C I T Y O F K I R K L A N D

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
Wednesday, January 2, 2008
6:00 p.m. – Study Session – Peter Kirk Room
7:30 p.m. – Regular Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website www.ci.kirkland.wa.us, 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.

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.

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION,* Peter Kirk Room
   - *a.* Potential Annexation Zoning
4. *OATH OF OFFICE*
   - *a.* Councilmember Dave Asher
   - *b.* Councilmember Jessica Greenway
   - *c..* Councilmember Bob Sternoff
5. *ELECTION OF MAYOR AND DEPUTY MAYOR*
6. *EXECUTIVE SESSION*
7. *SPECIAL PRESENTATIONS*
   - *a.* Kirkland Green Business Program Participation Awards
   - *b.* Green Tips
8. *REPORTS*
   - *a.* *City Council*
     - (1) Regional Issues

P - denotes a presentation from staff or consultant

b. City Manager

(1) 2008 City Council Retreat Topics

(2) Calendar Update

9. COMMUNICATIONS

a. Items from the Audience

b. Petitions

(1) Residents of 10th Street West Initiating Local Improvement District (LID) Undergrounding Existing Overhead Lines Project

10. CONSENT CALENDAR

a. Approval of Minutes: (1) December 4, 2007

(2) December 11, 2007

b. Audit of Accounts:

Payroll $

Bills $

c. General Correspondence

(1) Todd Boyle, Regarding Community Centers

(2) Brian and Sylvia Lindgren, Chuck Pilcher, Patricia Rice and David Wall Regarding Downtown Development

d. Claims

(1) Steve Carbonetti

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

h. Other Items of Business

(1) Acknowledging Parking Advisory Board Resignation

(2) Ordinance No. 4123, Relating to Sidewalk Construction and Maintenance and Amending Portions of Chapter 19.20 of the Kirkland Municipal Code

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.

P - denotes a presentation from staff or consultant

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

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

11. PUBLIC HEARINGS

a. Resolution R-4681, Adopting Water Conservation Goals

12. UNFINISHED BUSINESS

a. Financial Statement/2006 Audit Results

b. NE 85th Street Driveway Access

c. Awarding Contract for 116th Avenue NE (North Section) Non-Motorized Facilities Project to Trimaxx Construction Inc. and Authorizing Additional Funds

d. Lodging Tax Advisory Committee Recommendations for Kirkland Uncorked

13. NEW BUSINESS

* *a.* Resolution R-4682, Approving the Short Subdivision of Running as Applied for by Kirk Running being Department of Planning and Community Development File No. SPL07-00025 and Setting Forth Conditions to which such Short Subdivision be Subject

b. Transportation Commission's Proposed Improvements to Concurrency System

c. Affordable Housing Update

d. 2008 Legislative Agenda

14. ANNOUNCEMENTS

15. ADJOURNMENT

P - denotes a presentation from staff or consultant

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: Teresa Swan, Senior Planner
Eric Shields, AICP, Planning Director

Date: December 13, 2007

Subject: **Annexation Zoning**

I. RECOMMENDATION:

Review key issues for the annexation zoning and provide staff with policy direction for preparation of a draft zoning ordinance.

II. BACKGROUND:

If the Kirkland City Council decides to move forward with an annexation vote, the Council needs to adopt annexation zoning as part of the annexation question on the ballot. The City Council must hold two public hearings, at least 30 days apart, on an annexation zoning ordinance prior to making an annexation application to the Boundary Review Board.

In Kirkland, zoning regulations are divided into 2 general types:

- **Zone specific regulations** for each zone found in the individual use zone charts. Some of these regulations are permitted uses, density, building height and setback, lot coverage, and some special regulations. For example of a use zone chart in the Kirkland Zoning Code, click on link and open Chapter17 RSX http://kirklandcode.ecitygov.net/CK_KZC_Search.html.

- **General city-wide regulations** that apply to all zones, such as tree management and landscaping, critical areas, accessory dwelling units, home occupations and signage.

For the **zone-specific regulations**, the staff's recommendation is to propose annexation zoning that attempts to reflect the existing built environment in the annexation area, the desires of most of the residents and the existing development potential under the County regulations. To achieve this objective, staff proposes new use zone charts tailored to the annexation area that address the zone specific standards. This is the same approach that the City took with the 1988 annexation.

For **general city-wide regulations,** the staff's recommendation in most cases is to apply the City's regulations to the annexation area. This is because it would not be feasible or practical to have two complete zoning codes within one city.

III. PUBLIC COMMENTS:

At the various public forums that the City held over the past several months, interested annexation residents were asked to sign up if they wished to participate in zoning workshops. The purpose of the workshops was to review and discuss key zoning issues identified by City staff. On November 14th, the first workshop was held in which approximately 32 people attended. City staff provided an overview of the key issues to the entire group and then three working groups were formed by neighborhood area to discuss the issues. Then during the week of November 26th, a second set of workshops were held for the three working groups in which 31 people attended to complete the discussions.

Each working group was presented with background information about each zoning issue and alternatives on how to regulate the issue. At the end of the discussion on each issue and alternatives on regulating, the issue, a vote was taken as to whether to continue applying the County's regulations, apply the City's regulations or in some cases if they had any concerns with the City's general regulations. Overall, the participants were interested in applying the City's regulations to the annexation area.

The participants were told that their vote would be forwarded to the City Council as part of the consideration of the draft zoning annexation ordinance. In the section below, a summary of the workshop votes have been included.

IV. KEY ZONING ISSUES:

Provided below is a summary of each issue, input from the zoning workshops, options for City Council to consider and a staff recommendation. The 18 issues are divided into 2 sections: zone specific regulations and general regulations that apply city-wide. Within the sections, the issues are further divided into those without a consensus vote and those with a consensus vote from the zoning workshops.

Once the City Council provides policy direction on the key zoning issues, staff will finish preparing a draft annexation zoning ordinance for the two potential future public hearings.

A. <u>Zone Specific Regulations:</u>

ISSUES WITHOUT A CONSENSUS VOTE FROM THE WORKSHOP

1. **Height of single family homes**
   - County allows homes to be 35' high (3 stories) and can be increased to 45' (potentially up to 4 stories) with increased yard setbacks.
   - City allows 25'or 30' (generally 2 stories) depending on the neighborhood.

   <u>Background</u>: In 1995, the County increased the allowable height of single family homes in conjunction with providing more residential density (see discussion below on residential zoning). The maximum allowable height went from 30' to 35' with a special provision to go to up to 45' with increased setbacks. The annexation area appears to have very few homes over 35' in height that took advantage of increasing the height by increasing the setbacks.

   <u>Workshop response</u>: More people (17 people) want to stay with the 35 foot height limit because they have concerns about making existing homes non-conforming and they see no reason to change. A smaller group (13 people) would like to go to the 30 foot height limit similar to the RSX zones in Kirkland. No one wanted to continue to allow the increased height up to 45', but some people thought that those with homes over 35' in height who wanted to add an addition should be able to match the existing roofline.

   <u>Council options</u>:
   - Adopt current King County height of 35'.
   - Adopt height limit of 30' (same as Kirkland's RSX zone).

   <u>Staff recommendation</u>: Adopt the current King County height of 35'. As was done with the 1988 annexation, the City should accept the existing allowable height. Those few homeowners with homes above 35' may apply for an administrative variance to match the existing roofline of any addition.

2. **Floor area ratio (FAR)**
   - City limits square footage of house to 50% of the size of the lot.
   - County does not limit the size of a house.

   <u>Workshop response</u>: Most (23 people) wanted FAR to apply to the annexation area while some thought that it may be too restrictive but they were not certain (8 people). Many thought that some of the new homes in the area are too large and out of character with the neighborhood.

   <u>Council options</u>:
   - Adopt the City's FAR regulation.
   - Do not apply the City's FAR regulation.

Staff recommendation: Apply the City's regulation on FAR. It was evident from the zoning workshops that most people wanted some control over the size of homes.

3. **Auto and boat sales and leasing**
   - County does not allow these uses in the annexation's commercial areas.
   - City does allow them in most commercial areas.

Background: Both the Juanita and Kingsgate commercial centers contain a wide range of uses, are served by major arterials and are generally surrounded by medium to high-density residential developments. They are currently zoned in the County as Commercial Business. (Click on link to PAA map http://www.ci.kirkland.wa.us/__shared/assets/Annexation_Map_0614076158.pdf)

The north Finn Hill commercial center is smaller in scale than the Juanita and Kingsgate commercial centers, but also has a variety of uses. It is surrounded on three sides by multifamily and office uses with Saint Edward Park located to the west. The north Finn Hill commercial area is currently zoned in the County as Neighborhood Business. Staff recommends that the commercial center be rezoned to Commercial Business because it contains several uses that are not allowed in the City's Neighborhood Business zone, such as a large grocery store and a fitness center. (Click on link to PAA map http://www.ci.kirkland.wa.us/__shared/assets/Annexation_Map_0614076158.pdf)

The south Finn Hill commercial center is much smaller than the other centers and is more of a neighborhood convenience center. It is currently zoned in the County as Neighborhood Business and staff recommends keeping the same zoning designation if the area is annexed into the city. (Click on link to PAA map http://www.ci.kirkland.wa.us/__shared/assets/Annexation_Map_0614076158.pdf)

Workshop response: Most people (27 people) thought that locating the uses in some of the commercial centers would be acceptable compared to those that did not agree (3 people). There was a mix of response as to where to locate them (7 for all areas but lower Finn Hill and 6 for only in Juanita and Kingsgate) and whether the uses should only be allowed as indoor sales (13 people).

Council options:
- Allow in Juanita, Kingsgate and north Finn Hill but not in south Finn Hill.
- Allow in Juanita and Kingsgate only.
- Limit to indoor sales at one or more of the centers above.
- Do not allow in any of the commercial centers.

Staff recommendation: Allow outdoor or indoor sales at the Juanita and Kingsgate commercial centers, but not at the two Finn Hill commercial centers. The Juanita

and Kingsgate centers are larger in size than the two commercial areas in Finn Hill and serve as area-wide commercial centers, whereas the two Finn Hill commercial areas serve more of the immediate neighborhood.

4. Juanita Commercial Center

- County does not allow hotels and self storage uses.
- City does allow them in most commercial areas.

Background: The County does not permit hotels and self service storage facilities in the Juanita commercial center. (Click on link to PAA map http://www.ci.kirkland.wa.us/__shared/assets/Annexation_Map_0614076158.pdf) Staff has been unable to determine from the County why these uses are not allowed. The County permits these uses in other business commercial zones, such as in Kingsgate. The City permits hotels in all commercial zones and self storage in most commercial zones.

Examples of existing uses in the Juanita commercial center include two large grocery stores, two retail pharmacy stores, auto service stations and auto repair shops, restaurants, office uses, a veterinary clinic and a mix of general retail. These are typical businesses that would be located near hotels and self storage uses.

Workshop response: Most (21 people) thought that the uses should be allowed in the Juanita commercial area. All of those from one of the Finn Hill working groups (9 people) were concerned that a low quality hotel would locate in the area rather than a higher quality hotel like the new Marriott Hotel to the south in Totem Lake on NE 124th Street and thus voted to not allow the hotel use.

Council options:

- Apply the City's regulations and allow the uses in Juanita commercial area.
- Apply the County regulations and not allow the uses.

Staff recommendation: Apply the City's regulations and allow the uses in the Juanita commercial area.

ISSUES WITH A CONSENSUS VOTE FROM THE WORKSHOP

5. Townhouses and apartments permitted in single family neighborhoods

- County allows them anywhere with no zoning permit required.
- City allows 2 to 3 unit homes with a Process I permit.

Background: The County permits townhouses (attached units) and apartments (stacked units) outright in single family residential zones with simply a building permit. The annexation area currently has 11 sites ranging from 4-36 units. The

City permits 2 to 3 unit homes under the new cottage housing regulations that require a Process I zoning permit with design and location standards.

Workshop response: No one at the workshops (32 people) wanted the uses allowed outright in single family neighborhoods without a review process and design and location standards.

Council options:
- Apply the City's regulations, including the new cottage housing regulations.
- Apply the County regulations that permit the uses without a public process.

Staff recommendation: Apply the City's regulations.

6. Commercial uses permitted in single family neighborhoods
- County allows certain commercial uses in residential zones.
- City does not allow them.

Background: The County allows limited commercial uses located on main arterials in residential zones through a public review process. Uses include grocery stores, variety stores and restaurants of 5,000 square feet or less, and medical office. To our knowledge, none exist in the annexation area. The City does not allow these uses in residential zones.

Workshop response: Only one person out of 32 people supported allowing commercial uses in residential zones.

Council options:
- Apply the City's regulations and not allow the uses.
- Apply the County regulations and allow the uses.

Staff recommendation: Apply the City's regulations.

7. Rear yard setback
- County requires at least 5'.
- City requires at least 10'.

Background: In 1995, the County decreased the rear yard setback requirement in conjunction with providing more residential density and reducing the minimum lot size to 2500 square feet (see discussion below on residential zoning). Prior to 1995, the rear yard setback was 10'.

Workshop response: All (31 people) but one person would prefer to require a 10 foot wide rear yard setback. Participants indicated that they had rear yard setbacks of at least 10' and several indicated displeasure in the loss of privacy when recently some new large homes were built very close to their back yards.

Council options:
- Apply the City's regulations and require a 10' rear yard setback.
- Apply the County regulations and continue the 5' rear yard setback.

Staff recommendation: Apply the City's regulations. Based on the comments from the workshops, the City's 10' rear yard setback should apply to the annexation area. Any addition to a house with a 5' rear yard setback could apply for an administrative variance if needed.

8. Lot coverage (impervious surfaces) for single family zones
- County allows home, driveway, patio and other paved areas to cover 55% in the R-4 zone, 70% in the R-6 zone and 75% in the R-8 zone.
- City allows a maximum of 50% of lot to be covered in both the RS and RSX zones.

Background: The County increased its maximum allowable lot coverage in conjunction with adoption of its critical areas ordinance a few years ago. Prior to that time, the maximum lot coverage was 50% for single family zones. The County's current residential lot coverage standards are considerably higher than the City's standards. As a comparison, the City's lot coverage standard for multi-family is 60%, for office is 70%, for most commercial is 80% and industrial is 90%.

The City calculates concrete pavers used for walkways and patios, and wood decks at 50% impervious and not at 100% when water can go through the gaps in the improvements, provided that the surface underneath is pervious. Swimming pools are excluded from the lot coverage provision. The County code does not have such provisions in its Zoning Code. (Note that this level of detailed information was not provided to the workshop participants.)

Workshop response: Most (26 people) wanted to apply the existing 55% to all single family residential zones and some (4 people) wanted to adopt the City's regulation of 50%. One person suggested a sliding scale of R-4 at 55%, R-6 at 60% and R-8 at 65%. This is one zoning concept that the participants struggled with because they could not visualize how much impervious surface looks like at the different percentages.

Council options:
- Apply the City's maximum allowable lot coverage of 50%.
- Apply the County regulations at 55% in the R-4 zone, 70% in the R-6 zone and 75% in the R-8 zone (no change).
- Apply the County's regulation for the R-4 zone at 55% to the R-6 and R-8 zones.

Staff recommendation: Apply the City's maximum allowable lot coverage of 50%. With the City's provisions of calculating wood decks and concrete pavers at 50% impervious, the difference between 55% and 50% is very minor. Where differences are minor, the City should have the same regulations.

9. Single family residential density

This is a very complex issue so the format of presenting the information is different than the other issues and three options have been proposed.

Background: Part of the annexation zoning includes preparing a Zoning Map for the annexation area. At the time of the 1988 annexation, the County was using the same minimum lot size standard as the City with comparable minimum lot sizes so it was a simple matter of designating the new annexation residential zones as "RSX" to make a distinction in the differences between the existing City and County regulations for allowable height and yard setbacks. In 1995, the County switched to a new standard of residential zoning to achieve greater density in the annexation area in an effort to meet its housing targets under the Growth Management Act.

