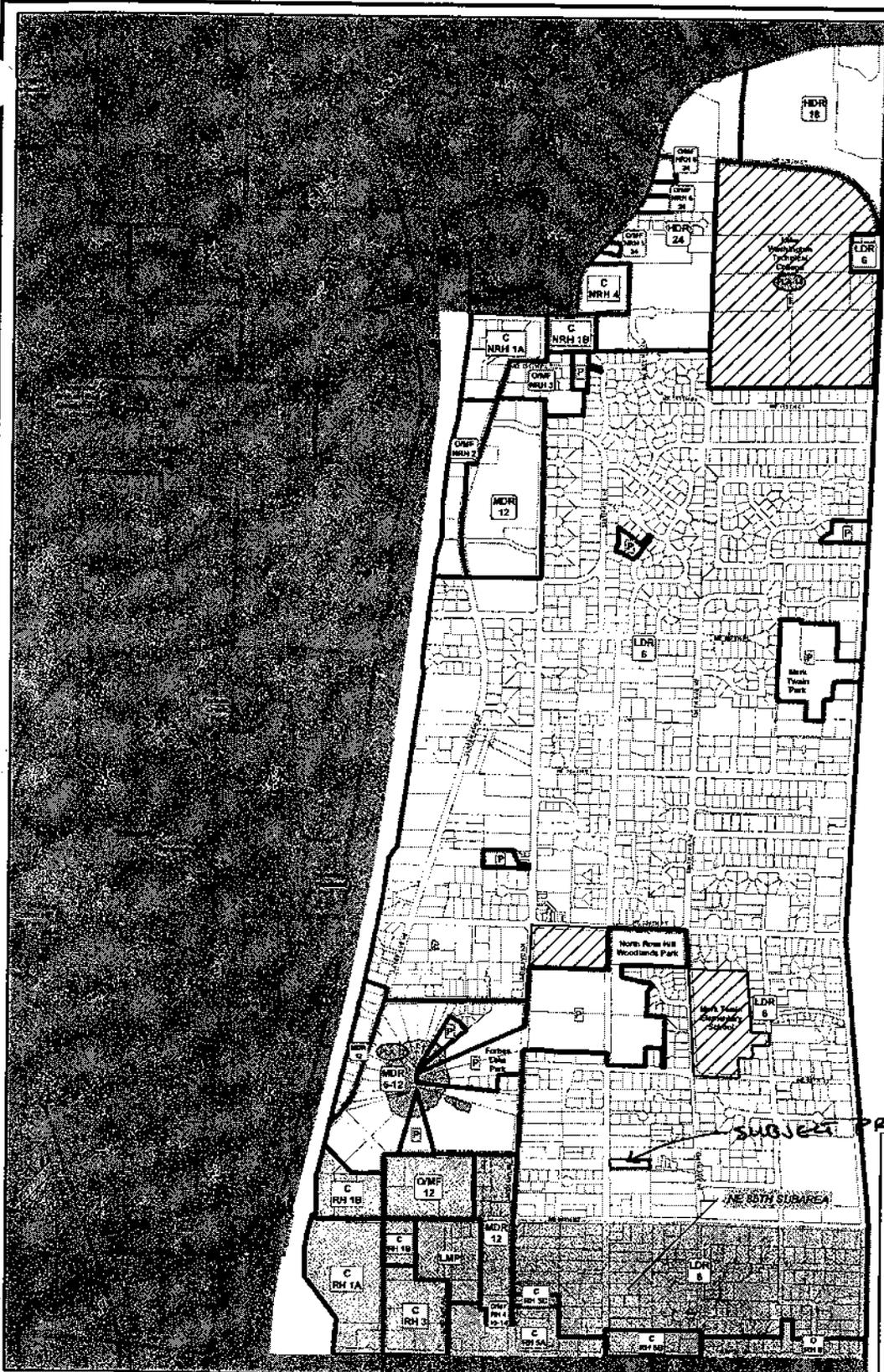


City Clerk

Approved as to Form:



City Attorney
ISAOFINA



LAND USE CODES	
C	COMMERCIAL
IND	INDUSTRIAL
LMP	LIGHT MANUFACTURING PARK
O	OFFICE
O/MP	OFFICE/MULTI-FAMILY
HDR	HIGH DENSITY RESIDENTIAL
MDR	MEDIUM DENSITY RESIDENTIAL
LDR	LOW DENSITY RESIDENTIAL
I	INSTITUTIONS
P	PARK/OPEN SPACE
BP	BUSINESS PARK
RH	ROSE HILL BUSINESS DISTRICT
NRH	N. ROSE HILL BUSINESS DISTRICT
JBD	JUANITA BUSINESS DISTRICT

North Rose Hill Neighborhood Land Use Map

ORDINANCE NO. 3974
 ADOPTED by the Kirkland City Council
 December 14, 2004

	LAND USE BOUNDARIES		PUBLIC FACILITIES
	PLANNED AREA NUMBER		PARCEL BOUNDARIES
	SUBAREA BOUNDARY		LAND USE CODE DENSITY (UNITS/ACRE)
	TOTEM CENTER		

NOTE: WHERE NOT SHOWN, N INDICATES CLUSTERS

Maps produced March 30, 2005.
 Produced by the City of Kirkland. (c) 2005, the City of Kirkland, all rights reserved.
 No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany



ATTACHMENT 11
 ZON05-00033 Advisory Report

Heather Skinner
Shawn Schneider
9118 126th Ave NE
Kirkland, WA 98033
(425)576-0260

To: Kirkland Hearing Examiner

Date: July 6, 2006

From: Heather Skinner Heather Skinner, Property Owner/Current Resident
Shawn Schneider Shawn Schneider, Property Owner/Current Resident

File: ZON05-00033, SKINNER/SCHNEIDER REASONABLE USE REQUEST

Site Location: 9118 126th Avenue NE, Kirkland, WA 98033

Applicants: Heather Skinner and Shawn Schneider

Subject: Request for approval of a Reasonable Use permit to allow construction of a single-family residence and detached garage within a Type I wetland buffer, as provided through Kirkland Zoning Code KCZ 90.140.

Background

In March 2000, our family moved to the North Rose Hill neighborhood when Heather started work for a company in the area. We looked for an affordable home with a large private backyard, in a safe, quiet neighborhood close to good schools. A large yard was important to us, as we knew we wanted to start a family. In August 2000, we found a property that satisfied our requirements and then purchased our current home, an 840 square foot farmhouse built in 1919 that sat on a large .80 acre lot. The property had a sizeable yard as over 40% of the property had been cleared and fenced off from the forested wetland. The property also came with a large garden shed in the backyard.

We wanted to stay in the community that we loved and where we had built strong relationships with our neighbors. As our family expanded, we quickly began to outgrow our home and started plans to build a larger home on our property. We found that building a new home on our property was a more cost-effective alternative than trying to purchase another home in our neighborhood.

We started the preparation process at the end 2003 and since that time have obtained all the necessary surveys, permits and studies required to submit a Reasonable Use application. To-date we have invested over \$30,000.00 to satisfy the requirements for a Reasonable Use application. The table on the next page details the time line, costs and steps that we have taken thus far to reach our goal.