Below is a comparison of the County and City zoning standard:

- County uses a **units-per-acre standard** that includes counting all roadway, wetlands, streams and associated buffer areas in the density calculation. An example would be a 1 acre property zoned at R-6 would achieve 6 residential lots acre, regardless of road dedication, wetlands, streams or steep slopes. Absolute minimum lot size is **2,500 square feet**. The zones range from R-1 through R-8 with R-6 as the most common zone (click on link to PAA map http://www.ci.kirkland.wa.us/__shared/assets/Annexation_Map_0614076158.pdf). The result of the new County density standard is much smaller lots compared to the prior system.

- City uses **minimum lot size standard only**. Easement roads are generally excluded from the lot area in the subdivisions of 4 or more lots. Road dedications as well as wetland and stream areas are not included in the lot size. A portion of the buffer area is included. The minimum lot size standard varies by zoning area with a range for single family from 5,000 square feet to 35,000 square feet with the most common at 7,200 and 8,500 square feet. Using the same example above for a 1 acre site zoned at RS 7.2 (which is 6 units per acre), road dedication and most of any critical areas are excluded from the density calculation resulting in fewer than 6 developable lots.

Analysis in developing the options:
The initial goals of staff in establishing the comparable residential zoning designations were to stay with a minimum lot size system to avoid two different

zoning systems in Kirkland and to tailor the minimum lot sizes for each zone to minimize loss in development or redevelopment potential. Staff spent a great deal of time working with GIS to understand the range of existing lots sizes and potential platting opportunities in the annexation area.

Staff tried several different minimum lot size options ranging from 95% down to 80% of the County zone (see Option 3 below for a few of those options) to account for not including road area for the medium to large subdivisions, but then not making the minimum lot size by zone too small. The smaller the minimum lot size, the more lots that the 2-3 lot plats could gain beyond what would be achieved now and the larger the minimum lot size, the more lots that the 4 or more plats would lose. Staff concluded that no reasonable minimum lot size match could be found that did not end up with "winners and losers."

Also, the **R-1 zone** (1 unit per acre) in the annexation area would need to continue to be regulated using the County's unit per acre standard. The zone is located entirely in the most easterly portion of King County just north of the annexation area's industrial zone. The R-1 zone has a special overlay designation called a Greenbelt/Urban Separator. Under the Countywide Planning Policies, new development must be clustered with 50% of the area left in a continuous open space, wildlife corridor. The County will not accept the City reducing the minimum lot size in that area slightly to account for not including road area in the lot size calculations.

Following extensive research and analysis, staff has developed three options as described below:

Option 1: Adopt the current County standard of **units per acre** with a **minimum lot size of 2500 square feet**. Include road area in the density calculation, but use the City's regulations of only including a portion of the associated buffers in the density calculations and not the wetland and stream areas. This option can result in very small lots.

Option 2: **Same as Option** 1, but establish a **minimum lot size of 70% of the County's average lot area per unit** (see table below) rather than the existing 2500 square foot minimum lot size (70% reflects the worse case situations for several past subdivisions in Kirkland in which up to 70% of the land area was developable after 30% of the land area was needed for road dedication).

County Zone	Average lot area/unit	70% of average lot area/unit
R-4	10890 sq ft	7623 sq ft
R-6	7260 sq ft	5082 sq ft
R-8	5445 sq ft	3812 sq ft

Option 3: Adopt the **City's approach of a minimum lot size standard** for each zone set at **(X%)** of the **average lot area per unit** to account for not including road area in the minimum lot size. Use either at 90% or 85% of the average lot area per unit (see table below). This option results in winners and losers for subdivision applicants – those with no road dedication or easement area excluded from the lot area will gain extra lots and those with road dedication or easement area excluded from the lot area will lose lots.

County Zone	Average lot area/unit	Minimum lot size at 90% of the average lot area/unit	Minimum lot size at 85% of the average lot area/unit
R-4	10,890 square feet	9,800 square feet	9,250 square feet
R-6	7,260 square feet	6,500 square feet	6,100 square feet
R-8	5,445 square feet	5,000 square feet	4,600 square feet

It should be noted that most if not all **multi-family developments** are served by private driveways that are included in the density calculations. This is confirmed by the fact that the existing County multi-family developments are built at or close to the minimum densities of their underlying zoning. Staff recommends applying the City's comparable minimum lot size per unit to the County's multifamily zones. Examples are the County's R-12 would be converted to RM 3.6, R-18 to RM 2.4 and R-24 to RM 1.8.

Workshop response: Most (27 people) wanted to apply Option 2 to keep the same density standard in place, but to raise the absolute minimum lot size above 2500 square feet while a few (4 people) wanted to apply Option 3 so that all future lots in each zone had comparable minimum lot sizes. Many of those voting for Option 2 recognized the importance of not reducing the existing development potential of vacant or under developed land in the annexation area.

Staff recommendation: **Adopt Option 2**. Since the County's R-1 zone needs to continue under the units per acre density standard and Option 3 (the minimum lot size option) results in "winners and losers," Option 2 appears to be a reasonable compromise. The absolute minimum lot size is raised from 2500 square feet (which is now only 22% of the R-4 average lot size per unit, 34% of the R-6 average lot size per unit and 46% of the R-8 average lot size per unit) to 70% of the average lot size per unit. The absolute minimum lot size of 70% provides a reasonable lot area for a single family home and also allows a property owner with extensive right-of-way dedication to still achieve the established units per acre density.

B. General Regulation Issues

ISSUES WITHOUT A CONSENSUS WORKSHOP VOTE

1. Garage setback from main house

- City requires garages to be setback 5 feet from main house if garage exceeds 50% of front façade. With this provision, garages would have to be setback 25 feet from street if the main house is setback 20 feet from street. Porches can extend to within 13 feet of the front yard.
- County requires that garages be setback 20 feet from the street, but the main house is permitted (not required) to be as close at 10 feet from the street.

Background: The purpose of the City's regulation is to make the front façade of a home more prominent and the garage less prominent. The regulation often results in the main house setback 20 feet and the garage setback 25 feet from the street. The County has no such provision. Based on what has been found in the annexation area and comments from the workshops, existing front facade of homes and garage are generally both 20 feet from the street.

Workshop response: Many (20 people) do not want to apply the City's regulations while some (10 people) thought applying the regulations would be acceptable. Some of those who voted to not apply the regulation were interested in considering the regulation in the future. This was a design issue that most of the people had never thought about and no one felt strongly about applying the regulation.

Concerning the front yard setback, one Finn Hill working group of 11 people discussed having the City's front yard setback of 20 feet apply to the annexation area instead of 10 feet. They said that their homes were already setback 20 feet from the street.

Council options:

- Apply the City's regulation of a garage setback.
- Do not apply the City's regulation.

Staff recommendations: Do not apply the City's garage regulation at this time, but wait until after annexation to address the design concept with the annexation area.

Based on the general comments from the workshop groups, staff recommends applying the City's front yard setback regulation of 20' to the annexation area.

2. Height of detached accessory dwelling units

- City limits the height of detached dwelling units (typically built above a detached garage) to 25 feet in height.

- County allows detached accessory dwelling units to be the same height as the primary house at 35', whether located above a garage or as a free standing structure.

Background: All detached single family structures, including garages, accessory units (ADUs), sheds and barns cannot exceed 25 feet in height in Kirkland. However, by limiting the height of a detached ADU (commonly built above the garage) to 25 feet in height, the roofline and design of ADUs above the garages may not match the roofline and design of the main house in the annexation area.

Workshop response: More than half (20 people) thought that the height limit should be 35' or at least 30' with a smaller group (10 people) voting for the 25 foot height limit for detached ADUs.

Council options:
- Adopt current King County height of 35' for detached ADU's.
- Amend Section 115.80 to allow detached ADUs to reach 30' in height in the annexation area.
- Apply Kirkland's 25' height limit to detached ADUs.

Staff recommendation: Adopt a 30' height limit. This height is adequate for a garage with an ADU above to provide enough height to match the design and pitch of the main house roof.

3. Size of vehicles parked in residential zones

- City prohibits RVs, trucks and boats greater than 9' high and 22' in length parked for more than 48 hours (proposed amendment would change to 24 hours).
- County does not limit the parking of RV's, trucks and boats.

Background: The City's regulation is enforced on a complaint basis only. An owner may apply for a Process IIA permit at a current cost of $5,290.00 to request keeping the vehicle on the property. Screening is typically required. The City has not received very many applications over the years so most people either keep them parked on site without complaints or the vehicles are parked off-site.

Workshop response: More than half (19 people) thought that the vehicle size restriction should not apply to the annexation with a smaller group (11 people) voting to apply it, but to simplify the City's process and reduce the fee to allow the vehicles on site if properly screened. One person suggested allowing existing vehicles if registered within 6 months of annexation. Many were concerned that the annexation vote would fail if the regulation was applied and suggested waiting until after annexation to consider the regulation. The same group who did not want to apply the regulation over concerns of the vote thought that the large vehicles were unsightly and were a traffic hazard when parked in the street.

Council options:
- Adopt City's regulation.
- Do not apply City's regulation.
- In conjunction with the first option, reduce the review process to allow the vehicles to be located on site with screening and/or grandfather existing vehicles.

Staff recommendation: Apply City's regulation, reduce the review process for locating on site with screening, and allow existing vehicles to remain if they are registered with the City shortly after annexation. The grandfathering provision will take some initial staff time, but at least the regulation would start applying to the annexation area for new vehicles.

4. Tree removal on lot with existing home

- County allows any tree to be removed on the property, unless the trees are in a greenbelt, wetland/stream area or steep hillside.
- City allows up to 2 significant trees per year to be removed, but none in greenbelt or wetland/stream area. Last 2 remaining significant trees may not be cut unless 2 new trees are planted.
- For both the County and City, all hazardous and nuisance trees can be removed outside of greenbelts, wetland, stream and steep hillside areas. Within these critical areas, hazardous trees can be cut as snags or in some cases removed.

Background: The main difference between the City and County regulations is that the City limits the number of trees each year that can be removed and requires that at least 2 trees remain on the property.

Workshop response: More than half (21 people) thought that the City's regulations are acceptable or a good idea. The Kingsgate/Juanita working group (9 people) were concerned about not being able to remove more than two trees per year. Some people have older trees on their property and want to thin out trees as their properties get overgrown.

Council options:
- Apply the City's regulation.
- Do not apply City's regulation.

Staff recommendation: Apply the City's regulations. It would not be practical to have two different tree management regulations in the City.

ISSUES WITH A CONSENSUS WORKSHOP VOTE

5. Wetland, Stream and Associated Buffers

Background: The City's critical area regulations were adopted in 2002. The County's critical area regulations were adopted just a few years ago. By 2011, the City will be required to review its critical area regulations and potentially make changes to also reflect this new information.

Two important issues to consider when comparing the County and City buffer widths are the greater level of density and percent of impervious surface that the County allows next to its wetlands and streams compared to the City. As discussed earlier in the memo, the County's standard for determining allowable density includes all wetlands, streams and associated buffer areas. The means that more lots and smaller lots can be located next the County critical areas compared to similar zones in the City. Also as noted earlier in the memo, the County allows more impervious surface than the City that can result in more contaminated storm runoff into the critical areas.

Below is a general comparison of the County and City critical areas ordinances:

- County and the City use totally different rating systems, buffer standards for wetland and stream areas, allowable buffer reduction provisions and review processes for reducing the buffers. The County's rating system is more complex than the City's rating system in that it has many more criteria to evaluate. According to the City's consultant, The Watershed Company, each system has its pros and cons.
- County's required buffer widths are generally greater than the City's standards, but overall the County's buffer reductions and intrusions into the critical areas appear to be more generous.

Below is a table showing the range of buffer widths:

Jurisdiction	Wetland Buffer Widths	Stream Buffer Widths
City	25' – 100'	25' – 75' (no regulations for lakes at this time)
County	50' – 225'	25' – 115' (includes lakes)

- County potentially allows more intrusion into the buffer and building setbacks than the City and without a public review process. Examples include the following:
  - Allows within the buffer and building setback areas and with no required mitigation the expansion or replacement of existing structures of up to

1,000 square feet and construction on existing impervious surfaces with no limitation on size. The City has no such provisions.

- Allows a 25-foot reduction in wetland buffer widths with no public review process. In the City, an applicant can propose up to 1/3 of the buffer width be reduced with mitigation through a public review process for all critical areas, except no public process is required for Type 3 Wetlands in a Secondary Basin and Class C Streams (the lowest types).
- Allows more generous modifications to critical areas for public features, such as roads and utilities.

Workshop response: No one had concerns about the City's regulations for wetlands and streams.

Council options:

- Apply the City's regulation.
- Adopt the County's critical area ordinance in its entirety, including buffer reduction provisions and review process.

Staff recommendation: Apply the City's regulations. As discussed earlier in the memo, it would not feasible or practical to have two codes to regulate. In addition, staff found the County's critical area ordinance confusing, unclear and poorly organized. Any changes to the County's critical area ordinance probably need to be reviewed and approved by various state agencies prior to City adoption.

Instead of applying the County's critical area ordinance to the annexation area when and if annexation occurs in late 2009 or later, a better approach is to wait until the City reviews its critical area ordinance before 2011 as required under State law. When reviewing the City's critical area ordinance, the City can study the County's ordinance along with other jurisdictions' ordinances and the latest in scientific literature to select the most appropriate rating system, buffer width and buffer reduction provisions for the entire city.

If the City Council decides to apply the County's critical area regulations to the annexation area, then the City should consider allowing all critical areas to be calculated in the density calculations and to select Option 1 above under the Staff Recommendation section of Issues No. 9 for Single Family Density to continue allowing the minimum lot size of 2500 square feet for all residential zones.

6. Signs

- County allows 15' - 20' high pole signs and billboards.
- City allows 12' high monument signs that must have a wide base and does not allow billboards.

Background: The County allows much higher free standing signs in all of its commercial centers. Billboards are permitted in the annexation area, except for the Juanita commercial center. There are currently 3 billboards in the annexation area - one in the Kingsgate commercial area and two in the Totem Lake industrial area.

If the City's regulations are applied, the free standing signs in the annexation area would need to be brought into conformance upon annexation if and when a business owner wants to reface the sign, such as changing the colors or name of the business. For the billboards, these need to be removed with redevelopment of the site.

Workshop response: No one had concerns about the City's sign regulations.

Council options:
- Apply the City's regulation.
- Do not apply City's regulation.
- One additional option is to provide a grace period to allow owners of pole signs to reface the sign within a certain period of time after annexation without bringing the entire sign into conformance.

Staff recommendation: Apply the City's regulations. Staff does not see a need for a grace period. Business owners will have ample time to make changes to their signs prior to annexation.

7. Home occupations

- County limits number of non resident employees to 1 person and customers must come by appointment.
- City limits number of non resident employees to 2 people and 6 customers per day with no more than 2 at a time.
- For both County and City, no exterior activity.

Background: The County and City regulations are similar. However, based on conversations with residents from the various forums, it sounds as if there is a lack of County enforcement when exterior activities are causing impacts.

Workshop response: No one had concerns about the City's home occupation regulations.

Council options:
- Apply the City's regulations.
- Apply the County's regulations.

Staff recommendation: Apply the City's regulations.

8. Tree removal on lot with new home or major addition to home

- County requires 10 significant trees or 5% of all trees to be saved, whichever is greater, excluding critical areas. Some trees can be counted as 2 tree credits if certain size and quality of tree are met.
- City requires significant trees in front, side and rear setback yards are kept, excluding diseased or hazardous trees. Also, a minimum tree density of 30 tree credits per acre must be provided on site. The number of tree credits assigned to each tree depends on the diameter of the tree trunk. In most cases, tree density is met with existing trees on the site. If not, typically one or two trees need to be planted on the property.

Background: The City and County regulations are different. The location and number of trees on a site would be the determining factor as to which set of regulations would be more or less restrictive. The County does not have a minimum tree density requirement.

Workshop response: No one had concerns about the City's tree regulations.

Council options:

- Apply the City's regulation.
- Apply the County's regulation.

Staff recommendation: Apply the City's regulations.

9. Holmes Point Disturbance and Significant Tree Retention Ordinance

- County has special ordinance for the Holmes Point area of Finn Hill (see Attachment A) that limits grading, tree removal and lot coverage (impervious area). However, the Ordinance does not require a minimum tree density on each lot as the City does and the City has a slightly lower threshold of what is considered a significant tree that must be retained. In the City, a significant tree is 6 inches or greater whereas in the County a significant tree is either 8 inches or greater evergreen tree or 12 inches or greater deciduous tree (this is the City's prior standard of tree size).

Background: The County has a free standing ordinance for Holmes Point not incorporated into its Zoning Code. Ordinance 13576, adopted on July 7, 1999, provides a significant tree retention special district overlay for Holmes Point. The purpose of the ordinance is to provide a higher level of surface water control and significant tree protection retention beyond the County's general requirements in order to protect wildlife habitat, address area wide erosion, landslide or other hazardous conditions, and neighborhood character. The regulations include a significantly lower allowance for impervious surface coverage, a set aside of 25% of the land in its natural form, retaining all significant trees other than the allowable impervious surface areas.

The Denny Creek Neighborhood Alliance group and other interested residents actively worked to have King County adopt the ordinance for the area. The ordinance should be incorporated into various sections of the City's codes.

However, upon reviewing the ordinance, staff would also recommend amendments to the ordinance to clarify sections and provide clearer implementation provisions. For example, the 25% natural set aside should be in a recorded greenbelt easement and be required to include any critical area and/or grove of significant trees (which the ordinance does not).

Workshop response: No one had concerns about applying the City's tree management regulations to the Holmes Point area. (Note that only 2 people from Holmes Point attended the workshops).

Council options:

- Apply the City's tree management regulation to the Holmes Point area in addition to Ordinance 13576.
- Do not apply City's regulation.

Staff recommendation: Apply the City's tree management regulations along with the special ordinance. In cases where a Holmes Point property does not contain any trees, the City's tree density regulations should apply. Also, it would be much simpler to apply the City's definition of a significant tree to the Holmes Point area rather than to have two separate definitions to administer in the area.

V. OTHER ZONING REGULATIONS:

The discussion above under the section on Key Zoning Issues highlighted differences between the City and the County regulations that staff thought needed public input at the zoning workshops. Below is a list of other differences between the City and Council regulations with a staff recommendation that staff concluded did not need public input.

1. County programs that allow increasing of density

a. Transfer Development Rights program

The County has a program where density rights from nearby rural areas may be transferred and used in the urban areas. The annexation are has been designated as a "receiving area." The property owners of two sites in the annexation area have purchased these rights. One subdivision has been developed in Kingsgate in which the density was increased from R-4 to R-6 without rezoning the property. The other site has not been developed yet. The County administers the program and will work with local cities to find interested developers.

Staff recommendation: Not continue the PAA as a receiving area under the Transfer Development Rights program upon annexation. The City Council could decide to a look at the program after annexation if this is a program that it would like to consider, possibly with location and design criteria.

b. Density Incentives

The County offers density incentives for affordable housing, energy efficiency, open space and historic preservation. The City has similar incentives through the planned unit development process, under affordable housing provisions and the new cottage housing regulations, and with the historic overlay zone.

Staff recommendation: Staff recommends that the City's incentive provisions apply to the annexation area rather than the County's incentive program to increase density.

2. Building height in zones other than single family zones

The County's allowable maximum height for each zone is greater than what is allowed in the City, but the actual heights constructed in the PAA are lower than what is allowed.

Below is a list of the allowable heights and staff recommendations:

King County	Comparable Kirkland zones	Existing Height in PAA	Recommendation
Multi-family zones: R-12: 60' R-18 to 48: 60'- 80'	30'	3 stories	35'
Juanita Commercial: 35'	30'	1 and 2 stories	35'
Finn Hill Commercial: 35' to 45'	30'	1 and 2 stories	35'
Kingsgate Commercial: 35' to 60'	30'	1 and 2 stories	35'
Light Industrial: 45'	35'	1 to 3 stories (Graham Steel building will be removed)	35'

Staff recommendations: Staff recommendations are outlined above in the table. The recommendations are based on looking at existing buildings in the annexation area and comparable zones in the City.

Concerning the recommended height for the industrial zone in the annexation area, taller buildings encourage more office buildings rather than low rise

industrial buildings. If the intent of the City is to encourage industrial uses in the LI zone of the annexation area, the height limit should be set at 35 feet and not 45 feet. This is the policy that the City took when setting the height limit in the industrial area of the Totem Lake 7 (TL7) zone just west of the annexation area's industrial zone. As discussed in the following section, staff proposes that the existing annexation area's industrial zone be rezoned as TL7.

3. Front yard setbacks for zones other than single family zones

The County's and the City's building setbacks are either the same or very similar. Only the differences are noted below in the table:

King County regs.	Kirkland regs	Recommendation
Front yard: Multifamily at R-12 thru R-48: 10' Commercial: 10' Industrial: 10'	20': all zones	County regs

Staff recommendation: Adopt County's regulations.

4. **High water line setback along Lake Washington**

Both King County and Kirkland are in the process of preparing new Shoreline Master Program (SMP) as required by Dept of Ecology (DOE). The current required setbacks from the shoreline for both jurisdictions will change, but the final setbacks are not known at this time. The County is further along in preparing a new SMP than the City and has issued a draft of new shoreline zoning regulations.

King County is proposing to go from a 20 foot setback for single family and a 50 foot setback for multifamily to a 115 foot setback (treated as a critical area buffer for a lake) with the possibility of reducing the setback by buffer averaging with mitigation. In fact, the County has been applying its critical areas ordinance along its shoreline for the past few years.

The City's current setback is 15 feet or 15% of the average parcel width whichever is greater. The City has not begun the process of preparing draft shoreline regulations yet.

Depending on when annexation occurs, it is likely that the City will need to adopt the County's SMP (either existing or new) on an interim basis prior to annexation because the City's SMP will likely not be approved by DOE before the annexation would take effect.

5. Lot coverage in zones other than single family zones

The County allows for much more lot coverage (building and paved areas) than does the City. Below are the differences and the staff recommendations:

King County regs.	Kirkland regs	Recommendation
Multifamily zones: R-12-R-24: 85 %	60%	70%
Office: 75%	70%	70%
Commercial: 85%	80% for most zones	80%
Industrial: 90%	90% for industrial and 80% for commercial	90% for industrial and 80% for commercial

Staff recommendations: Staff recommendations are outlined above in the table.

The City's lower lot coverage standards serve several purposes: to reduce storm run off, to provide more open ground that can absorb CO2 emissions (learned about this at the latest planning conference), to contain more area for landscaping and to limit visual massing of buildings. Based on visual surveys of the annexation area, it does not appear that the area has significantly more lot coverage. However, we have no access to the actual lot coverage percentage for each lot in the annexation area.

6. Parking standards in all zones

The County's and the City's parking standards **are similar.** Only the differences are noted in the chart below:

King County regs.	Kirkland regs	Recommendation
Multifamily: 1.2 to 2 stalls depending on the number of bedrooms	1.7 stalls per unit	City regs
Medical/Vet: 1 stall for every 300 square feet of area	1 stall for every 200 square feet of area	City regs
Restaurant: 1 stall for every 75 square feet of dining area	1 stall for every 100 square feet of gross floor area	City regs
Church: 1 stall for every 5 seats plus 1 stall for every 50 square feet of assembly	1 for every 4 seats	City regs
Assisted living: 1 for every 2 units	1 stall per bed	City regs
Nursing homes: 1 for every 4 beds	1 stall per bed	City regs (no nursing homes in PAA)

Staff recommendations: Staff recommendations are outlined above in the table. For consistency of administration, it is preferable to have a uniform parking standard for each use category throughout the City. If a use in the annexation wants to expand, it would only need to provide the difference in the parking standards for the addition.

VI. REZONES:

As part of adoption of a Zoning Map for the annexation area, the County zones would be converted to comparable City zones. However, staff recommends several rezones as discussed below:

1. Existing multifamily developments located in single family zones

As discussed above under Issues No. 5 for the Zone Specific Regulations section, townhouses and apartments are allowed in single family zones. The annexation area contains 11 multi-family developments that are located in single family zones ranging from 4 to 36 units. All of the sites are located on main arterials and near commercial areas or public facilities.

Staff recommendation: Rezone the 11 properties to the comparable City's multifamily zone based on their existing densities.

2. Four isolated single family sites in Finn Hill

The County's Comprehensive Plan establishes a range of 4 to 12 dwelling units per acre in the single family areas. This range allows for rezones on a lot by lot basis resulting in the isolation of lower density single family lots being surrounding by slightly higher density single family lots.

During one of the public forums, a property owner approached Planning staff about her isolated lot in the Finn Hill area and asked if the City could rezone her property from R-6 to R-8 as part of the annexation so that her property would have the same density as the surrounding lots. Staff then identified three other Finn Hill sites in the same situation. The three sites totaling 6 lots would be rezoned from R-6 to R-8 and each would achieve one more lot (see Attachment B).

Staff recommendation: Rezone the 4 single-family sites from R-6 to R-8.

3. North Finn Hill commercial center

As discussed above under Issues No. 3 for the Zone Specific Regulations section concerning auto and boat sales, staff recommends that the commercial center be rezoned from Neighborhood Business to Commercial Business because several of the existing anchor businesses (QFC store and fitness facility) in the center are not allowed in the City's Neighborhood Business zone. The Commercial Business designation is more appropriate for the center.

Staff recommendation: Rezone the north Finn Hill commercial center from Neighborhood Business to Commercial Business zone.

4. Office and R-48 (48 units per acre) zones

The annexation area contains one property in an Office zone and two properties in the R-48 (48 units per acre) zone. The site zoned for Office contains a doctor's office. The two sites with R-48 zoning contain the Fairfax Hospital and the Lakeside Milam Recovery Center. The County's permits residential uses at 36 units per acre in its Office zone and permits office uses in its R-48 (48 units per acre) multifamily zone. The City does not have zones with comparable densities to the County's 36 or 48 units per acre. A logical choice would be to rezone all three sites as PR 1.8 (professional office/residential at 1800 square feet per unit) to be consistent with the uses allowed by the County for the sites.

Staff recommendation: Rezone the three properties to PR 1.8 (professional office/residential at 1800 square feet per unit). The 1.8 density is the highest

multifamily density in the City other than in the commercial centers where there is no density limit.

5. Light Industrial zone (LI)

The annexation area's one industrial zone, located north of NE 124th Street and east of 132nd Ave NE in Totem Lake, contains a wide range of uses, including auto sales and a specialized sports fitness center. The County allows a much wider range of commercial uses in its industrial zones than the City allows in its industrial zones. To accommodate the existing uses in the annexation area's LI zone and to permit the uses that the County allows in its LI zone, the area should be rezoned to Totem Lake 7 (TL7) to match the zoning to the west in the City. The TL7 zone permits the same uses as the County's LI zone, except for bowling centers, shooting ranges, racetracks and farming businesses. None of these uses exist in the annexation area's LI zone today.

Staff recommendation: Rezone the LI zone to the City's TL7 zone.

6. Park properties

The City zones its park properties as P zones (park and public use). The County zones its park properties at the underlying single family zone.

Staff recommendation: Rezone the park properties from the underlying single family zones to the City's P (park and public use) zone.

VII. COMPREHENSIVE PLAN'S LAND USE MAP:

The County's Comprehensive Plan's land use map designates its residential areas either as urban residential medium at 4 to 12 units per acre or as urban residential high at greater than 12 units per acre. These ranges are wider than the City's residential ranges and result in rezones on a lot by lot basis and inconsistent density patterns. As mentioned earlier in the memo, the County increased its density potential in 1995 to meet its housing targets under the Growth Management Act.

However, according to County staff, the annexation area does not receive a significant number of rezone applications, only one or two residential rezone applications a year.

The City's residential ranges found on the land use map of its Comprehensive Plan are 1 to 9 units per acre for low density areas, 8 to 14 for medium density areas and 15 to 24 units per acre for high density areas. The overlap in the ranges between the low and medium density areas reflect the RS 5000 low density zone that only allows detached units and the RM 5000 medium density zone that allows attached units.

If annexation occurs, the City would begin the process of preparing new neighborhood plans for the annexation area. At that time, the City would consider the appropriate density ranges for each neighborhood.

Staff has identified the following options for adoption of a Comprehensive Plan land use map:

Option 1: Adopt the County's Comprehensive Plan map. Property owners would be able to apply for rezones as they currently do in the County. This option would allow the City more time after annexation occurs to prepare the new neighborhood plans, but would perpetuate an irregular pattern of residential zones. More importantly, the Comprehensive Plan and the Zoning Map would not be consistent for most of the properties that staff is proposing to rezone – the Office and R-48 properties containing the doctor's office, Fairfax Hospital and Lakeside Milam, the 11 multi-family developments in single family zones, north Finn Hill commercial center and the park properties.

Option 2: Adopt a new Comprehensive Plan land use map that matches the proposed new Zoning Map. This option would stop all rezones from occurring and take away any increase in development potential available to property owners in the annexation area. It would also maintain the existing irregular pattern of residential zones. With this option, the City should begin preparation of the neighborhood plans shortly after annexation occurs. However, the City may not be fully staffed to start the plans at that time.

Option 3: Adopt a new Comprehensive Plan land use map for the annexation area that uses the same density ranges and classifications as the City's Comprehensive Plan land use map. This option allows property owners the ability to rezone their properties while narrowing the range of the density increases. It also makes the annexation area's Comprehensive Plan and new Zoning Map consistent and alleviates the immediate pressure to begin preparing neighborhood plans shortly after annexation.