CITY OF KIRKLAND
Hearing Examiner Exhibit

Applicant ADMITTED
Department DENIED
FILE # _____

B

Steps/Costs Leading up to Reasonable Use Application

Date	Description	Company	Cost
Dec, 2003	Sewer Stub	Horizon Building Inc.	6110.25
Oct, 2004	First Wetland Delineation Study	The Watershed Company	1369.94
Jan, 2005	Property Boundary Survey	Jim Hart and Associates	1061.80
Aug, 2005	Reasonable Use Pre-Submittal Fee (Planner Assigned)	City of Kirkland	350.00
Sep, 2005	Second Wetland Delineation Study	Adolfson Associates, Inc.	2000.00
Oct, 2005	Reasonable Use Application Fee	City of Kirkland	8110.00
Nov, 2005	Preliminary plans for house and garage	Contract Architect	1387.00
Dec, 2005	Reasonable Use Proposal	Adolfson Associates, Inc.	2500.00
Dec, 2005	Geotechnical Engineering Report	Associated Earth Sciences, Inc.	2095.00
Jan, 2006	Public Notice of Proposal Sign **	FastSigns of Kirkland	207.81
May, 2006	Revised Reasonable Use Proposal	Adolfson Associates, Inc.	2700.00
Mar & May, 2006	Reviews of Reasonable Use Proposal	The Watershed Company	867.50
Jun, 2006	Topographic Survey and Utility Locations	Jim Hart and Associates	1859.50
		Total Cost To Date	\$30,618.80

** After posting the "Notice of Proposal" sign in front of our property, the City of Kirkland received 2 letters of support from our neighbors. The letters of support were from Kurt and Cindy Fisher (9206 126th Ave NE) our next door neighbor to the north. Kurt also owns the property directly to the south of us (9104 126th Ave NE). The second letter of support was from Jeff Trager our neighbor two properties to the north of us (9214 126th Ave NE). No negative letters were received.

Plan

Our plan is to build a 2 story single-family residence next to our existing home, following the zoning guidelines set forth by the City of Kirkland. We will live in our original home until the new house is constructed. Once the new house has been completed, we will move into it, demolish our original house and then build a detached garage in its place.

The new 2 story house will have three bedrooms, a den and two and half bathrooms. The new 2 car garage will have a storage/bonus room and a half bath. The house is 2681 square feet and the garage is 1414 square feet. (Note: The square footage of our new residence is consistent with the size of twelve homes recently built within our neighborhood.) There will be a 10 foot setback from the east side of our house facing the Wetland. The garage will be located just north of the new house and will sit on the same footprint as our current house. There will be a 10 foot allowance between the new house and the garage. We plan to use pervious concrete or another comparable substance as approved by the City Planning Department for our driveways and pathways.

Currently our house and yard impacts 42% of the Wetland. Our new proposed plan will only impact 20% of the Wetland located on our property. The footprint of our new house is approximately 1530 square feet and the garage is 832 square feet (total of 2362 square feet). The total footprint of our new house and garage will comprise less than 7% of our property.

The residence just to the north of our property, at 9206 126th Avenue NE, was approved in April 1999 as part of a reasonable use application. The footprint of that property is approximately 2400 square feet which is 38 square feet more than our proposed footprint.

To try to meet the City of Kirkland's Reasonable Use requirements, we have agreed to reduce the useable area of our backyard from 15,000 square feet to 6,882 square feet, shift the north-south section of the split-rail fence west to the edge of the building setback, remove our garden shed and raised garden beds, remove some of the non-native plants and develop a self-sustaining native vegetation community in the Wetland. We propose a five-year monitoring period to ensure good plant survival in the newly planted area and continued removal of any invasive Himalayan blackberry bushes. Full details are available in Adolfson's Mitigation Plan report for our property.

Upon completion of the main house, we will switch over from our septic system to the City's sewer system. This will lessen impact and improve the quality of the Wetlands. The sewer stub was put in place at the end of 2003. On the north side of our current house we share our gas line with our next door neighbors at 9206 126th Ave NE. The gas line comes through the center of our existing driveway. All our utilities will be transferred from our original house to the new house and will be upgraded where possible. For example, we plan to move the above ground phone, power and cable lines underground.

In talking with the Public Works department, we came up with a working plan to save our 6 foot high hedge that runs along the footage of our property between the house and the road. In order to keep our hedge, the plan is to switch the location of the proposed planter strip and the sidewalk. The hedge is a great sanctuary for the small birds in the area and acts as a natural fence.

Summary

We feel we have met the City of Kirkland's Reasonable Use requirements to allow our current proposal for our house/garage plans to be approved. This will permit us to build a new home for our family in our current neighborhood. As part of our Wetland Mitigation proposal and property improvement plans, we will designate 80% of our land for the Wetlands, convert our septic system to sewer, upgrade our utilities, develop our frontage to city standards and in turn our family will enjoy a new home, help the environment and build a better community.

To: Kirkland Hearing Examiner

From: Heather Skinner Heather Skinner

Shawn Schneider Shawn Schneider

Date: July 6, 2006

File: ZONO05-00033, SKINNER/SCHNEIDER RESASONABLE USE REQUEST

Applicants' Response to the City of Kirkland's Advisory Report Recommendations

1. *The application is subject to the applicable requirements contained in the Kirkland Municipal Code, Zoning Code, and Building and Fire Code. It is the responsibility for the applicant to ensure compliance with the various provisions contained in these ordinances.*

Agree.

2. *In order to provide additional wetland buffer width, the improvements shall be shifted closer to the front of the property line and the required front yard setback shall be reduced from the required 20 feet to 11 feet.*

Disagree. The residence to the north of our property at 9206 126th Avenue NE, approved as a part of a reasonable use application in April 1999, has a 20 foot setback off of the frontage. We would be willing to move our house 4 feet toward the front of the property reducing the front yard setback from 20 feet to 16 feet.

3. *The proposed second story "bump-out" on the front façade should be allowed within the required front yard setback.*

Agree.

4. *Building Permit Application recommendations:*

a. *Reduce the width of the front porch to 4 feet by eliminating the ell portion of the porch.*

Agree.

b. *Reduce the width of the proposed driveway from 24 feet to 20 feet.*

Agree.

c. *Relocate the proposed garage to 14 feet from the west of the property line.*

Disagree. We will reduce the setback of the garage from 23 feet to 16 feet (not 14 feet). We do not want the vehicles parked in the driveway sticking out onto the sidewalk where people can run into them.

**CITY OF KIRKLAND
Hearing Examiner Exhibit**

Applicant ADMITTED
Department DENIED

FILE #

Applicant Respondent Department

C

4. (continued)

- d. *Reduce the depth of the attached garage structure from the proposed 32 feet to 20 feet.*

Disagree. We will change the garage depth from 32 feet to 28 feet. This should be sufficient, as we are agreeing to move the setback of the garage from 23 feet to 16 feet. The reduced depth of the garage and the setback change will increase the buffer area on the east side of the garage by 11 feet. Since we will no longer have a garden shed in our backyard, we will require extra storage for our tools and lawnmower.

- e. *Reduce the width of the proposed porch to 4 feet by eliminating the ell portion of the porch.*

Agree. We will eliminate the porch area at front of our house and reduce the west/east length of our covered entry from 7 feet to 4 feet. This will reduce the foot print of the house and will allow extra room for our 2-story bay window at the rear of the house.

- f. *Eliminate the proposed two-story bay window on the rear of the proposed residence.*

Disagree. We wish to leave the 2-story bay window at the rear of the house. It is an important feature of our home as it will be used to view the natural beauty of the protected wetland from our kitchen nook on the first floor and our sitting area on the second floor. We will be increasing the wetland buffer area by 7 feet as we have agreed to move the setback of the house 4 feet toward the front of the property and will be removing the front porch and reducing the front covered entry way by 3 feet. Note: The house at 9206 126th Avenue NE has a 2 foot bay on the east side of their property.

- g. *Revise the 10 foot buffer setback to measure from the structure's foundation.*

Agree.

- h. *Revise the proposed patio to ensure that it does not extend more than 5 feet into the 10 foot buffer setback.*

Agree.

- i. *Submit a revised mitigation plan that incorporates the recommendations of the Watershed Company as outlined in Attachment 8 and consistent with Kirkland Zoning Section 90.145.*

Agree.

- j. *Submit plans showing that all exterior hard surfaces (driveways, patios, walkways, etc.) will be constructed of pervious concrete or another comparable substance as approved by the Planning Department.*

Agree.

- k. *Submit for recording a Natural Greenbelt Protective Easement (NGPE) over all wetland and wetland buffer areas not impacted by the proposed development.*

Agree

Tony Leavitt

From: Kurt Fisher [kurtf@gibraltarusa.com]
Sent: Saturday, July 22, 2006 4:04 PM
To: Tony Leavitt
Subject: Schneider project on 126th

Tony:
I want to reiterate my support for the project. With the dictates of the "reasonable use" permitting process, the City seems to continue moving the houses closer and closer to the street (lessening front setbacks and making it a requirement), which isn't consistent with works best. We believe the project should be allowed to be constructed as proposed by the owner without "pushing" the structure closer to the street along the 126th frontage.
Best regards,
Kurt

Kurt A. Fisher

Principal and Broker



GIBALTAR

Investment Property Solutions

Direct-206.367.6088

Fax-206.367.6087

Web- www.gibraltarusa.com

7/24/2006

EXHIBIT <u>D</u>
ZONOS-00033 HE Rec.

Tony Leavitt

From: eaon@comcast.net
Sent: Saturday, July 22, 2006 12:31 PM
To: Tony Leavitt
Subject: Shawn and Heather File #Z0N05-00033

Kirkland Hearing Examiner
C/O Tony Leavitt, Planner
City of Kirkland Planning and Community Development
123 Fifth Ave
Kirkland, WA 98033

We have been neighbors of Shawn and Heather Schneider/Skinner for over 4 years. Their house has been on that site in its present condition for more than that time frame. They are excellent neighbors and very involved in the community.

We disagree with the City's new setback proposal. We believe that the current set back for housing in our area (i.e. 20 feet from the road, 10 feet from the back of their back fence and 5 feet from each side) should stay in effect. It doesn't make sense to build houses closer to the roads. We believe in protecting Wetlands but not when it means trying to go back in time and recreating what used to be especially for people who have already been living on the land. Consider grandfathering them in so they can build their house a safe distance from the road and have a nice yard for their children.

Please grant their current request and let them get on with building their house.

Thank you,
Kevin Nooney
Liz Ottavelli

Tony Leavitt

From: Judy Klein [judy.klein@gmail.com]
Sent: Tuesday, July 25, 2006 8:06 PM
To: Tony Leavitt
Cc: Daniel J. Klein
Subject: File No. #ZONO5-00033

Kirkland Hearing Examiner
c/o Tony Leavitt, Planner
City of Kirkland Planning and Community Development
123 5th Avenue, Kirkland, WA, 98033

Dear Mr. Leavitt,

I am writing on behalf of our neighbors, Shawn Schneider and Heather Skinner, and their son Colton, and their case: File No. #ZONO5-00033. My husband and I have only lived on 126th Ave NE for a little over a year, but Heather and Shawn have been welcoming from the beginning. They were the first people to introduce themselves to us when we moved, and soon after introduced us to the rest of the neighborhood. They really helped turn our new house into a home with a great neighborhood and friends growing friendships.

Because Shawn and Heather are so community oriented, they constantly have people from the neighborhood walking to and from their home, including kids of all ages. We were delighted to hear the plans for their new home as we know the bigger space will allow them greater flexibility as the unofficial hosts and social committee of 126th Ave NE. But we were disturbed to learn that the city is not supporting their wishes regarding their new home. They should not be forced to build their home so close to the street that it prohibits the safe travel of their family and neighbors to and from the home. By making the house only 11 feet from the street, all of the kids will be forced to walk in the street when there is a car parked in the driveway. Again, we believe this is unsafe for both the Schneider/Skinner family, as well as all of the children and families that are frequent visitors to that home.

We also understand that there is debate regarding the yard. While we understand that wetlands are an important habitat and we are committed to the conservation of these habitats, Heather and Shawn's yard is a very special place for their own children as well as others. Please let them maintain a large yard so that they can continue to be the welcoming family that they have been. I also know that Heather and Shawn are committed to the environment and only use natural, organic gardening methods, so I believe the impact on the wetlands will be very minimal.

To conclude, we strongly oppose the city's plans to decrease the size of the Schneider/Skinner planned home, move it close to the street, and decrease the size of the yard. We believe that you will be doing a great injustice to Heather, Shawn, and Colton, as well as the rest of our community. Heather and Shawn are kind, welcoming people who will not abuse their relationship with the wetlands.

Sincerely,

Judy and Daniel Klein
9205 126th Ave NE
Kirkland, WA 98033

judy.klein@gmail.com
djklein@u.washington.edu

7/26/2006

RECEIVED

JUL 26 2006

To: Kirkland Hearing Examiner

From: Heather Skinner Heather Skinner (applicant)

Shawn Schneider Shawn Schneider (applicant)

AM _____ PM
PLANNING DEPARTMENT
BY _____

Date: July 24, 2006

File: ZONO05-00033, SKINNER/SCHNEIDER REASONABLE USE REQUEST

Site: 9118 126th Avenue NE, Kirkland, WA

Applicants' Response to the City of Kirkland's Proposed Setback Modifications

CITY OF KIRKLAND'S REQUEST:

A request for approval of a reasonable use permit to allow construction of a single-family residence within a wetland buffer. The Hearing Examiner held the hearing record open on July 6th to consider additional written testimony regarding the potential reduction of the required 20 foot front setback. This setback could be reduced by up to 9 feet through the review process. The setback reduction is being considered in order to lessen the impact on the Type I wetland buffer.

APPLICANTS' RESPONSE:

We are opposed to the City's recommendation to reduce the required 20 foot front setback for our new residence. As part of the mitigation of our property we have already agreed to give up a large portion of our backyard and restore it to the wetland in order to build the home we desire for our family. In August of 2000, we moved from a condo to a property with a large yard so we could provide a safe environment for our children to play in. On top of giving up our backyard, the City is now proposing that we should give up what little front yard we have as well. We feel that this request is "unreasonable".

First all this is a safety concern for our family. If we agree to the City's setback buffer reduction recommendation, there will be no safe place for our child play. We will no longer have a yard and our child will be forced to play on the street. Speed humps were put on our street in order to slow down speeding traffic but they have not been effective.

If the garage is moved closer to the road this will cause safety concerns for the residents in our neighborhood as well. With the proposed setback, a vehicle parked in our driveway would extend out onto the sidewalk and people would have to go onto the road to get around it.

All but one house on our block has at least a 20 foot front setback. For the aesthetics of our neighborhood it would make sense to try to keep the homes at a uniform setback. In addition, the residence directly to the north of us (9206 126th Avenue NE) has approximately the same size of footprint as our proposed house and garage. They went through a reasonable use permit process and were able to build their residence at the standard 20 foot front setback.