Below is a table that shows the changes to the County's Comprehensive Plan land use map for Option 3:

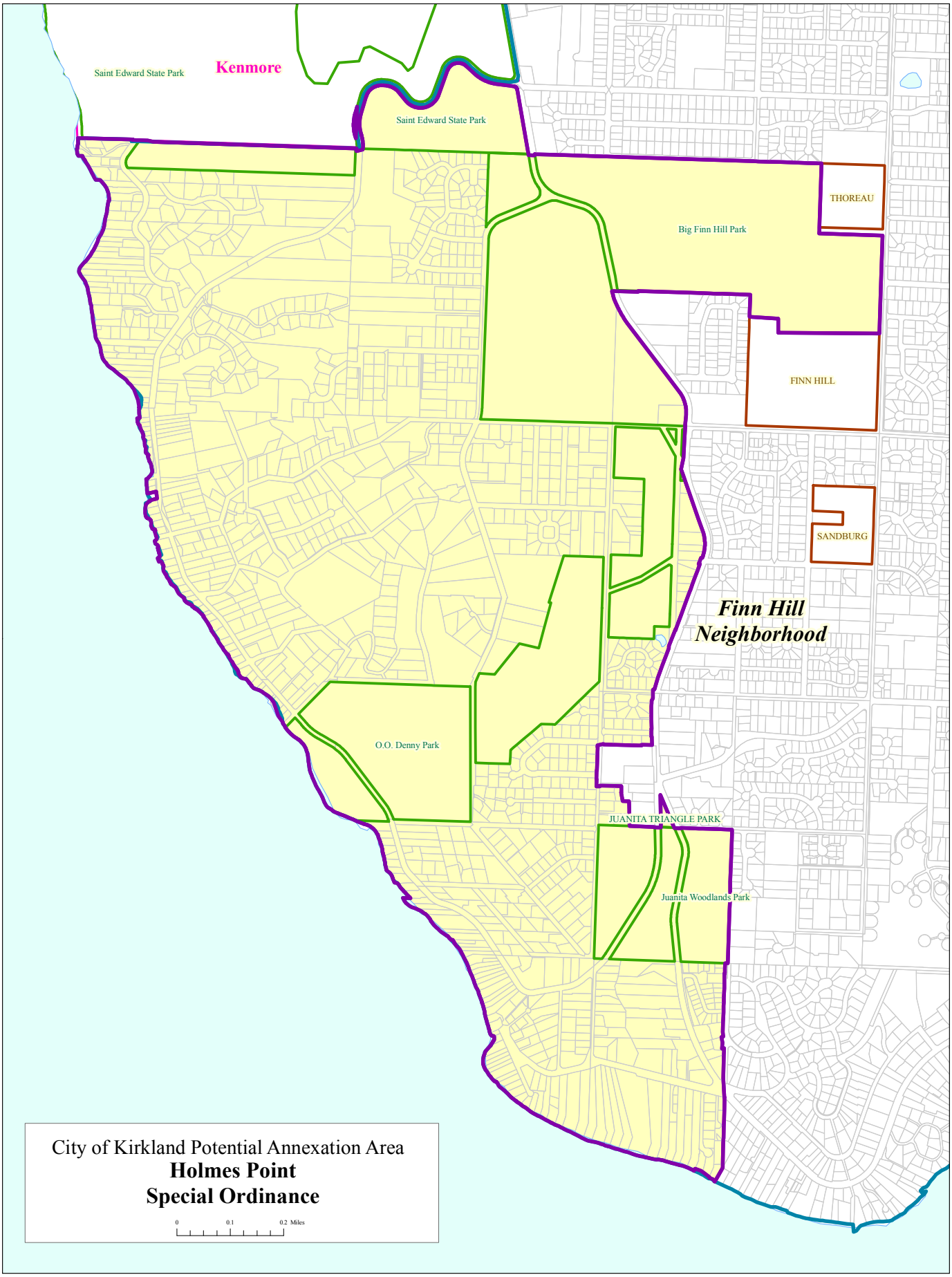
Existing King County Density Range	Proposed Density Range
Greenbelt/urban separator at 1 dwelling unit per acre	Greenbelt/urban separator at 1 dwelling unit per acre
Urban medium density at 4 to 12 dwelling units per acre	Low density at 4 to 8 dwelling units per acre
Urban high density at greater than 12 units per acre	-Medium density at 8 to 14 dwelling units per acre -High density at 15 to 24 dwelling units per acre

Staff recommendation: **Adopt Option 3**. This option appears to be the best solution because it retains some future development potential for the residential area while limiting the current maximum rezone potential and makes the annexation area's Comprehensive Plan land use map more consistent with the City's land use map.

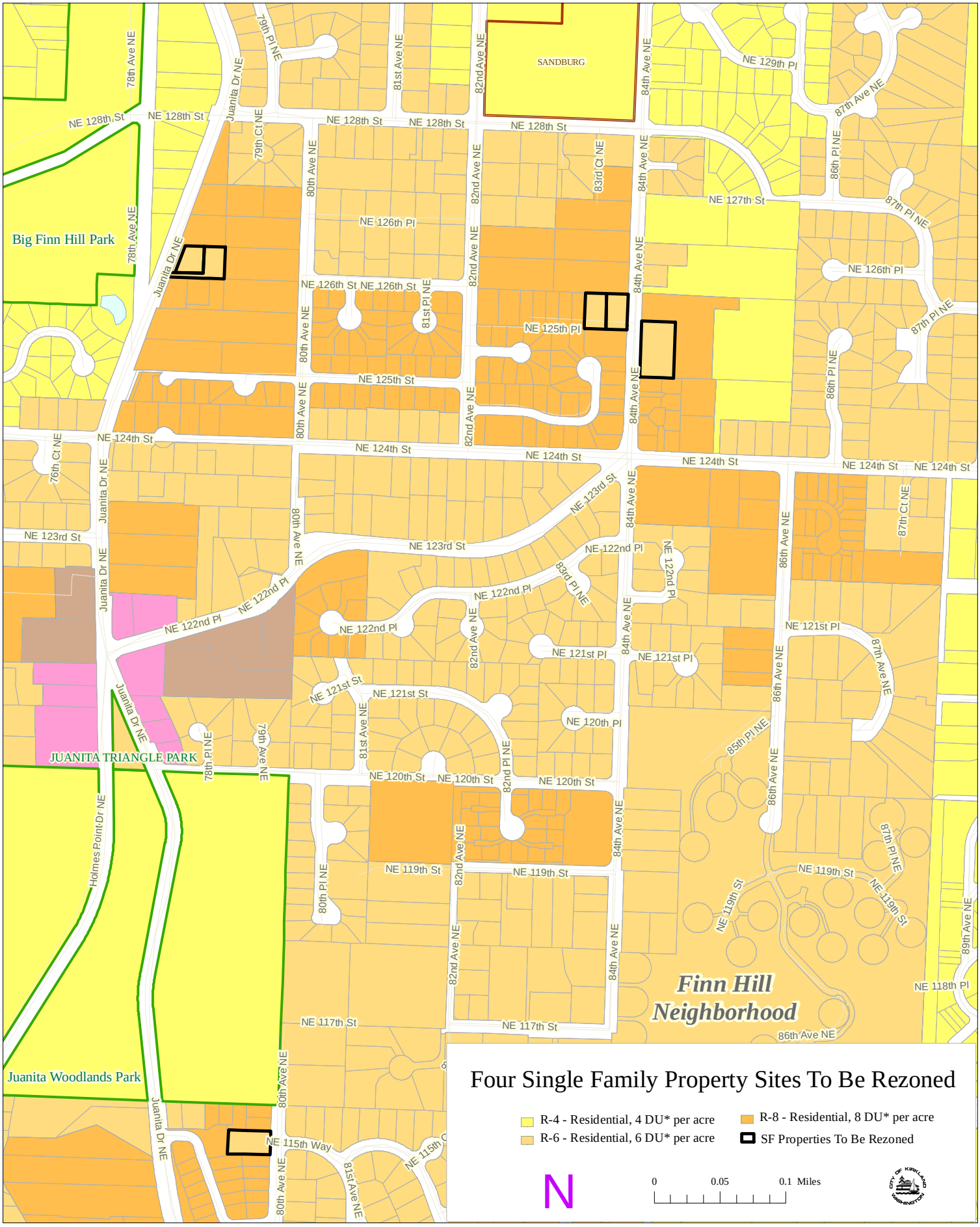
Attachments:

Attachment A: Holmes Point area of Finn Hill
Attachment B: Proposed rezones of 4 single family sites from R-6 to R-8

ATTACHMENT A



Attachment B



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: John MacGillivray, Solid Waste Coordinator
Erin J. Leonhart, Facilities & Administrative Manager
Daryl Grigsby, Public Works Director

Date: December 12, 2007

Subject: KIRKLAND GREEN BUSINESS PROGRAM PARTICIPATION AWARDS

RECOMMENDATION

It is recommended that the City Council recognize the first ten businesses participating in the Kirkland Green Business Program.

BACKGROUND DISCUSSION

On August 7, 2007, the City Council received an informational presentation in which staff illustrated the evolution, collaborative development process, and purpose of the Kirkland Green Business Program. The program is designed to meaningfully recognize businesses in the community for their sustainable practices in seven categories:

- Waste Reduction/Recycling
- Water Conservation
- Transportation/Commute Trip Reduction
- Pollution Prevention
- Green Building
- Energy Efficiency
- Green Power

Subsequent to the introduction of the program to the business community at the Sustainable September event on September 14, staff has actively promoted the program to the business community by implementing marketing strategies to include a City of Kirkland Green Business Program webpage; the printing and distribution of an informational postcard; consultant and coordinator outreach to the business community; a mention of the program in the Mayor's letter to new and renewing businesses; and articles in City newsletters and local publications. The feedback from the business community has been positive and the program has already garnered the interest of other regional jurisdictions and organizations interested in using the program as a model for the development of their own business recognition programs.

AWARD RECIPIENTS

The City has received 22 applications, nine businesses which have yet to select and apply of a program category and three businesses which are located outside of the City limits. Listed below are the first ten businesses to successfully apply for and satisfy the requirements for a program category. All of the businesses have received a letter of award from the City Manager accompanied by an enclosed main program logo and category logo(s) in the form of window clings; have received electronic copies of the logos for use on their printed materials; and have been recognized on a special City webpage dedicated to acknowledging the businesses participating in the program.

Architectural Werks, Inc. – Mr. Matt Gregory, Vice President **(Waste Reduction/Recycling)**
Chameleon Technologies, Inc. – Ms. Melissa Acton-Buzard, Principal **(Waste Reduction/Recycling)**
Champagne' Design – Ms. Debi Black, Owner **(Water Conservation)**
Click Engineering, Inc. – Ms. Ann Ferguson, COO **(Waste Reduction/Recycling)**
ECO Cartridge Store – Mr. Vic Swan **(Waste Reduction/Recycling)**
Les Amis Hairdressers – Ms. Sherry Calvert, Partner **(Water Conservation)**
PACE Engineers – Ms. Karleen Belmont, Business Dev. Directot **(Water Conservation)**
Poggemeyer Design Group – Ms. Tami McMinn, Business Dev. Manager **(Waste Reduction/Recycling)**
The Green Car Company – Ms. Kellie Jordan **(Waste Reduction/Recycling)**
Triad Associates – Ms. Sue Shea **(Green Building)**

Staff would like to offer a brief special presentation to the Council to publicly recognize and thank these businesses for their participation in the program and commitment to sustainability. Please direct any questions about this program to John MacGillivray, Solid Waste Coordinator.

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

MEMORANDUM

To: Kirkland City Council

From: David Ramsay

Date: December 17, 2007

Subject: **2008 City Council Retreat Topics**

The 2008 City Council Retreat is scheduled for March 28 – 29. It has been the City Council's practice to select the discussion topics in early January in order to provide the staff with enough time to prepare background information for the retreat notebooks. Please find listed below potential topics that have been suggested over the past several months.

1. **Financial Update** – This topic has been used as an effective start to the retreat. It would include a financial status report and a preview of the 2009 – 2010 budget process.
2. **Community Survey** – Work is currently being done in preparation for the 2008 community survey. The goal is to have the survey completed and the results analyzed in time for the retreat.
3. **Community Conversation Regarding the City's Finances** – The City Council has had several discussions about how best to engage the community in a conversation about the City's "structural financial issues" and developing strategies to address related issues. This topic could focus on identifying the appropriate communication strategies for this issue.
4. **Affordable Housing** – This issue consistently ranks at the top of the City's priorities. This discussion could focus on the implementation of specific strategies that have been identified at the ARCH Housing Workshops.
5. **Environmental Stewardship** – The City is currently pursuing a wide range of environmentally related strategies, programs and services. This discussion could include an update on these activities and identification of future priorities.
6. **Human Services** - This is another top priority of the City. Given the overwhelming list of needs, the discussion could focus on priorities, partnerships and creative strategies.
7. **Council Policies and Procedures** – This discussion could focus on the current Policies and Procedures Manual and identifying areas that need revisions.

There may be additional topics that the City Council would like to consider. Another option would be to combine some of these issues. Past experience has shown that limiting the topics has resulted in more being accomplished. The City Council's direction on the types of background information needed would also be appreciated.

G-08-213

Alix Despard
1615 10th Street West Kirkland, WA 98033 425–889-0757

December 3rd, 2007

RECEIVED
DEC 05 2007
CITY OF KIRKLAND
CITY MANAGER'S OFFICE

Kirkland City Council
Attn: Ray Steiger
123 5th Ave
Kirkland, WA 98033

Dear Kirkland City Council Members,

The residents of 10th St West wish to initiate the Local Improvement District (LID) process to underground the existing overhead lines between the house and parcel numbers on the attached spreadsheets Schedule 1 and 2. Schedule 1 includes signatures of those that support this inquiry. Schedule 2 includes the parcel number, street address and name of those that support this inquiry.

If required, please contact Kathy Royal or Alix Despard for more information.

Kathy Royal [royalkw@comcast.net] 425-827-9368

Alix Despard [acdespard@aol.com] 425-889-0757.

Sincerely yours,

Alix Despard

Schedule 1. to letter from Homeowners on 10th Street West + 16th Avenue West } to the City of Kirkland.

Neighborhood Undergrounding Project- 10th Street West

Name	Email	Home Phone	Cell Phone	Address
Steve Rabuchin	rabuchin@amazon.com	425-803-9477	425-417-4936	1639 10th St. West
Janis Rabuchin	rabuchin@earthlink.net	425-803-9477	206-850-1193	1639 10th St. West
Jenny Strother	neil.strother@verizon.net	425-828-4254	(425) 890-2013	1650 10th St. West
Neil Strother	neil.strother@verizon.net	425-828-4254	(425) 444-1328	1650 10th St. West
Dave Despard	ddespard@us.ibm.com	425-889-0757		
Alix Despard	acdespard@aol.com	425-889-0757		
Azeem Khan	Azeem.Khan@microsoft.com			1629 10th St. West
Suraiya Khan	coolsuraiya@hotmail.com			1629 10th St. West
Alan Rosebrock	aroseybeast@verizon.net	425-828-0513	(425) 922-1258	1622 10th St. West
Janet Rosebrock	jrosebro@cisco.com	425-828-0513	206-604-1940	1622 10th St.West
Diana Lyons	dlyons@nsd.org	425-822-2877	(425) 755-7308	1640 10th St. West
Michael Lyons	michael_lyons@avalonbay.com	425-822-2877		1640 10th St. West
Lauret Ballsun	lauretballsun@aol.com	425-889-1155	650-444-7700	1610 10th St. West
Vijay Mital	vijaymi@exchange.microsoft.com	425-822-1373	(415) 505-6358	1644 10th St West
Varsha Mital	varsha_mital@hotmail.com	425-822-1373		
Katherine Royal	royalkw@comcast.net	425-827-9368	(425) 750-7466	880 16th Ave. West
Mike Royal	royalkw@comcast.net	425-827-9368	(206) 660-1310	880 16th Ave. West
Shaiza Damji + Alif Nurani	shaiza@360hotelgroup.com	425-242-1856	206-910-9601	
Steve Merrill	stevem@overlakeoil.com			

Schedule 2 - parcel, street address and name of those that support the LID process to underground the existing overhead lines on 10th Street West

Parcel #	Address		Name
1245500760	1650 10TH ST W	Kirkland, WA 98033	STROTHER NEIL & JENNIFER
1245500770	1644 10TH ST W	Kirkland, WA 98033	MITAL VIJAY& VARSHA
1245500775	1640 10TH ST W	Kirkland, WA 98033	LYONS MICHAEL & DIANA
1245500777	1622 10TH ST W	Kirkland, WA 98033	ROSEBROCK ALAN & JANET
1245500915	1639 10TH ST W	Kirkland, WA 98033	RABUCHIN STEVEN & JANIS
1245500927	1629 10TH ST W	Kirkland, WA 98033	KHAN AZEEMULLAH & SURAIYA
1245500785	1616 10TH ST W	Kirkland, WA 98033	MERRILL STEVEN & JONI
1245500795	1610 10TH ST W	Kirkland, WA 98033	BALLSUN LAURET
1245500936	1615 10TH ST W	Kirkland, WA 98033	DESPARD DAVE & ALIX
1245500939	1601 10TH ST W	Kirkland, WA 98033	NURANI ALIF & DAMJI SHAIZA
1245500800	880 16TH AVE W	Kirkland, WA 98033	ROYAL MICHAEL & KATHERINE

KIRKLAND CITY COUNCIL STUDY SESSION MINUTES
December 04, 2007

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.