Moving our residence forward toward the road would require us to remove our 9 foot tall hedge that runs along the entire frontage of our property. This has provided us with a natural fence and has been a great sanctuary for the birds in the area. Keeping the hedge would be inline with the City's goal to preserve the wetlands and its surrounding natural beauty.

Since the setback reduction is a judgment call, we would like to request that you and the City Council members come out and take a look at our property prior to making a decision. You will then be able to really see the neighborhood, our property and what we will be sacrificing in order to build a better home for our family.

July 26, 2006

TO: KIRKLAND HEARING EXAMINER
c/o TONY LEAVITT

RECEIVED

JUL 27 2006

RE: FILE # ZON05-00033
ADDRESS 9118-126TH AVE N.E.
KIRKLAND, WA 98033

AM
PLANNING DEPARTMENT
BY

FROM: JACK TEAGUE AND CHRISTENE TEAGUE
9209-126TH AVE N.E.
KIRKLAND, WA 98033

DEAR TONY:

WE ARE NEIGHBORS OF SHAWN SCHNEIDER AND HEATHER SKINNER. THEY HAVE BEEN WORKING WITH THE CITY FOR SOME TIME NOW TRYING TO BUILD A NEW HOUSE ON THEIR PROPERTY. IT SEEMS THE RULES AND REQUIREMENTS FOR BUILDING THIS HOUSE KEEP CHANGING AND BECOME MORE AND MORE RESTRICTIVE. THIS HAS MADE IT VERY DIFFICULT AND VERY COSTLY FOR THEM TO FULFILL THEIR DREAM. THE FRONT SETBACK CHANGE WILL PUT THEIR HOUSE AND GARAGE MUCH TO CLOSE TO THE STREET FOR SAFETY AND ROAD NOISE. WE UNDERSTAND THE CONCERN REGARDING THE WETLANDS AND IMPACTS ON THE ECOSYSTEM OF THE AREA. HOWEVER I AM SURE THAT DECISIONS MADE BY THE CITY REGARDING DEVELOPMENT OF SEVERAL HOUSES (0092)

IN THE PAST BY A DEVELOPER HAVE
HAD A MUCH MORE SERIOUS IMPACT ON
THIS AREA THAN ANYTHING NOW BEING
PLANNED ON THE LOT IN QUESTION. IT
SEEMS THAT DEVELOPERS WITH LOTS OF
MONEY AND LEGAL SUPPORT GET BY WITH
THINGS THAT THE PRIVATE CITIZEN CANNOT.
THIS IS NOT RIGHT AND WE DO HAVE A
HISTORY OF THIS HAPPENING IN OUR
NEIGHBORHOOD. THE SCHWEIDER/SKINNER PROJECT
IS BEING UNREASONABLY RESTRICTED AND IF
ANYONE AT THE CITY WERE IN THE SAME
PLACE I DON'T THINK THEY WOULD LIKE IT
EITHER. THEIR BACK YARD HAS BEEN
ESTABLISHED FOR MANY YEARS AND IS A
GREAT PLACE FOR THEIR CHILD TO PLAY
SAFELY. PROBABLY TRYING TO CHANGE THIS
AREA BACK TO WHAT IT PROBABLY NEVER
WAS COULD BE A NEGATIVE IMPACT ON
THE AREA. THERE IS PLENTY OF ROOM ON
THIS LOT TO BE ABLE TO BUILD THEIR
HOUSE AND GARAGE WITH PROPER SET BACKS
TO ALLOW FOR SAFETY AND EFFICIENT USE
AND THE FULFILLMENT OF THEIR DREAM.
THE CITY DOES NOT HAVE A GOOD TRACK RECORD
IN THIS AREA AND NOW MIGHT BE THE TIME
TO DEMONSTRATE WILLINGNESS TO WORK WITH THE
PRIVATE CITIZENS OF OUR GREAT CITY

Sincerely
Jack Ingle

RECEIVED

JUL 27 2006

To the Attention of the Kirkland Hearing Examiner:
C/O Tony Leavitt, Planner-City of Kirkland Planning and Community Development

With Reference to: **File No. #ZONO5-00033**

Date: July 26, 2006

AM _____ PM
PLANNING DEPARTMENT
BY _____

I am writing today in support of Shawn Schneider and Heather Skinners request to leave the front setback at the normal distance of 20 feet and per the city's zoning code and to maintain the current footprint of their home as planned.

The Schneider/Skinners have been good citizens while working with the city to negotiate to allow them reasonable use of their property in order to mitigate the wetlands on their property as defined by the Wetlands Report. It was only 3 days before the first hearing on this case that the city put forth additional restrictions on the project. The most serious change to the plans was to enforce an 11 foot setback from the road as opposed to the current requirement of 20 yards.

As a long term resident of North Rose Hill and an architect of the North Rose Hill Neighborhood Comprehensive Plan it is my opinion that the residential character of the nature will be in jeopardy as more and more houses are placed closer together and closer to the road as city planners struggle to meet Growth Management Act requirements and meet set back requirements from sensitive areas.

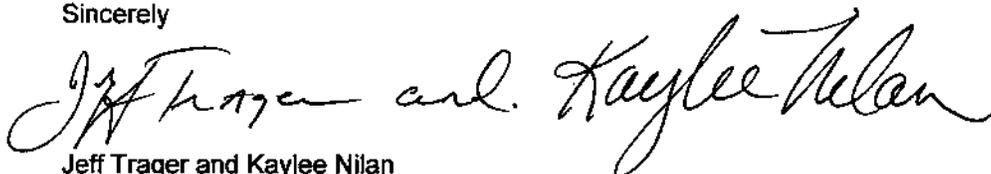
Further, by enforcing a 11 foot setback as proposed by the city planning department the Schneider/Skinner family will no longer have "Reasonable Use" of their property for a play area for their son Colton and his friends. Can you please try to picture what an 11 foot setback would look like? If this is allowed, there will be no room for an outside play area and cars parked in their driveway will protrude into the sidewalk thus forcing other residents into the street to circumvent the cars. This would be an unnecessary safety hazard if enforced. The city traffic department knows very well the nature of our street and how cars tend to speed up and down it even after the placement of speed humps several years ago. By essentially reducing the front yard to a mere few feet there is a very high risk that when chasing a ball or participating in other normal play activities, young Colton could possibly run from his door in seconds into the street before his parents have a chance to control the situation. This is VERY unsafe!!!

The Schneider/Skinners are already being forced to cease use of their backyard which they have been using ever since they moved in as it has been maintained as a nicely mowed lawn long before they were owners. This constitutes a "taking" by the city in my opinion and I believe it prevents the property owners from the right to a reasonable use of their property in order to build one reasonably sized single family residence.

Additionally, by enforcing the 11 foot setback the Schneider/Skinners will be forced to remove a very large mature hedge which is a valuable natural attribute to our neighborhood which provides habitat for birds. It would be a terrible shame to remove this hedge.

In summary, the Kirkland City Council is still in the process of determining what constitutes "Reasonable Use" of a property owners right where wetlands and buffers are concerned and the that the size of the wetlands buffers is not yet proven to be actual science it is in the best interest to err on the side of safety and the owners rights to build a reasonable home on the lot that fits better into the neighborhood and provides safety to the children living and playing at the home as well as to those walking by.