Joining Councilmembers for this discussion, and presenting information, were City Manager Dave Ramsay, Assistant City Manager Marilynne Beard, Director of Finance and Administration Tracey Dunlap, and Director of Planning and Community Development Eric Shields.

3. STUDY SESSION

a. Facilities Financing Options

b. Public Safety Feasibility Study Results

c. Potential Annexation Process Discussion

d. Potential Annexation Zoning Update

4. EXECUTIVE SESSION

5. ADJOURNMENT

The Kirkland City Council study session of December 4, 2007 was adjourned at 8:50 p.m.

City Clerk Mayor

KIRKLAND CITY COUNCIL SPECIAL MEETING MINUTES
December 11, 2007

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. Joint Meeting with the Parking Advisory Board

Joining Councilmembers for the discussion in addition to City Manager Dave Ramsay were Director of Public Works Daryl Grigsby, Public Works Transportation Engineering Manager Dave Godfrey, Public Works Parking Coordinator Tami White, Parking Advisory Board members Sarah Andeen, Dennis Brown, John Torrance, Jack Wherry, Chair Ken Dueker and Vice Chair Glenn Peterson.

4. EXECUTIVE SESSION

5. SPECIAL PRESENTATIONS

a. Green Tips

6. REPORTS

a. City Council

(1) Regional Issues

Councilmembers expressed good wishes for the holidays and shared information regarding the Association of Washington Cities Courts of Limited Jurisdiction Committee, AWC Housing Workgroup and legislative agenda; Eastside Affordable Housing Forum; Regional Law, Safety and Justice Committee; support for locally produced food purchases; Everett/Snohomish

County Affordable Housing Consortium; Lodging Tax Advisory Committee; Public Safety Communications Summit; Jail Advisory Group; and the Eastside Mayors/Legislators SR 520 meeting.

b. City Manager

(1) Performance Measures Report

Legislative Manager Tracy Burrows and Tammi McCorkle, Local Government Management Fellow provided an overview of the report.

(2) Calendar Update

7. COMMUNICATIONS

a. Items from the Audience

Bob Style, 6735 Lake Washington Blvd., Kirkland, WA
Ken Davidson, 13215 Holmes Point Drive, Kirkland, WA
Johana Palmer, 12911 NE 128th Place, Kirkland, WA
Rob Brown, 108 2nd Street South, Kirkland, WA
Jim McElwee, 12907 NE 78th Place, Kirkland, WA
Maureen Baskin, 412 13th Avenue, Kirkland, WA
Dick Beazell, Kirkland Downtown Association, 12411 93rd Place NE, Kirkland, WA
Yury Levinzon, 13104 NE 117th Street, Kirkland, WA
Tim Olson, 1571 3rd Street, Kirkland, WA

b. Petitions

8. CONSENT CALENDAR

a. Approval of Minutes:

(1) November 15, 2007

(2) November 20, 2007

b. Audit of Accounts:
Payroll $ 3,840,624.13
Bills $ 2,496,795.46
run # 709 checks # 494014 - 494165
run # 710 checks # 494168 - 494278

run # 711 checks # 494302 - 494550

c. General Correspondence

(1) Downtown Commercial Property Owners Group and Andrew G. Chavez Regarding, Moratorium on Downtown Development

d. Claims

(1) Donald C. Barrett

(2) Halbar-RTS, Inc.

(3) Debra McGuire

(4) James D. Twisselman Guardian ad Litem for Elizabeth C. J. Peters

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

(1) Carillon Woods Park Improvements

(2) Franklin Elementary School Improvements

g. Approval of Agreements

h. Other Items of Business

(1) Resolution R-4680, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND PROCLAIMING AN EMERGENCY AS OF DECEMBER 2, 2007."

(2) Issuing a Cabaret Music License to Brix Wine Cafe

(3) Ordinance No. 4123, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO SIDEWALK CONSTRUCTION AND MAINTENANCE AND AMENDING PORTIONS OF CHAPTER 19.20 OF THE KIRKLAND MUNICIPAL CODE."

This item was pulled and moved to New Business item 11.e.

(4) City Manager Compensation:

(a) Resolution R-4678, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN EMPLOYMENT AGREEMENT BETWEEN THE CITY OF KIRKLAND AND DAVID H. RAMSAY, ITS CITY MANAGER, AND AUTHORIZING THE MAYOR TO SIGN."

(b) Ordinance No. 4124, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE SALARY FOR THE CITY MANAGER."

Motion to Approve the Consent Calendar, with the exception of item 8.h.(3)., which was pulled to item 11.e. under New Business, and a correction to the draft response to item 8.c.(1).
Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride
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

a. Regarding Issue of Expansion to the Maximum Size for Cottage Housing Projects, File ZON07-00005

Mayor Lauinger opened the public hearing. Senior Planner Dorian Collins reviewed the hearing scope and issues. Testimony was also provided by:
Jim Soules, 8215 41st Avenue NE, Seattle, WA
Jim McElwee, 12907 NE 78th Place, Kirkland, WA
No further testimony was offered and the mayor closed the hearing.

b. Ordinance No. 4120 and its Summary, Relating to Zoning, Planning, and Land Use and Amending Ordinance 3719 as Amended, the Kirkland Zoning Ordinance and Approving a Summary Ordinance for Publication, File ZON07-00005."

Motion to Approve Ordinance No. 4120 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, PLANNING, AND LAND USE AND AMENDING ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. ZON07-00005."
Moved by Deputy Mayor Joan McBride, seconded by Councilmember Mary-Alyce

Burleigh
Motion to Amend the provisions for ownership duration of affordability to fifty years rather than thirty years in Ordinance No. 4120 and its Summary.
Moved by Councilmember Dave Asher, seconded by Councilmember Mary-Alyce Burleigh
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.

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.

Council recessed for a short break.

10. UNFINISHED BUSINESS

a. 2007-2008 Mid Biennial Budget Update:

(1) Ordinance No. 4125, Amending the Biennial Budget for 2007-2008

Motion to Approve Ordinance No. 4125, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2007-2008."
Moved by Councilmember Dave Asher, 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.

(2) Resolution R-4679, Adopting the Fiscal Policies for the City of Kirkland

Motion to Approve Resolution R-4679, entitled "A RESOLUTION OF THE CITY OF KIRKLAND ADOPTING THE FISCAL POLICIES FOR THE CITY OF KIRKLAND."
Moved by Deputy Mayor Joan McBride, 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.

b. Ordinance No. 4126, Levying the Taxes for the City of Kirkland, Washington, for the Year 2008 and Repelaling Ordinance 4117

Motion to Approve Ordinance No. 4126, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND LEVYING THE TAXES FOR THE CITY OF KIRKLAND, WASHINGTON, FOR THE YEAR 2008 AND REPEALING ORDINANCE 4117."

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.

c. Ordinance No. 4127 and its Summary, Relating to Fees Charged Under KMC Chapters 5.74.070 and 21.74.030

Motion to Approve Ordinance No. 4127 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO FEES CHARGED UNDER KMC CHAPTERS 5.74.070 AND 21.74.030.
Moved by Councilmember Dave Asher, 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.

d. Awarding Contract for 116th Avenue NE (North Section) Non-Motorized Facilities Project to Trimaxx Construction Inc. and Authorizing Additional Funds

Motion to Approve pulling item 10.d. to a later date.
Moved by Councilmember Mary-Alyce Burleigh, 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.

11. NEW BUSINESS

a. Multifamily Housing Property Tax Exemption Update

Following a presentation by Planning Supervisor Dawn Nelson, Council provided direction on the elements to staff and requested an ordinance reflecting that direction be brought back for consideration at a future meeting. Arthur Sullivan of A Regional Coalition for Housing (ARCH) also responded to Council questions.

b. Lodging Tax Staffing Proposal

Assistant City Manager Marilynne Beard provided information regarding the Lodging Tax Advisory Committee's recommendation to use lodging tax revenue for tourism program staffing.

Motion to Approve the Lodging Tax Advisory Committee’s recommendation regarding the use of lodging tax revenue for additional tourism program staffing.
Moved by Councilmember Mary-Alyce Burleigh, 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.

c. Camwest Fifth Avenue, LLC Planned Unit Development and Historic Overlay Zone Final Decision:

Senior Planner Janice Soloff and Bruce Molton of CamWest provided information.

(1) Ordinance No. 4118, Relating to Land Use Approval of a Preliminary (and Final) Planned Unit Development (PUD) as Applied for by Camwest Fifth Avenue, LLC, in Department of Planning and Community Development File No. ZON07-00022 and Setting Forth Conditions of Said Approval

Motion to suspend the rules in regard to consideration of the issue.
Moved by Deputy Mayor Joan McBride, seconded by Councilmember Mary-Alyce Burleigh
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.

Motion to Approve Ordinance No. 4118, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND USE APPROVAL OF A PRELIMINARY (AND FINAL) PLANNED UNIT DEVELOPMENT (PUD) AS APPLIED FOR BY CAMWEST FIFTH AVENUE LLC, IN DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. ZON07-00022 AND SETTING FORTH CONDITIONS OF SAID APPROVAL."
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.

(2) Ordinance No, 4119, Approving a Development Proposal Submitted Under the Non-Project Related Quasi Judicial Rezone Provisions of Kirkland Zoning Code (KZC) Chapter 130 and Historic Overlay Zone Provisions of KZC Chapter 75 to Amend the Kirkland Zoning Map, Ordinance 3719, as Amended, to Add an Historic Landmark (HL) Overlay Zone Over a Portion of Subject Property Located in a Planned Area (PLA) 6B Zone as Applied for by Camwest Fifth Avenue, LLC in Department of Planning and Community Development in File ZON07-00022

Motion to Approve Ordinance No, 4119, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND APPROVING A DEVELOPMENT PROPOSAL SUBMITTED UNDER THE NON-PROJECT RELATED QUASI JUDICIAL REZONE PROVISIONS OF KIRKLAND ZONING CODE (KZC) CHAPTER 130 AND HISTORIC OVERLAY ZONE PROVISIONS OF KZC CHAPTER 75 TO AMEND THE KIRKLAND ZONING MAP, ORDINANCE 3719 AS AMENDED, TO ADD AN HISTORIC LANDMARK (HL) OVERLAY ZONE OVER A PORTION OF SUBJECT PROPERTY LOCATED IN A PLANNED AREA (PLA) 68 ZONE AS APPLIED FOR BY CAMWEST FIFTH AVENUE, LLC IN DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT IN FILE ZON07-00022."
Moved by Deputy Mayor Joan McBride, seconded by Councilmember Mary-Alyce Burleigh

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.

d. Miscellaneous Zoning and Municipal Code Amendments:

Consultant Planner Lauri Anderson reviewed the Planning Commission recommendation for ten amendments to the Zoning and Municipal Codes and received Council direction for bringing back the ordinances for condsideration at a future meeting.

(1) Ordinance No. 4121 and its Summary, Relating to Zoning, Planning, and Land Use and Amending Portions of the Following Chapters of Ordinance 3719 as Amended, The Kirkland Zoning Ordinance: Chapter 1-User Guide; Chapter 5-Definitions; Chapter 10-Legal Effect; Chapter 15-RS Zones; Chapter 17-RSX Zones; Chapter; Chapter 20-RM Zones; Chapter 25-PR Zones; Chapter 27-PO Zones; Chapter 30-WD Zones; Chapter 35—FC Zones; Chapter 40—BN Zones; Chapter 45—BC Zones; Chapter 47—BCX Zones; Chapter 48—LIT Zones; Chapter 50—CBD Zones; Chapter 51—MSC Zones; Chapter 52—JBD Zones; Chapter 53—RH Zones; Chapter 54—NRH Zones; Chapter 55—TL Zones; Chapter 60—PLA ZONES; Chapter 72 - Adult Activities Overlay Zone; Chapter 75— Historic Landmark Overlay Zone and Historic Residence Designation; Chapter 80—Equestrian Overlay Zone; Chapter 95—Tree Management and Required Landscaping; Chapter 105—Parking Areas, Vehicle and Pedestrian Access, and Related Improvements; Chapter 115—Miscellaneous Standards; Chapter 117—Personal Wireless Service Facilities; Chapter 130—Rezones; Chapter 142—Design Review; Chapter 150—Process IIA; Chapter 160—Process IV; Chapter 161—Process IVA; and Chapter 180—Plates; and Approving a Summary Ordinance for Publication, File No. ZON06-00033

(2) Ordinance No. 4122 and its Summary, Relating to Planning and Land Use and Amending Portions of the Following Titles of the Kirkland Municipal Code: Title 19—Streets and Sidewalks and Title 22—Subdivisions; and Approving a Summary Ordinance for Publication, File No. ZON06-00033

e. Ordinance No. 4123, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO SIDEWALK CONSTRUCTION AND MAINTENANCE AND AMENDING PORTIONS OF CHAPTER 19.20 OF THE KIRKLAND MUNICIPAL CODE."

Council directed staff to provide additional clarification and information and to bring this ordinance back for Council consideration at their January 2, 2008 meeting.

12. ANNOUNCEMENTS

13. ADJOURNMENT

The Kirkland City Council special meeting of December 11, 2007 was adjourned at 11:20 p.m.

City Clerk

Mayor

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: January 2, 2008

Subject: Letter to Mr. Todd Boyle

RECOMMENDATION:

It is recommended that the City Council authorize Mayor James Lauinger to sign a letter responding to Mr. Todd Boyle.

BACKGROUND DISCUSSION:

Mr. Todd Boyle sent an email to City Council with a request that the City consider building Community Centers, creating " community spaces" for the citizens of Kirkland. Please see attached email. The reply letter (email) describes our current project of building a Community Center.

-----Original Message-----
From: Todd Boyle [mailto:tboyle@rosehill.net]
Sent: Monday, December 03, 2007 9:07 AM
To: KirklandCouncil
Subject: Rose Hill Community Center

All these community centers have been built
too far away for city residents,

Rose Hill Community Center in Wilmington, DE
http://www.rosehillcommunitycenter.org/

And in Alabama.
http://www.placenames.com/us/p162337/

There's one in Mukilteo, too.
http://www.scn.org/scottish/maps/mukilteo.htm

The City Council that builds community centers in the
neighborhoods of Kirkland will go down in history.

We've got millions of square feet under roof, but
hardly any of it is public spaces. There is an imbalance.

Stewardship of a community is about people, not just
streets; parks are great but let's face it, the weather
is lousy around here. I'm fed up with Starbucks and malls,
as "community spaces". The Kirkland library is about the
only place fit to spend time! Most of the peopel are only
there for the Internet access. Give us community centers
with Internet- and you may be surprised how heavily they're
used!

Respectfully
Todd Boyle

January 2, 2008 **D R A F T**

Dear Todd Boyle [tboyle@rosehill.net}:

Thank you for your recent email and support of Community Centers in Kirkland. As you probably know, the City of Kirkland Parks and Community Services Department currently offers an array of indoor and outdoor recreation programs designed to meet the needs and interests of all age groups. In addition, the City currently operates two Community Centers in Kirkland; North Kirkland Community Center and Peter Kirk Community Center. Although the City strives to offer residents opportunities for an active and healthy lifestyle, we have recognized the need for more community space.

In July, 2006, the City contracted with Opsis Architecture and The Sports Management Group to research options for the development of a new indoor recreation facility. The team was tasked with completing a market analysis, a prototype plan, and a financial analysis. We completed this plan in March 2007.

Currently, we do not have a site selected for this facility, nor the capital funding to build it. Based on the prototype, the estimated full cost of this facility, in 2006 dollars, is $36,566,000. This figure does include some contingencies for site development, but no capital costs for site acquisition. Communities have completed such projects with a variety of funding strategies, including citizen voted bonds and levies, REET funding, government grants, and private donations.

The next steps for Kirkland will be crucial to bring this plan to realization. The City's commitment that led to the development of outstanding outdoor parks and facilities is required if the City desires to provide high quality indoor health, fitness and recreational opportunities for its citizens. Part of the next steps include discussions in regards to potential annexation, strategic conversations in regards to bond election/capital funding, site acquisition, development of partnerships, citizen/committee involvement, information campaigns, designing, and contracting.

If you have any additional questions, would like to be involved in any of these next steps, or if you would like to be on our list serv for project updates, please contact Carrie Hite, Deputy Director, Parks and Community Services at chite@ci.kirkland.wa.us, 425-587-3320.

Thanks again for your interest.

Sincerely,

KIRKLAND CITY COUNCIL

By James Lauinger
Mayor

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 Shields, Planning Director
Jeremy McMahan, Planning Supervisor

Date: December 13, 2007

Subject: DOWNTOWN CORRESPONDENCE

RECOMMENDATION

Authorize the Mayor to sign the attached response letters.

BACKGROUND DISCUSSION

The City has received the attached four items of correspondence related to downtown development.

Attachments:

1. Letter from David Wall
2. Letter from Brian & Sylvia Lindgren
3. Letter from Chuck Pilcher
4. Letter from Patricia Rice

Attachment 2

-----Original Message-----
From: David Wall [mailto:david.wall@myeastside.com]
Sent: Monday, December 10, 2007 11:32 AM
To: KirklandCouncil
Cc: mrabaskin@comcast.net; Toni Wall
Subject: Downtown Kirkland building height and parking changes

Dear Kirkland City Council,

I have been a resident of Kirkland since 1990, and have run a small business in Kirkland since 1998. I am disturbed by the recent proposals to allow 5 story buildings with inadequate parking to be developed in downtown Kirkland.

There has been considerable development downtown in the past decade, and the feel is definitely moving towards congestion and imposing buildings that rob it of the very traits that have made it so desirable.

Please keep downtown Kirkland an attractive, open place to live and visit. Increasing the height limit and reducing downtown public parking should not be pursued.

Sincerely,
David Wall

--
David A. E. Wall
724 17th Avenue
Kirkland, WA 98033-4206
Tel 425.822.8135

Attachment 3

From: Brian Lindgren [mailto:Brian.Lindgren@PACCAR.com]
Sent: Monday, December 10, 2007 10:32 PM
To: KirklandCouncil
Cc: Sylvia Lindgren
Subject: Downtown development - upcoming 11 Dec Council Mtg

Kirkland City Council:

I just learned that there are proposals on the table for buildings downtown with heights up to 5 stories. I'm strongly opposed to such increased heights in the downtown core. I would attend the meeting on 11 December to make my voice heard, but am out of town on business.

The allure of Kirkland is that it is a "walkable" city. This aspect has been noted in neighborhood study groups, open houses, and other forums. As we allow taller buildings, especially those with heights over two stories at the street, this aspect of our city is diminished. Taller buildings block sunlight and funnel breezes to create darker, windier sidewalks. Additionally, open areas such as the parking lot at Lake St. and Central Ave.and at the corner of Lake St. and Kirkland Ave. help keep an open feel to the city.

Additionally, as we have allowed condominiums to grow surrounding the downtown core, these have been sold with the expectation of a view over the downtown buildings. If we allow taller buildings downtown, the condo developers will ask to grow taller to regain view property, and soon we have a downtown like Bellevue's.

We live in Kirkland because of its smaller, walkable, community feel. We've lived within walking distance of downtown for over 25 years, and walk downtown often to eat or shop at the businesses in the downtown core. We feel that we would do this far less often if city becomes a less pleasant place to walk.

Please do not approve buildings in the downtown core above two stories at the street frontage, or above three stories total.

With best regards,

Brian and Sylvia Lindgren
336 7th Avenue West

Attachment 4

From: Chuck Pilcher [mailto:chuck@bourlandweb.com]
Sent: Tuesday, December 11, 2007 8:44 PM
To: KirklandCouncil
Subject: Council Agenda/Building Heights

I saw that there's a debate about building heights in downtown. Here's my input:

I would like to see four major goals managed:

1) Building a downtown that takes advantage of our lakefront. This alone would improve the vitality and would not require big buildings.
2) Parking. Somehow we have to find a place for people to park once they get here. Even "off site parking" with a shuttle is an option, maybe even from the existing library parking. Can something be done in conjunction with the redevelopment of Park Place?
3) The property at Lake and Central. I have decided that that simply cannot be built on, and should probably be a park-like portion of a project to open up Lake Street in some way to Marina Park.
4) Retail stimulation on a year-round basis. I agree that the existing buildings are old and uninviting. With the constant turnover, my wife and I laugh about holding a lottery whenever a new business opens in the CBD. We see a new business and say to each other "I give that one six months." Or, "What in the world are they thinking?" Or, "Not another gallery/coffee shop/gift shop." Give me a hardware store and a bigger grocery store as a foundation, and build on that.

Building heights are less the issue than the usability and vitality of downtown. I don't think increasing height limits would achieve any of my desired goals above (but it will sure put money in the pockets of landowners). It would probably make it even less likely that we can open up Lake Street to the Lake. If we don't achieve the latter, let's just rename "Lake Street" and call it "Concrete Alley."

We have a great opportunity to do this right. Let's not lose our link to the biggest asset we have, the lake.

Feel free to forward to anyone who might care what I think.

Chuck Pilcher
10127 NE 62nd Street
Kirkland, WA 98033
chuck@bourlandweb.com
425-828-3165
206-915-8593 cell

Attachment 5

From: Patricia Rice [mailto:patmrice@hotmail.com]
Sent: Tuesday, December 11, 2007 7:50 PM
To: KirklandCouncil
Cc: Patricia Rice
Subject: Development of Kirkland

City Council,

Today I received an e-mail with the information on the following proposals:

1. Bank of America development at Lake St and Kirkland Ave. 5 stories proposed with B of A and smaller retail at the bottom with 4 stories of Independent Senior residential above. They are asking for less than the required parking.
2. Merrill Gardens, the huge hole behind B of A will be 5 stories. Bottom floor retail and top 4 assisted living.
3. The McLeod proposal from Hectors to Calabria to Tully's. Four Stories, the bottom is retail with the top 3 office space. They are asking for less than the requited amount of parking.
4. Park Place development.

I do not want Kirkland to be filled by 4 and 5 story buildings that require no setbacks from the side walks with little or no free parking. Kirkland has already lost a lot of it's charm and uniqueness with the the number of condos and hotels that have been built in the last few years. I continually get disgusted every time I see a building get torn down and then a new hotel or condo being built in it's place. This pattern continues throughout the neighborhoods, where houses are torn down and monster houses are built that fill up the entire lot. There needs to be a lot more restrictions on all the development. If it is not contained, we are at risk of losing the reason that people move to Kirkland.
I am not a condo owner. I moved to Kirkland 32 years ago and live in a house on 5th street east of market. I don't expect things to stay the same, but I would like to have some of the amenities back that have been lost over the years. When I moved here, there were 2 grocery stores, a hardware store, a pharmacy, a furniture store, a Ben Franklin store, a JC Penneys and some really nice small clothing stores. It was a pleasure to shop in Kirkland. Now, there is only 1 small grocery store that is of any use for day to day shopping. I am also concerned about the development of Park Place. I am skeptical that it is going to really benefit the community. Are we going to have to pay to go to the grocery store? Are there going to be more empty stores because store owners can't afford the rent? Are we going to have a hardware store and a pharmacy back in this development?

Unfortunately, I could not attend the meeting tonight, but I wanted you give some input on these proposals. I know a lot of my neighbors feel the same way.

Patricia Rice
Concerned Kirkland Citizen.

January 2, 2008 **DRAFT**

David Wall
724 17th Avenue
Kirkland, WA 98033

RE: Downtown Building Heights and Parking

Dear Mr. Wall:

Thank you for your letter regarding building and parking in downtown Kirkland. We appreciate the concern you share, with all Kirkland residents, for the long term success of our downtown. In your letter, you note that building heights should not be increased. We can assure you that there are no proposals on the table for the City Council to consider increasing the allowed building heights. The current zoning and Comprehensive Plan policies for downtown building heights were last revisited in 1998 with a minor adjustment in 2001. The Zoning Code also requires that all new developments build enough parking to meet the demands of that development. We appreciate your concern about preserving the traits that make Kirkland desirable, which is why we have design guidelines and a Design Review Board to review new buildings in downtown. The downtown is changing as new development occurs, but we believe it is important that our downtown remain a vibrant and walkable part of our community.

Regarding your concern that public parking should not be reduced, we would note that in the past several years the City's Parking Advisory Board (PAB) has actually facilitated the addition of approximately 68 new public stalls on-street and in our public lots. The City Council has now asked the PAB to begin exploring opportunities for additional public supply in the downtown.

If you have any additional questions, please contact Jeremy McMahan at 425.587.3229.

Sincerely,

KIRKLAND CITY COUNCIL

by James Lauinger
Mayor

Cc: Jeremy McMahan, Planning Supervisor
David Godfrey, Transportation Engineering Manager

January 2, 2008 **D R A F T**

Brian and Sylvia Lindgren
336 7th Avenue West
Kirkland, WA 98033

RE: Downtown Development

Dear Mr. and Mrs. Lindgren:

Thank you for your letter regarding downtown development. We appreciate the concern you share, with all Kirkland residents, for the long term success and walkability of our downtown. Through extensive public process over many years, the City has adopted regulations and policies to guide development in downtown. We do not believe that creating a downtown like Bellevue's was the intent of the community in drafting these guiding documents and will not be the product. Our zoning, Comprehensive Plan, and Design Guidelines for Pedestrian-Oriented Business Districts are intended to balance growth and change while preserving the characteristics that make our downtown so unique. Current development proposals will be reviewed by our Design Review Board for consistency with adopted policies and regulations.

One purpose of having these policies and regulations is to let property owners and neighbors know what the development potential is for property. It should be noted that City policy specifically does not protect private views, so the City would not entertain a rezone for the purpose of reclaiming views.

We would encourage you to participate in the design review process for upcoming downtown projects. If you have any additional questions, please contact Jeremy McMahan at 425.587.3229.

Sincerely,

KIRKLAND CITY COUNCIL

by James Lauinger
Mayor

Cc: Jeremy McMahan, Planning Supervisor

January 2, 2008 **D R A F T**

Chuck Pilcher
10127 NE 62nd Street
Kirkland, WA 98033

RE: Downtown Building Heights

Dear Mr. Pilcher:

Thank you for your letter regarding the goals for downtown Kirkland. We appreciate your insights about the challenges and opportunities that we face in downtown and we will share them with the Downtown Advisory Committee for their consideration in updating the Downtown Strategic Plan.

In your letter, you mention increasing building heights. We can assure you that there are no proposals on the table for the City Council to consider increasing the allowed building heights.

If you have any additional questions, please contact Jeremy McMahan at 425.587.3229.

Sincerely,

KIRKLAND CITY COUNCIL

by James Lauinger
Mayor

Cc: Jeremy McMahan, Planning Supervisor

January 2, 2008 **D R A F T**

Patricia Rice
1521 5th Street
Kirkland, WA 98033

RE: Downtown Development

Dear Ms. Rice:

Thank you for your letter regarding development in downtown Kirkland. We appreciate the concern you share, with all Kirkland residents, for the long term success of our downtown.

We share your desire to preserve the traits that make Kirkland desirable, which is why we have design guidelines and a Design Review Board to review new buildings in downtown. These are new buildings and downtown is changing, but we believe it is important that our downtown remain a vibrant and walkable part of our community. Staff will pass your comments along to the Design Review Board and Planning Commission for their consideration on the proposed development projects you mention.

The changes in downtown uses you mention are another challenge. They are driven largely by customers' shopping patterns. While the City has limited influence on those patterns, we share your desire that the downtown continue to provide some of the basic services for downtown and neighboring residents to minimize the need for driving to more distant locations.

Please note that the Parkplace proposal is currently under review and an Environmental Impact Statement is being prepared. There will be a number of upcoming meetings and public hearings as part of this proposal to amend the zoning and Comprehensive Plan. Please contact Angela Ruggeri at 425.587.3256 for specific meeting dates. If you have any additional questions, please contact Jeremy McMahan at 425.587.3229.

Sincerely,

KIRKLAND CITY COUNCIL

by James Lauinger
Mayor

Cc: Jeremy McMahan, Planning Supervisor

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: December 19, 2007

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 Carbonetti
10728 108th Avenue NE
Kirkland, WA 98033

Amount: Unspecified Amount

Nature of Claim: Claimant states damage resulted from faulty drainage system.

CITY OF KIRKLAND

123 FIFTH AVENUE • KIRKLAND, WASHINGTON 98033-6189 • (425) 587-3000

DEPARTMENT OF FINANCE AND ADMINISTRATION
MEMORANDUM

To: David Ramsay, City Manager

From: Kathi Anderson, City Clerk
Tracey Dunlap, Director, Finance and Administration

Date: December 18, 2007

Subject: Parking Advisory Board Resignation

RECOMMENDATION**:**
That Council acknowledge the resignation from Parking Advisory Board member Marlene Blair and authorize the attached correspondence thanking her for her service.

BACKGROUND DISCUSSION:

Ms. Blair's resignation notes that she is longer able to participate on the Board due to time commitment issues. A recruitment to fill this vacancy has begun.

December 4, 2007

Kirkland City Council

RE: Resignation from PAB

To Whom It May Concern:

Due to conflicting commitments I am unable to devote the time and energy to the Parking Advisory Board necessary to be a productive and effective member. This is unfair to other board members. Effective immediately, I am submitting my resignation.

The remaining members have the skill and desire to move forward in a positive manner.

Thank you for the opportunity to serve.

Sincerely,

Marlene Blair
425-456-0783

D R A F T

January 2, 2008

Marlene Blair
c/o Frontier Bank
132 Kirkland Avenue
Kirkland, WA 98033

Dear Ms. Blair:

We have regretfully received your letter of resignation from the Parking Advisory Board.

As one of the Board members with deep family and personal roots in Kirkland your insights were particularly helpful. The Board also benefited from your experience in the business community. We realize that it was a sacrifice for you to serve on the board and take time away from your job commitment and we appreciate your generosity with your time.

The City Council appreciates your contributions to the Board, and we thank you for volunteering your time and talent to serve our community.

Best wishes in your current and future endeavors.

Sincerely,
KIRKLAND CITY COUNCIL

James L. Lauinger
Mayor

Council Meeting: 01/02/2008
Agenda: Other Business
Item #: 10. h. (2).

CITY OF KIRKLAND

123 FIFTH AVENUE KIRKLAND, WASHINGTON 98033-6189 425.587.3030

CITY ATTORNEY'S OFFICE
MEMORANDUM

To: David Ramsay, City Manager

From: Oskar Rey, Assistant City Attorney

Date: December 17, 2007

Subject: Sidewalk Maintenance and Construction

RECOMMENDATION**:**

Staff recommends that Council adopt the attached Ordinance revising Chapter 19.20 of the Kirkland Municipal Code ("KMC") relating to sidewalk construction and maintenance.

BACKGROUND DISCUSSION:

At the August 7, 2007 Council Meeting Study Session, the City Council requested more information about the extent to which an abutting property owner can be required to maintain and sidewalks in the right of way. In particular, concern was expressed about KMC 19.20.030, which provides that an abutting property owner is liable to the City for any injury or damage to any person caused by a defective condition of the sidewalk.