Sincerely



Jeff Trager and Kaylee Nilan
9214 126th Avenue NE
Kirkland, Washington 98033
425-822-4863 jtrager@comcast.net

July 24, 2006

Kirkland Hearing Examiner
c/o Tony Leavitt, Planner
City of Kirkland Planning and Community Development
123 Fifth Avenue
Kirkland, WA 98033

RECEIVED

JUL 27 2006

____ AM ____ PM
PLANNING DEPARTMENT
BY _____

I am writing in reference to case File #ZONO5-00033 to give my strongest support to the Schneider/Skinner family in their desire to build a family home on their lot. I urge you to approve the plans they have submitted for review as soon as possible.

The City of Kirkland has recommended that the home be built closer to the street with an 11' setback instead of the standard 20' setback. Bringing the home closer to the street would look odd in comparison to other houses on the street and also reduce the amount of space for family and friends to gather in the front and side yards. Heather and Shawn are friendly and highly visible members of the community – I and others are frequently gathering in front of their home to chat and share news. Their plans as submitted create a safe space for children to play and comfortable room for pedestrians to walk.

The City has also recommended that the size of the house be reduced. I urge that their plans be approved with the original design and footprint rather than reducing it. Their lot is large and their original plans are for a single family home comparable in size to other homes on the street. I would much rather see them proceed with building a moderately sized home, evenly spaced on their sizable lot, rather than have a subsequent developer build a monstrous, oversized home right up against the street, or worse, two smaller homes crammed together on the lot – we do not want Kirkland to start looking like Bellevue or Redmond! The home design they have proposed maintains the character of the neighborhood and provides the most minimal impact on the natural landscape.

I am a strong advocate of wetland protection who believes that the integration of our communities with the natural environment leads to healthier living and a higher quality of life. The present yard and footprint of their home is well integrated with the natural space to the rear of their lot, and I recommend that they be allowed to keep the present size of the yard. The Schneider/Skinner family are responsible environmental stewards who maintain their land in a manner that celebrates the natural beauty of the stream and undergrowth on their lot. Shawn and Heather are walkers and bicycle riders who enjoy being out in their neighborhood and getting to know the people they live near. Their plans will add value to our street and strengthen deep roots for this family of responsible citizens in our community.

Sincerely,



Dr. Matthew L. Saxton
9125 126th Avenue NE
Kirkland, WA 98033
(425) 822-8725

RECEIVED

JUL 27 2006

AM 4:35 PM
PLANNING DEPARTMENT

BY TJS

MR. & MRS. CLARENCE L. STONE
9115-126TH AVE NE
KIRKLAND, WA 98033
425-827-8548
cl.stone@verizon.net

Hello: Tony Leavitt, Planner
File # ZON05-00033

My wife, SANDRA & myself have been in the
Kirkland Area for a total of 132 yrs. Shawn,
Heather & Colton are the Best of Neighbors.

- ① Please leave the setback @ the normal 20' (as per City of Kirkland Zoning Code).
 - ② Let the Schneider/Skinner Family build their house with the ORIGINAL designed foot print (not the City's recommended reduced size).
 - ③ Give them a yard so children can play in the yard & not on the street. They have a nice safe yard.... Let them use it.
 - ④ Leave room in front of the garage, so people can walk safely behind the vehicles that are parked in the driveway.
- We hope you'll give these recommendations strong consideration. Thanking you ahead of time,

Clarence Stone &
Sandra M. Stone

C.L. Stone
9115-126 Avenue
Kirkland, WA.
#98033

RECEIVED

JUL 27 2006

AM _____ PM
PLANNING DEPARTMENT

BY _____

Kirkland Hearing Examiner
c/o Tony Leavitt, Planner
City of Kirkland Planning & Developing

NB



KIRKLAND HEARING EXAMINER
July 06, 2006

1. CALL TO ORDER

Members Present: Anne Watanabe, Hearing Examiner.

Members Absent: None.

Staff Present: Tony Leavitt, and Jeremy McMahan.

2. PUBLIC HEARINGS

A. Skinner/Schneider Reasonable Use Request, File Number: ZON05-00033

Hearing Examiner Anne Watanabe swore in those who would be testifying.

Planner Tony Leavitt displayed an aerial map of the site location, identifying the subject property. He explained the proposal is a Reasonable Use Permit to allow construction of a single family residence within a wetland buffer. The proposal includes demolishing the existing residence and construction of a new residence and detached garage. The proposal will impact a Type 1 wetland buffer; the applicant proposes restoring the wetland and wetland buffer east of the proposed residence. He described the IIB Process whereby the Hearing Examiner conducts the public hearing and makes a recommendation and the City Council makes the final decision.

Mr. Leavitt described the existing site conditions including an existing 840 square foot residence, improvements within the wetland and the buffer and low quality buffer and wetland on the western portion of the property.

Mr. Leavitt reviewed the proposed development: a new 2,681 square foot residence, 1,414 square foot detached garage for a total footprint of 2,435 square feet. The project has a total buffer impact of 6,882 square feet and impervious area of 3,450 square feet. He advised the proposal complies with all RSX 7.2 zoning setbacks. The proposal includes wetland and buffer restoration of approximately 10,095 square feet.

Mr. Leavitt displayed and described the property site plan, residence site plan and mitigation plans.

ENCLOSURE 2
CC Memo - ZON05-00033

Mr. Leavitt reviewed the Kirkland Zoning Code Reasonable Use approval criteria, 1) there is no permitted type of land use for the property with less impact on the sensitive area and the buffer is feasible and reasonable, 2) no on-site alternative to the proposal is feasible and reasonable considering possible changes in site layout, reductions in density and similar factors, 3) the proposal as conditioned will result in minimum feasible alternation of or impairment of the sensitive area.

Mr. Leavitt relayed staff's conclusion. With regard to criterion 1, he agreed a single-family residence is the least intensive use. With regard to Criterion 2, he found there are on-site alternatives that are reasonable. The proposed structures are large and have an excessive impact to the wetland. Changes proposed by staff to lessen the impact include shifting the improvements closer to the front property line and reducing the front setback from the required 20 feet to 11 feet, reducing the width of the porch to 4 feet, reducing the width of the proposed driveway from 24 feet to 20 feet, relocating the proposed garage to 14 feet from the west property line, reducing the depth of the detached garage from the proposed 32 feet to 20 feet, eliminating the rear 2-story bay window, revising the 10 foot buffer setback to measure from the structure's foundation, and revising the proposed patio to ensure it does not extend more than 5 feet into the 10 foot buffer setback. He explained the result of these modification would a 1,900 foot reduction in the impact to the buffer. If the Hearing Examiner concurred with reducing the front setback, staff recommends continuing the hearing to allow additional public notice.

With regard to Criterion 3, Mr. Leavitt advised the existing wetland and associated buffer are relatively low functioning. The proposed mitigation will increase the function in a manner that could not be accomplished if the applicant was only proposing to remodel or repair the existing residence. As part of a building permit application, the applicant should incorporate the following items into the proposed development plan: submit a revised mitigation plan that incorporates the recommendations of The Watershed Company, submit plans showing that all exterior hard surfaces will be constructed of pervious concrete or other comparable substances, and submit for recording a Natural Greenbelt Protection Easement (NGPE). Staff concludes that the proposal as conditioned will result in minimal alternation of or impairment to the sensitive areas and will not cause significant degradation of groundwater or surface water quality.

With regard to additional criteria, whether the reasonable use was the result of the applicant's action and whether regulations were in place at the time the applicant purchased the property, Mr. Leavitt relayed staff's conclusions that the inability to derive reasonable use is not the result of any action taken by the applicant, and similar land environmental regulations were in place at the

time the property was purchased by the applicants.

Mr. Leavitt relayed staff's recommendation, approval of the application subject to the conditions outlined in the Staff Report.

Heather Skinner, 9118 126th Avenue NE, Kirkland & Sean Schneider, 9118 126th Avenue NE, Kirkland, described their plans to demolish their existing residence and construct a new residence and the process they have followed to obtain a reasonable use permit. She explained after posting notice of the proposal, the City received two letters of support from the Fishers to the south and the Tragers to the north; no negative comments were submitted. She described their plans to build a 2-story residence adjacent to their existing home and once the new residence is constructed, demolish the existing residence and build a detached garage. She described features of the proposed new 2,681 square foot residence and 1,414 square foot garage. She described the 10-foot setback from the house and the wetland to the east, advising the garage will have the same footprint as the existing house. She described their plans to use pervious concrete or comparable substance for the driveway and pathways. She explained the existing house currently impacts 42% of the wetland; the new residence will impact 20% of the wetland. The footprint of the new residence is approximately 1,530 and the garage 832 square feet for a total of 2,362 square feet; the total footprint of the residence and garage comprise less than 7% of the total property. She cited the approval of a reasonable use application in 1999 for the residence to the north at 9206, estimating their proposal was approximately 38 square feet less than the residence at 9206. In an attempt to meet the City's reasonable uses requirements, she explained they agreed to reduce the usable area of their backyard, shift the split rail fence west, remove their garden shed and raised garden beds, remove non-native plants, develop a self-sustaining native vegetation community in the wetland, adhere to a five-year monitoring plan of the vegetation, and continue removal of non-native plants.

Ms. Skinner relayed discussions with Public Works to retain the existing hedge between the residence and the street. She summarized their proposal met the City's reasonable use requirements; as part of their wetland mitigation and property improvement plans, they plan to designate 80% of their land for wetland, convert their septic system to sewer, upgrade their utilities, and develop their frontage to City standards.

Ms. Skinner submitted a letter with their comments.

Next, Ms. Skinner responded to staff's recommendations:

#1: Agree.

#2: Disagree with proposal to shift the improvements closer to front property line, citing the residence at 9206, approved as part of a reasonable

use permit in 1999 has a 20 foot front setback. She expressed their willingness to move their residence 4 feet toward the front, reducing the front yard setback from 20 feet to 16 feet to retain the existing hedge. She explained if the residence were shifted the amount recommended by staff, the residence would be directly in front of the hedge.

#3: Agree.

#4a: Agree.

#4b: Agree

#4c: Disagree with recommendation to relocate the proposed garage to within 14 feet of the west property line, proposing instead to reduce the garage setback from 23 feet to 16 feet.

#4d: Disagree with recommendation to reduce the depth of the detached garage from 32 feet to 20 feet, proposing instead to reduce the depth to 28 feet, finding this sufficient due to the reduction in the garage setback from 23 feet to 16 feet. She explained the reduced depth of the garage and setback change would increase the buffer on the east by 11 feet. She also cited the need for additional storage space in the garage due to the elimination of the garden shed.

#4e: Agree.

#4f: Disagree with recommendation to eliminate the 2-story bay window on the rear of the proposed residence, advising this was an important feature of their home to view the wetland and pointing out they would be increasing the wetland buffer area by 7 feet by their agreement to reduce the front setback by 4 feet and reducing the front porch. She also pointed out the the house at 9206 has a similar bay window.

#4g: Agree.

#4h: Agree.

#4i: Agree.

#4j: Agree.

#4k: Agree.

The Hearing Examiner entered the Skinner/Schneider letter and their responses as an exhibit.

Jeff Trager, 9214 126th Avenue NE, Kirkland, voiced support for the Skinner/Schneider reasonable use request, finding it met the City's requirements and is a fair and reasonable compromise. He described his background including serving as a Kirkland Park Board member and various City committees, a writer for the North Rose Hill column in the *Kirkland Courier*, and member and past chair of the North Rose Hill Neighborhood Association where this property is located. He cited his background as illustration of his familiarity with the North Rose Hill Neighborhood and City policy decisions. He pointed out the need to balance wetlands and property rights, finding the impact on this wetland insignificant to the overall wetlands in the City. He described Skinner/Schneider's involvement

in the North Rose Hill community and recommended the Hearing Examiner approve the proposal as outlined in Ms. Skinner's proposal rather than staff's recommendation.

Steve Winter, Adolfson & Associates, 5309 Shilshole Ave NW, Seattle, described the wetland and proposed wetland plan which include removal of physical changes to the wetland such as the shed and raised beds and moving the split rail fence to provide a break between developed portion of the property and the wetland buffer and planting native plants. He concurred with The Watershed Company's review and did not view their recommendations as substantive changes. He concluded the applicants were willing to work with City and be good stewards of the land.

The Hearing Examiner asked Mr. Leavitt about the Reasonable Use Permit approved for an adjacent property in 1999. Mr. Leavitt reviewed elements of the Reasonable Use Application (contained on page 6 of the Staff Report) that was approved in 1999 for the residence to the north at 9206, concluding interim regulations with different although similar criteria were in place at the time that application was approved. He recalled the front setback for that property was 19 feet. He offered to provide the Hearing Examiner a copy of that decision.

The Hearing inquired about staff's consideration of other properties in area. Mr. Leavitt answered the only other reasonable use application was the property to the north. A wetland buffer modification and front yard setback reduction was allowed for another residence further to the north.

The Hearing Examiner inquired about the length of time to continue the hearing for additional public notice of the front setback reduction. Mr. Leavitt recommended 18-21 days to allow adequate notice and to be consistent with other applications.

Due to staff's recommendations and the proposed changes, the Hearing Examiner announced the hearing would be continued for 18 days. Mr. Leavitt advised the property will be noticed that the front yard setback could be reduced but not indicate a specific number to allow the Hearing Examiner to specify the amount. The Hearing Examiner requested notice be provided as soon as possible.

The Hearing Examiner advised the public record would remain open for written comments from the applicant and members of the public.

Mr. McMahan suggested staff provide a range of proposals and after her review, the Hearing Examiner could determine whether to reconvene meeting. The Hearing Examiner agreed, advised if additional response was necessary, she would reconvene the meeting, otherwise she would review the

information and submit her recommendation to the City Council.

3. ADJOURNMENT

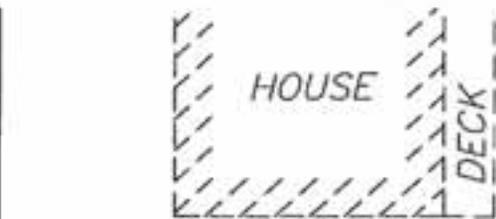


Jeremy McMahan, Planning Supervisor
Department of Planning and Community Development

**RECORDING SECRETARY:
JEANNE DINES**

126th AVE. N.E.