Staff provided a proposed ordinance for the December 11, 2007 Council Meeting that removed this provision. At the December 11, 2007 Meeting, the Council requested that the Ordinance be revised with respect to the sidewalk repair obligations of an abutting property owner. The attached Ordinance revises KMC 19.20.030 through the addition of the following language: "The abutting property owner shall also be responsible for performing and paying for sidewalk repairs to the extent the need for repairs is caused by the actions or omissions of the abutting property owner."

It should be noted that KMC 19.20.030 sets forth the general obligations of an abutting property owner with respect to sidewalks. KMC 19.20.040 also contains language about paying for sidewalk construction and repair in connection with sidewalk projects undertaken pursuant to RCW Chapters 35.68, 35.69 and 35.70. These Chapters set forth processes that are similar to local improvement districts (LID) for sidewalk projects in which the projects are funded by assessments on the abutting property owners. The language of KMC 19.20.040 refers to abutting owners being responsible for paying for sidewalk construction or repair projects undertaken pursuant to RCW Chapters 35.68, 35.69 and 35.70. This language is simply an acknowledgment of the fact that these RCW Chapters are similar to LIDs in terms of how the sidewalk construction and repairs are funded.

To the best of my knowledge, the City has not utilized the provisions of RCW Chapters 35.68, 35.69 and 35.70 to fund sidewalk projects. However, KMC 19.20.040 would allow for this in the event the City wants to do so in the future.

ORDINANCE 4123

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO SIDEWALK CONSTRUCTION AND MAINTENANCE AND AMENDING PORTIONS OF CHAPTER 19.20 OF THE KIRKLAND MUNICIPAL CODE.

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

Section 1. Section 19.20.030 of the Kirkland Municipal Code is hereby amended to read as follows:

19.20.030 Expense of maintenance and repair to be borne by abutting property and owner thereof.

The burden and expense of ~~constructing,~~ maintaining ~~and repairing~~ sidewalks along the side of any street or other public place shall devolve upon and be borne by the owner of the property directly abutting thereon. The abutting property owner shall also be responsible for performing and paying for sidewalk repairs to the extent the need for repairs is caused by the actions or omissions of the abutting property owner.~~In case any injury or damage to any person shall be caused by the defective condition of any sidewalk, or ice or snow thereon, or by the lack of proper guards or railings on or along the property abutting on any public way, the abutting property where the injury or damage occurs and the owner or owners thereof shall be liable to the city for all damage, injuries, costs and disbursements which it may be required to pay to the person injured or damaged.~~

Section 2. Section 19.20.040 of the Kirkland Municipal Code is hereby amended to read as follows:

19.20.040 Procedure to order construction or repair.

A. If the judgment of the city engineer or the department of public ~~services~~ works, public convenience or safety requires that a sidewalk be constructed or repaired along either side of any street, such fact shall be reported to the city council.

B. If upon receiving a report from the proper officer, the city council deems the construction of the proposed sidewalk or repair of such sidewalk necessary or convenient for the public health, safety or welfare, the city council may then order such work to be done pursuant to the procedures established ~~therefor~~ in RCW Chapters 35.68, 35.69 or 35.70~~ relating to local improvement districts for sidewalks, curbs and gutters; or in the alternative, where the council deems the method appropriate, the council may require such work to be done pursuant to Chapter 21.48 of this code relating to public improvements required to be done in connection with certain land use and construction permits~~. ~~In either case, t~~The cost of such proposed sidewalk construction or sidewalk repair shall be borne by the abutting property~~ or the ~~owners ~~thereof, to the extent deemed reasonable and appropriate by the city council~~ in accordance with~~ the procedure then to be followed pursuant to either~~ RCW Chapters 35.68, 35.69 or 35.70~~ or Chapter 21.48 of this code~~.

Section 3. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 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 _____, 2008.

Signed in authentication thereof this _____ day of _____, 2008.

_____
MAYOR

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

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

MEMORANDUM

To: David Ramsay, City Manager

From: Van Ingram-Lock, Management Analyst
Erin Leonhart, Public Works Facilities & Administrative Manager
Daryl Grigsby, Public Works Director

Date: December 13, 2007

Subject: WATER USE EFFICIENCY RULE – CONSERVATION GOAL SETTING

RECOMMENDATION:
It is recommended that, consistent with Water Use Efficiency Rule requirements, Council:
1. Conduct a public hearing to be held at the January 2nd Council meeting about setting Kirkland's conservation goal of 88,000 gallons per day (approximately 1.5% of projected 2013 demand) in savings by 2013; and
2. Approve the attached resolution (Attachment 1) adopting this water conservation goal.

BACKGROUND AND DISCUSSION:
As presented at the November 7, 2007 Council meeting, in 2003 the Washington State Legislature passed the Municipal Water Law (HB1338) to address the increasing demand on our state's water resources. The Law identifies additional elements related to water rights, system capacity, service area consistency and conservation that are required in all water system plans. Also included in the Law was a directive for the Washington State Department of Health (DOH) to adopt a rule that establishes water use efficiency requirements for all municipal water suppliers. The outcome of this was the Water Use Efficiency (WUE) Rule.

One element of the Rule requires municipal water suppliers to establish a water conservation goal which must be reviewed through a public process and adopted by City Council no later than January 22, 2008. This goal must be re-established every six years via a public process. Progress towards the goal must be reported annually to the State and City customers.

PUBLIC PROCESS
The Water Use Efficiency Rule requires that the public have the opportunity with two weeks' advance notice to comment on the conservation goals proposed by the City. Information about Kirkland's proposed conservation goal has been available on the City website (Attachment 2) and a public notice was published on December 18, 2007. Public comments will be accepted before the January 2nd Council meeting and during the hearing.

HOW WERE THE CASCADE AND MEMBER GOALS DEVELOPED?

Since 2004, the City of Kirkland has been a member of the Cascade Water Alliance (Cascade) along with 7 other water providers (Bellevue, Redmond, Issaquah, Sammamish Plateau, Covington, Skyway and Tukwila). As a member, Kirkland began buying water through Cascade (previously, Kirkland bought water directly from Seattle) and Cascade assumed the responsibility of administering a regional conservation program on behalf of its members. The conservation program is built upon the premise that water is a valuable and essential natural resource that needs to be used wisely, in addition conserving water helps:

> **...**meet future needs. As our region grows, the demands on our water supply continue to grow. Conservation stretches our current supply until new water resources are developed.
>
> ...with supply in the summer when demand is highest and precipitation is the lowest. Nature's capacity to produce water is limited and unpredictable. Abundant precipitation generally falls only from autumn until spring. During the summer when water use peaks, however, we rely on minimal rain and snowmelt.
>
> ...to ensure an adequate supply for growing human and environmental needs including fish and animals.

In May 2007, the Cascade Board adopted, by resolution, a conservation goal for the collective Cascade service area. The goal states that "Cascade will dedicate resources necessary to achieve a cumulative combined Member savings of 1 million gallons per day on an annual basis and 1.45 million gallons per day during peak season by 2014."

Kirkland's proposed conservation goal, which is based on Kirkland's portion of Cascade's regional goal, is to achieve 88,000 gallons per day (gpd) in savings by the end of the six year (2008-13) water conservation program. Details of Kirkland's portion of the regional program are shown in Attachment 3 from the Cascade Conservation Program.

KIRKLAND TOTAL WATER CONSUMPTION, 2002-2006		
YEAR	**TOTAL GALLONS PER YEAR**	**AVG GALLONS PER DAY**
2006	1,440,934,484	3,947,766
2005	1,379,278,340	3,778,845
2004	1,429,148,622	3,915,476
2003	1,474,144,188	4,038,751
2002	1,405,728,368	3,851,311

Cascade's conservation goal was developed from the Conservation Program based upon the 2005 Cascade Conservation Potential Assessment (CPA). The CPA analyzed conservation opportunities and estimated water savings and costs associated with 22 conservation measures. The CPA included a market research survey carried out within the Cascade service area. The survey provided information about residential customer knowledge, attitudes, equipment, and behaviors related to water conservation. From the results of the survey, it was possible to determine an assumed customer participation level. To this,

industry standards were utilized to determine the potential savings. The process of moving from the CPA analysis to the Conservation Program consisted of the following steps:

- Determine the conservation budget.
- Allocate the Cascade budget to each Member.
- Develop Members' CPA spreadsheets.
- Select measures for inclusion in Conservation Program.
- Select Members' measure implementation intensity.
- Validate compliance with the State Water Use Efficiency Rule.
- Combine results for each Member into the Conservation Program.

CITY OF KIRKLAND'S RECOMMENDED CONSERVATION GOAL

Staff is recommending that Kirkland's portion of the Cascade conservation goal (88,000 gallons per day (gpd), equivalent to approximately 1.5% of 2013 demand, in savings by 2013) be adopted as the Kirkland goal for the purpose of the Water Use Efficiency Rule. By means of comparison, other Cascade members and their water savings goals at the end of the six year (2008-2013) water conservation program are:

- City of Redmond - achieve 178,000 gallons per day on an average annual basis (equivalent to 1.6% of 2013 demand) and 245,000 gallons per day during peak season
- Sammamish Plateau Water and Sewer District - achieve 129,000 gallons per day on an average annual basis (equivalent to 2.7% of 2006 demand)

It is important to note that the organizations above have local conservation programs in addition to the Cascade program. Kirkland has historically relied upon the regional water provider for conservation services. Kirkland does not currently have staff or funding to support an in-house program. If there is an interest in the future of increasing conservation activities, this can be addressed by recommending increases to the Cascade program or funding a Kirkland staff position within the Water Utility.

Attachment 1 – Water Use Efficiency Goals, Public Information Packet
Attachment 2 – Tables from Cascade Conservation Plan
Attachment 3 – Resolution

ATTACHMENT 1

City of Kirkland
Water Use Efficiency Goals
Public Information Packet

City of Kirkland
Public Hearing
January 2, 2008, 7:30pm
Kirkland City Hall
123 Fifth Ave; Kirkland, WA

1. Purpose/Water Use Efficiency Rule

Washington State's new Water Use Efficiency Rule requires municipal water suppliers to establish a water conservation goal. The City of Kirkland water conservation goal must be approved by the Kirkland City Council no later than January 22, 2008, and then re-established at a minimum every six years. The goal must be measurable in terms of reduced or maintained water production or usage. Progress towards the goal must be reported annually to the State and City customers.

Public Process

The water conservation goal must be established using a public process. The public process is intended to provide an opportunity for consumers and the public to comment on the City's proposed goal. Kirkland has chosen to use the Kirkland City Council as the public process venue. The information will be presented at the City Council meeting on January 2, 2008 at 7:30 p.m. at the Kirkland City Hall to serve as the public hearing for the proposed water conservation goal. The City will make a brief presentation regarding the proposed goal. Public comments will be accepted before the Council meeting (425-587-3907 or VIngram-Lock@ci.kirkland.wa.us) and during the hearing. All comments received will be reviewed by City staff and considered by the Kirkland City Council.

As part of the public process, this document provides background information related to the City's proposed water conservation goal. Three related documents provide further details: 1) the Conservation Chapter of the City of Kirkland's Water Comprehensive Plan; 2) Cascade Water Alliance's Resolution #2007-02 about adopting Cascade's Water Conservation Goal; and, 3) Cascade Water Alliance's 2005 Conservation Potential Assessment. Those three documents are available on line with this public briefing document at www.ci.kirkland.wa.us/depart/Public_Works.htm.

Overview of Water Sales and Sources of Supply

Kirkland provides water to approximately 9,753 households and 694 businesses. In 2006, the City's customers used approximately 4.3 million gallons per day (mgd) of water. As shown in Figure 1, over half of the water is used by single-family households, a fifth of the water is used by multi-family customers and approximately one quarter of the water is used by commercial customers. As shown in Figure 2, water use is not constant over the year, but rather increases during the summer months, primarily due to irrigation. Part of the objectives of the City's water conservation program is to reduce this summer peak.

Figure 1 - Water Sales by Customer Type
(based on 2006 sales data)

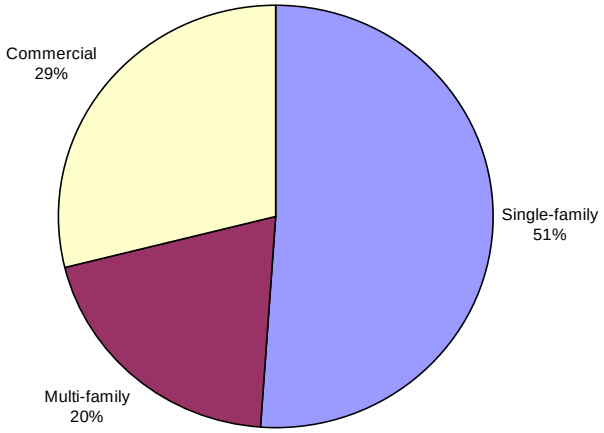
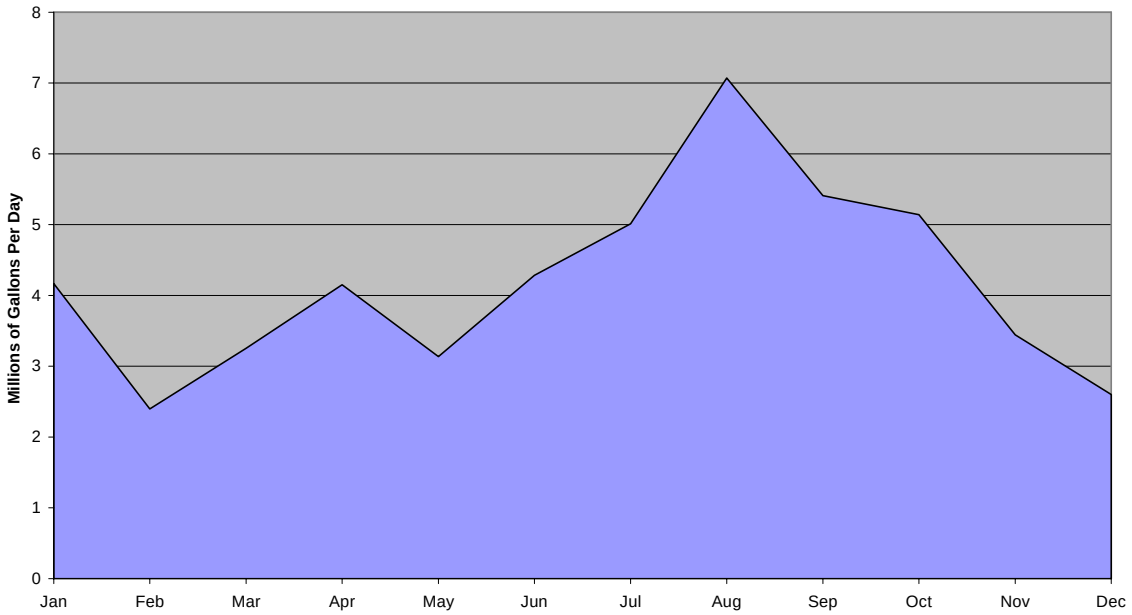


Figure 2 - Summer Peaking
(based on 2006 consumption data)



Kirkland receives its water from Cascade Water Alliance (Cascade), which is an association of eight cities and water districts in King County that jointly plan for their water supply. Members include the Cities of Kirkland, Bellevue, Issaquah, Redmond, and Tukwila, as well as Covington Water District and Sammamish Plateau and Skyway Water and Sewer Districts. Cascade members supply nearly 50 percent of retail water sales in King County outside of the City of Seattle.

2. Existing Water Conservation Efforts

Kirkland's Comprehensive Water System Plan outlines the Conservation Program used in Kirkland's partnership with Cascade. During 2004 and 2005, Cascade developed its Conservation Potential Assessment. This planning document has been used by Cascade in 2006 and 2007 to develop policies regarding Cascade's delivery of conservation programs to its members and to develop water use efficiency goals for the organization. Cascade is still finalizing development of its Conservation Plan; however, most conservation programs have been identified by Cascade and are identified in Section 4 of this document.