N03°13'45"W (P)



PLANTING POLYGON 2

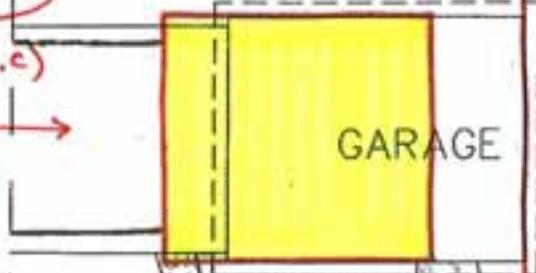
PROPOSED MITIGATION AREA (0.22 ACRES)

REDUCED GARAGE DEPTH (COND. 4B)

REDUCED GARAGE SETBACK (COND. C)

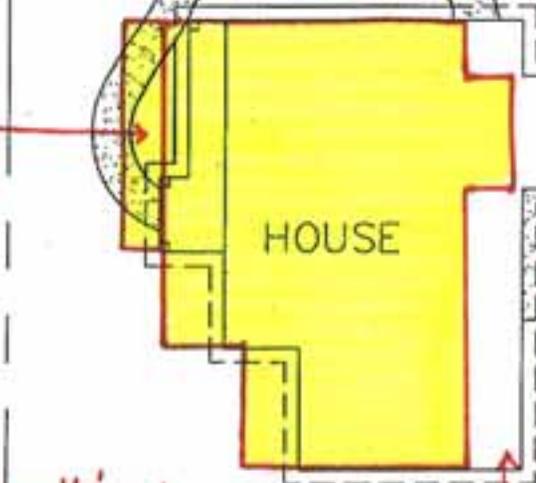
REDUCED DRIVE WIDTH (COND. 4B)

16' 28'



WETLAND BUFFER
10 FOOT BUILDING SETBACK

REDUCED FRONT PORCH (COND. 4A)



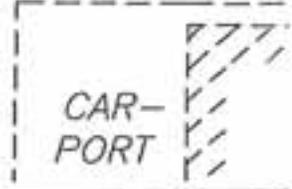
PARTS TO BE REDUCED - 1st SIDE
SUMP

REDUCED FRONT SETBACK (COND. 2)

16'

RE-LOCATED SPLIT-RAIL FENCE

10' BUILDING SETBACK



ADOLFSON ASSOCIATES, INC.
Environmental Solutions

2309 Shiloh Ave. NW
Seattle, WA 98107
P: (206) 789-0858
F: (206) 789-0884



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SOURCE: SANDBOX PROVIDED BY CLIGHT IN APRIL 2008

File name: M
Date: MAY 8
Revised:

ENCLOSURE 3
CC Memo - 20ND05-00033

RESOLUTION. R- 4594

A RESOLUTION OF THE CITY OF KIRKLAND APPROVING THE ISSUANCE OF A PROCESS IIB REASONABLE USE PERMIT AS APPLIED FOR IN DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. ZON05-00003 BY HEATHER SKINNER AND SHAWN SCHNEIDER BEING WITHIN A RSX 7.2 ZONE, AND SETTING FORTH CONDITIONS TO WHICH SUCH PROCESS IIB PERMIT SHALL BE SUBJECT.

WHEREAS, the Department of Planning and Community Development has received an application for a Process IIB permit, filed by Heather Skinner and Shawn Schneider, owners of said property described in said application and located within RSX 7.2 zone; and

WHEREAS, pursuant to the City of Kirkland's Concurrency Management System, KMC Title 25, this action is exempt from the concurrency management process; and

WHEREAS, pursuant to the State Environmental Policy Act, RCW 43.21C, and the Administrative Guideline and local ordinance adopted to implement it, this action is exempt from the environmental checklist process; and

WHEREAS, the application has been submitted to the Hearing Examiner who held hearing thereon at the regular meeting of July 6, 2006; and

WHEREAS, the Hearing Examiner after the public hearing and consideration of the recommendations of the Department of Planning and Community Development did adopt certain Findings, Conclusions, and Recommendations and did recommend approval of the Process IIB permit subject to the specific conditions set forth in said recommendation; and

WHEREAS, the City Council, in regular meeting, did consider the recommendation of the Hearing Examiner).

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

Section 1. The findings, conclusion, and recommendation of the Hearing Examiner as signed by the Hearing Examiner and filed in the Department of Planning and Community Development File No. ZON05-00033 are adopted by the Kirkland City Council as though fully set forth herein.

Section 2. The Process IIB permit shall be issued to the applicant subject to the conditions set forth in the recommendations hereinabove adopted by the City Council.

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

Section 4. Failure on the part of the holder of the permit to initially meet or maintain strict compliance with the standards and conditions to which

the Process IIB permit is subject shall be grounds for revocation in accordance with Ordinance 3719, as amended, the Kirkland Zoning Ordinance.

Section 5. A complete 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.

Section 6. A copy of this resolution, together with the findings, conclusions, and recommendations herein adopted shall be attached to and become a part of the Process IIB permit or evidence thereof delivered to the permittee.

PASSED by majority vote in open meeting of the Kirkland City Council on the _____ day of _____, 20____.

SIGNED IN AUTHENTICATION thereof this _____ day of _____, 20____.

Mayor

Attest:

City Clerk



CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Erin J. Leonhart, Public Works Facilities & Administrative Manager
Daryl Grigsby, Public Works Director

Date: August 24, 2006

Subject: CITY HALL DDC (DIRECT DIGITAL CONTROL) REPLACEMENT PROJECT (23-06-PW) –
AWARD CONTRACT AND BUDGET INCREASE REQUEST

RECOMMENDATION

It is recommended that the City Council award the contract for the City Hall Direct Digital Controls (DDC) Replacement Project (as part of the Kirkland Facility Lifecycle Program) to ESC Automation of Bothell, Washington in the amount of \$186,279.00 (Base Bid plus Additive Alternate 1). It is also recommended that Council approve the transfer of \$47,500 from the Facilities Sinking Fund Reserve to this project to cover the cost overages in engineering and system replacement.

BACKGROUND DISCUSSION

As part of the ongoing Life Cycle program, the City has provided capital funds for the replacement of the digital controls for heating, ventilation, and air conditioning (HVAC) equipment at City Hall in 2006. This replacement is a part of the 2006-2011 Capital Improvement Program. The existing hardware and software that control the system are outdated and are no longer supported by the vendor. The replacement system will improve energy efficiency through enhanced ability to control City Hall's HVAC equipment.

At their August 1, 2006 meeting Council authorized staff to call for bids for the City Hall DDC Replacement Project. Five vendors attended an optional pre-bid conference on August 15, 2006. On Tuesday, August 22, 2006, the City received four bids with ESC Automation as the low bidder with a total bid cost of \$196,553.00 (including Washington State Sales Tax). While still over the original Engineer's Estimate, ESC Automation's bid was significantly lower than the others primarily because they perform the electrical work instead of sub-contracting. The total bid prices are as follows:

CONTRACTOR	BASE BID	ADDITIVE ALTERNATE 1	ADDITIVE ALTERNATE 2	TOTAL
<i>Engineer's Estimate – Lifecycle Model</i>				\$ 154,500
ESC Automation	\$ 172,964	\$ 13,315	\$ 10,274	\$ 196,553
ATS Automation	\$ 202,150	\$ 22,900	\$ 26,170	\$ 251,220
Building Control Systems	\$ 239,500	\$ 12,960	\$ 12,200	\$ 264,660
Automated Controls	\$ 259,900	\$ 24,900	\$ 4,900	\$ 289,700

Escalating construction industry pricing due in part to increasing energy and fuel costs and high nationwide demand continues to impact Facilities' Lifecycle projects and estimates. This situation was taken into account during development of the project specifications and all attempts were made to eliminate any non-essential items/costs. The Public Works Department will review the costs in the Lifecycle Model in conjunction with the Capital Improvement Program review to determine if revisions are necessary for the long term.

Reference checks were conducted on ESC Automation and staff recommends that the Council approve award of the City Hall Direct Digital Controls (DDC) Replacement Project, Job 23-06-PW, to ESC Automation. Staff is recommending a funding increase using \$47,500 of Facilities Sinking Fund Reserve funds (to cover the engineering as well as ESC Automation costs) as identified within the attached Fiscal Note. The remaining balance in the Facilities Sinking Fund Reserve account after this transfer would be \$852,740.

With Council award of this project, construction can be completed by the end of 2006.

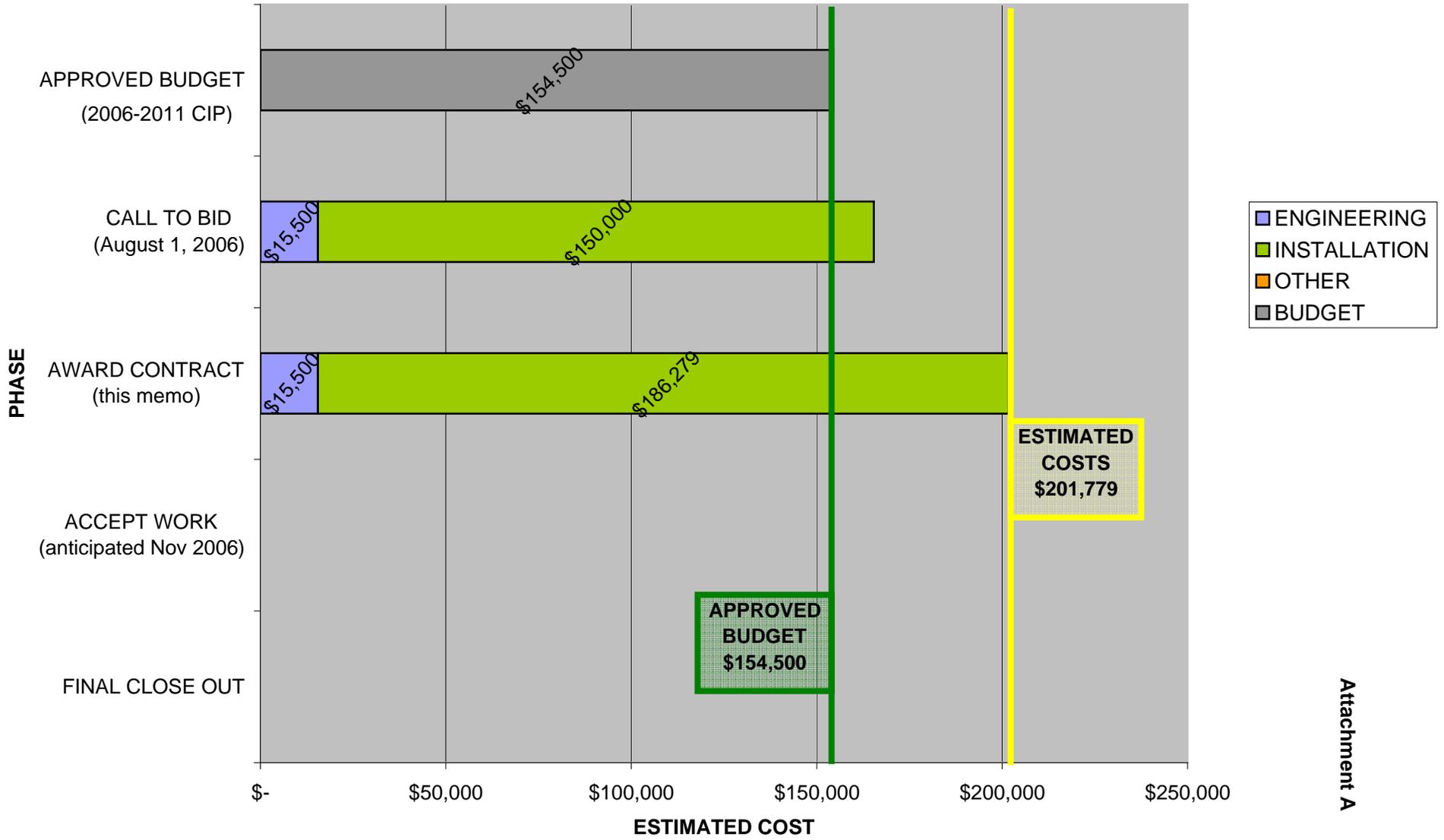
Attachments:

- A – Budget Comparison Graph
- B – Fiscal Note

cc: Tracey Dunlap, Director of Finance and Administration

BUDGET COMPARISON (Expenditures)

CITY HALL DIRECT DIGITAL CONTROL REPLACEMENT, JOB NO. 23-06-PW



FISCAL NOTE

Source of Request							
Daryl Grigsby, Public Works Director							
Description of Request							
Request for additional funding of \$47,500 from the Facilities Sinking Fund Reserve for the City Hall Direct Digital Controls (DDC) Replacement project. The project is approved in the current 2006-2011 CIP at a budget of \$154,500. The total cost of the project has increased, based on recently received bids and higher than expected engineering costs, by \$47,500. This is due to high nationwide demand and continued escalating construction industry pricing due, in part, to increasing energy and fuel costs.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$47,500 of the Facilities Sinking Fund Reserve. The reserve is able to fully fund this request without impacting future obligations against this reserve.							
Recommended Funding Source(s)							
Reserve	Description	2006 Est End Balance	Prior Auth. 2005-06 Uses	Prior Auth. 2005-06 Additions	Amount This Request	Revised 2006 End Balance	2006 Target
	Facilities Sinking Fund Reserve	925,240	25,000	0	47,500	852,740	925,240
	2006 Prior Authorized Uses includes \$25,000 for the North Kirkland Community Center Roof Replacement project.						
Revenue/ Exp Savings							
Other Source							
Other Information							

Prepared By	Sandi Miller, Financial Planning Manager	Date	August 24, 2006
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CITY OF KIRKLAND
Finance and Administration Department – City Clerk Division
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Kathi Anderson, City Clerk

Date: August 23, 2006

Subject: Voting Delegates – National League of Cities Annual Business Meeting

RECOMMENDATION

City Council designate one voting delegate and one alternate to represent the City of Kirkland at the National League of Cities' Annual Business Meeting.

BACKGROUND DISCUSSION

The City of Kirkland is eligible to designate one voting delegate and one alternate. The delegate or alternate must pick up credentials before the meeting and be present at the meeting to cast a vote. The NLC annual business meeting will be held on Saturday, December 9, 2006 in Reno, Nevada. Should the City Council wish to participate in the meeting, the voting delegate and alternate will need to be designated and their names must be filed with the NLC on or before October 6, 2006.



CITY OF KIRKLAND

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager
From: Gene Markle, Captain
Date: August 23, 2006
Subject: Jail Administrative Group member appointment

Recommendation:

Council appoints a representative of the Kirkland Public Safety Committee to the Jail Administrative Group (JAG).

Background Discussion:

The Jail Administrative Group consists of city officials, and jail managers for all of the King County cities. This group was formed to work in a collaborative effort on jail and prisoner issues throughout King County; and meets on the third Thursday of the month. Councilwoman Joan McBride is currently the appointed Kirkland Council representative to this assembly and has held this position since her term as a member of the Kirkland Public Safety Committee. Councilwoman McBride has offered to remain on the JAG Committee but felt it would better serve the City of Kirkland's interests if a member of the Public Safety Committee was a member of this assembly. The issues addressed by the JAG require insight provided through Kirkland's Public Safety Committee.

It is the recommendation of the Public Safety Committee that a member of the committee be appointed to the JAG.