Kirkland is an active participant in regional water conservation efforts such as clothes washer rebates and conservation messaging in theaters and on buses. These regional efforts have included participation with City of Seattle when it was Kirkland's contracted water supplier and now with Cascade as Kirkland's current contracted water supplier.

3. Proposed Water Conservation Goal

On May 23, 2007, the Cascade Board of Directors (including City of Kirkland Councilmember Mary-Alyce Burleigh) approved a resolution adopting a regional water conservation goal for Cascade. The Cascade goal, which covers the combined service area of all eight Cascade Members, was developed based on Cascade and City staff estimates of individual members' expected savings and goals that were then combined into Cascade's goal. A public process was not a requirement for Cascade's goal setting. A copy of Cascade's resolution is provided with this briefing document.

The City's proposed water conservation goal, which is based on Kirkland's portion of Cascade's regional goal, is to achieve 88,000 gallons per day (gpd) in savings by the end of the six year (2008-2013) water conservation program. This translates to an average of 14,000 gpd of new savings each year.

4. Proposed 2008-2013 Water Conservation Program

The Cascade conservation programs planned for the City of Kirkland are summarized in Attachment 1 (from the draft Cascade Conservation Plan). The spreadsheet shows the various conservation measures that are planned to be implemented, the estimated number of participants, the savings that are anticipated, and the estimated program costs.

The Cascade programs for Kirkland include the following measures:

1. Public Outreach
2. Clothes Washer Rebates
3. Toilet Rebates
4. Water Efficient Urinal Rebates
5. Showerheads and Faucet Aerators
6. Ice Machine Rebates
7. Irrigation Audits & Controller Rebates
8. Rain Sensors for Irrigation Systems
9. Toilet Leak Detection & Repair
10. Decreased Shower Use
11. Decreased Partial Clothes Washer Loads
12. Dormant Lawns

5. Water Use Efficiency Performance Reports

The Water Use Efficiency Rule requires an annual report be developed and sent to the City's water customers before July 1st of each year beginning in 2008. This report will likely be distributed with the annual Water Quality Report. The report will estimate annual conservation savings and the progress made towards achieving the goal.

2.5 City of Kirkland

A summary of how the Conservation Program is anticipated to be implemented in Kirkland is provided in Table 2-11. The savings for each year are shown in Table 2-12 and Figures 2-15 and 2-16. The Kirkland analysis spreadsheet is provided in Appendix E.

Table 2-11 - Kirkland Program Details

Conservation Measure		Participants		Devices/Rebates		Savings (at full implementation)		Costs	
		Total	Avg Annual[1]	Total	Avg Annual[1]	Annual gpd	Peak Season gpd	Total Over Plan Period	Avg Annual[1]
SF	Toilet rebates - 1.6 gpf	0	0	0	0	0	0	$0	$0
	Toilet leak detection and repair	2,013	335	5,636	939	9,982	9,982	$5,636	$939
	Decreased shower use	249	41	n/a	n/a	1,585	1,585	$0	$0
	Clothes washers rebates	880	147	880	147	13,219	13,219	$44,000	$7,333
	Decreased partial clothes washer loads	246	41	n/a	n/a	898	898	$0	$0
	Free irrigation audits – automatic systems	84	14	84	14	1,307	3,910	$35,262	$5,877
	Irrigation controller rebates	99	17	99	17	773	2,313	$24,833	$4,139
	Irrigation system rain sensor rebates	89	15	89	15	258	771	$8,940	$1,490
	Allow lawn to go dormant	413	69	n/a	n/a	13,697	40,978	$0	$0
MF	Toilet rebates - 1.6 gpf ($80 rebate)	585	98	995	166	10,770	10,770	$79,560	$13,260
	Toilet rebates - 1.0 gpf (E)[2]	220	37	374	62	5,330	5,330	$37,400	$6,233
	Toilet leak detection and repair	1,714	286	2,914	486	5,569	5,569	$2,914	$486
	Free showerheads - 2.0 gpm	201	34	302	50	1,697	1,697	$906	$151
	Decreased shower use	229	38	n/a	n/a	955	955	$0	$0
	Free bathroom faucet aerators – 1.0 gpm	201	34	463	77	1,300	1,300	$532	$89
	Clothes washers rebates	758	126	152	25	7,464	7,464	$7,584	$1,264
	Decreased partial clothes washer loads	169	28	n/a	n/a	201	201	$0	$0
	Irrigation controller rebates	8	1	8	1	339	1,015	$4,199	$700
	Irrigation system rain sensor rebates	8	1	8	1	113	338	$840	$140
ICI	Toilet rebates - 1.6 gpf	35	6	140	23	5,179	5,179	$13,968	$2,328
	Toilet rebates - 1.0 gpf (E)[2]	14	2	58	10	2,823	2,823	$5,787	$964
	Urinal rebates - 1.0 gpf	12	2	17	3	361	361	$873	$146
	Urinal rebates - waterless	6	1	9	1	434	434	$873	$146
	Clothes washers rebates	1	0	17	3	1,936	1,936	$5,187	$864
	Ice machines rebates	6	1	6	1	892	892	$4,480	$747
	Irrigation controller rebates	10	2	10	2	1,276	3,817	$5,027	$838
	Irrigation system rain sensor rebates	10	2	10	2	425	1,272	$1,005	$168
TOTAL		n/a	n/a	n/a	n/a	88,784	125,010	$289,805	$48,301

1. Most measures will be implemented evenly over the six-year planning period; therefore, their actual annual numbers should match the average annual numbers.

ATTACHMENT 2

Table 2-11 & 2-12 Kirkland's Proposed Conservation Goal and Savings

2.5 City of Kirkland

A summary of how the Conservation Program is anticipated to be implemented in Kirkland is provided in Table 2-11. The savings for each year are shown in Table 2-12 and Figures 2-15 and 2-16. The Kirkland analysis spreadsheet is provided in Appendix E.

Table 2-11 - Kirkland Program Details

Conservation Measure		Participants		Devices/Rebates		Savings (at full implementation)		Costs	
		Total	Avg Annual[1]	Total	Avg Annual[1]	Annual gpd	Peak Season gpd	Total Over Plan Period	Avg Annual[1]
SF	Toilet rebates - 1.6 gpf	0	0	0	0	0	0	$0	$0
	Toilet leak detection and repair	2,013	335	5,636	939	9,982	9,982	$5,636	$939
	Decreased shower use	249	41	n/a	n/a	1,585	1,585	$0	$0
	Clothes washers rebates	880	147	880	147	13,219	13,219	$44,000	$7,333
	Decreased partial clothes washer loads	246	41	n/a	n/a	898	898	$0	$0
	Free irrigation audits – automatic systems	84	14	84	14	1,307	3,910	$35,262	$5,877
	Irrigation controller rebates	99	17	99	17	773	2,313	$24,833	$4,139
	Irrigation system rain sensor rebates	89	15	89	15	258	771	$8,940	$1,490
	Allow lawn to go dormant	413	69	n/a	n/a	13,697	40,978	$0	$0
MF	Toilet rebates - 1.6 gpf ($80 rebate)	585	98	995	166	10,770	10,770	$79,560	$13,260
	Toilet rebates - 1.0 gpf (E)[2]	220	37	374	62	5,330	5,330	$37,400	$6,233
	Toilet leak detection and repair	1,714	286	2,914	486	5,569	5,569	$2,914	$486
	Free showerheads - 2.0 gpm	201	34	302	50	1,697	1,697	$906	$151
	Decreased shower use	229	38	n/a	n/a	955	955	$0	$0
	Free bathroom faucet aerators – 1.0 gpm	201	34	463	77	1,300	1,300	$532	$89
	Clothes washers rebates	758	126	152	25	7,464	7,464	$7,584	$1,264
	Decreased partial clothes washer loads	169	28	n/a	n/a	201	201	$0	$0
	Irrigation controller rebates	8	1	8	1	339	1,015	$4,199	$700
	Irrigation system rain sensor rebates	8	1	8	1	113	338	$840	$140
ICI	Toilet rebates - 1.6 gpf	35	6	140	23	5,179	5,179	$13,968	$2,328
	Toilet rebates - 1.0 gpf (E)[2]	14	2	58	10	2,823	2,823	$5,787	$964
	Urinal rebates - 1.0 gpf	12	2	17	3	361	361	$873	$146
	Urinal rebates - waterless	6	1	9	1	434	434	$873	$146
	Clothes washers rebates	1	0	17	3	1,936	1,936	$5,187	$864
	Ice machines rebates	6	1	6	1	892	892	$4,480	$747
	Irrigation controller rebates	10	2	10	2	1,276	3,817	$5,027	$838
	Irrigation system rain sensor rebates	10	2	10	2	425	1,272	$1,005	$168
TOTAL		n/a	n/a	n/a	n/a	88,784	125,010	$289,805	$48,301

1. Most measures will be implemented evenly over the six-year planning period; therefore, their actual annual numbers should match the average annual numbers.

Table 2-12 - Kirkland Cumulative Savings

Category	2008	2009	2010	2011	2012	2013
Annual Basis						
Hardware	9,316	18,632	27,949	37,265	46,581	55,897
Behavior	5,481	10,962	16,444	21,925	27,406	32,887
Total	14,797	29,595	44,392	59,190	73,987	88,784
Peak Season Basis						
Hardware	10,807	21,614	32,421	43,228	54,035	64,842
Behavior	10,028	20,056	30,084	40,112	50,141	60,169
Total	20,835	41,670	62,505	83,340	104,175	125,010

Figure 2-15 – Kirkland Savings (Annual Basis)

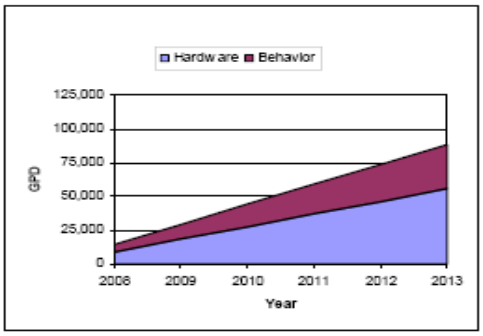
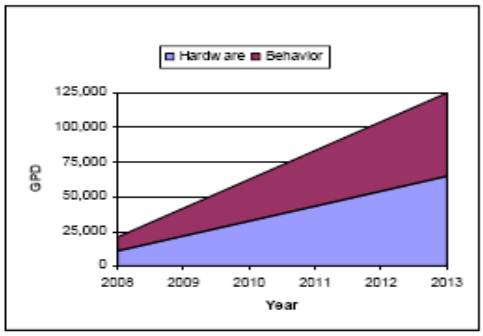


Figure 2-16 – Kirkland Savings (Peak Season Basis)



RESOLUTION R-4681

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING WATER CONSERVATION GOALS.

WHEREAS the Washington State Legislature adopted the Municipal Water Law, (House Bill 1338,) requiring that the Washington State Department of Health establish water use efficiency requirements designed to ensure efficient use of water while maintaining water system financial viability, improving affordability of supplies, and enhancing system reliability; and

WHEREAS the Washington State Department of Health has developed Water Use Efficiency Requirements that are now codified within WAC Chapter 246-290; and

WHEREAS the rule requires that municipal water suppliers develop and implement a water use efficiency program which includes sufficient cost-effective water use efficiency measures to meet the water use efficiency goals adopted by the local water purveyors; and

WHEREAS WAC 246-290-830 institutes a process for the local water purveyor to establish Water Use Efficiency Goals that must be designed to enhance the efficient use of water by the water system and its customers; and

WHEREAS the rule requires that the Water Use Efficiency Goals be set in a public forum that provides opportunity for consumers and the public to participate and comment on the Water Use Efficiency Goals, that public notice must occur at least two weeks prior to the public forum, that the elected governing board of the public water system shall review and consider all comments received, and that various materials be available for the public fully documenting the basis for the goals; and

WHEREAS the rule requires that the Water Use Efficiency Goal include an implementation schedule for each water use efficiency measure selected, and

WHEREAS the City of Kirkland is a Member of the Cascade Water Alliance and through the Membership Agreement Cascade shall develop and carry out water conservation programs that are uniform among Members and Cascade shall implement a Cascade conservation management plan that provides a mandatory base conservation program that functions to reduce both average and peak demands; and

WHEREAS Cascade Water Alliance is developing its Water Conservation Program and has completed a Conservation Potential

Assessment that analyzed a number of conservation programs for all of the Cascade members that included a variety of programs for different customer classes, for indoor and outdoor uses, and that were hardware solutions and behavior changes; and

WHEREAS the City of Kirkland and Cascade recognize that water is a valuable and essential natural resource that needs to be used wisely; and

WHEREAS Cascade Water Alliance has determined that conservation alone will not meet its future supply requirements, that significant investments in developing water supply and a transmission system are required; and

WHEREAS Cascade Water Alliance has established a Conservation Goal of saving 1.0 million gallons per day on an annual basis and 1.45 million gallons per day during the peak season by 2014; and

WHEREAS Kirkland represents approximately 14% of the water use of Cascade Water Alliance; and

WHEREAS Cascade Water Alliance has established a mix of programs that will be implemented over the next six years; and

WHEREAS the Kirkland City Council held a Public Hearing on January 2, 2008, for which notice was provided at least two weeks prior to the hearing, at which the public was given an opportunity to participate and provide comment, and the comments were reviewed and considered by the City Council, now, therefore

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland that the proposed water conservation goals as set forth on Exhibit "A" attached hereto and incorporated by this reference herein are hereby approved and adopted and shall be effective on the date this resolution is adopted.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2008.

Signed in authentication thereof this _____ day of _____, 2008.

_____
MAYOR

Attest:

_____
City Clerk

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

Date: December 13, 2007

Subject: 2006 Audit Report, Performance Audit, and Comprehensive Annual Financial Report (CAFR)

BACKGROUND DISCUSSION:

The State Auditor's Office (SAO) performs an annual audit to determine whether the City complied with state laws and regulations, its own policies and procedures, and Generally Accepted Accounting Principles (GAAP). City management's accountability of public resources is also examined. On June 27, 2007, the SAO issued an unqualified opinion following the completion of their audit for the period of January 1, 2006 through December 31, 2006.

This memo provides information on the CAFR, an overview of the audit results, and an update on the fire overtime performance audit.

Comprehensive Annual Financial Report (CAFR)

The CAFR represents the City's financial position as of December 31, 2006. In addition to the "numbers", the Notes to the Financial Statements and the Statistical Section provide a great deal of written information on various aspects of the City's finances. Copies of the 2006 CAFR document have been placed in the City Council mailboxes and the document is available on the City's website and at City Hall. We have applied for the GFOA Excellence in Financial Reporting award and hope to be notified of the results shortly. The City has received this award for the previous two years.

2006 Audit Results

As part of the audit, the State Auditor's Office performed 3 separate reviews, which are summarized in the Financial Statements Audit Report and Accountability Audit Report. The areas examined include:

- Financial Statements
- Compliance with state laws and regulations and entity policies
- Accountability for public resources

The Accountability Audit Report stated that the City complied with state laws and regulations and its own policies and procedures in the areas examined and that internal controls were adequate to safeguard public assets.

As noted earlier, the City received an unqualified ("clean") opinion on the 2006 Comprehensive Annual Financial Report.

In May 2006, the American Institute of Certified Public Accountants issued its Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters Identified in an Audit. Background descriptions of SAS 112 and its impacts are provided in Attachment A. There was a finding issued as part of the City's 2006 audit that is based on the SAS 112 standard, which is a different type of finding from those issued in the past (note that the City last received a finding in the 2000 audit).

In brief, the finding is based on the fact that services provided but not billed at the end of the period have not been recorded in the Solid Waste Fund accounts receivable. Historically, the City has reported accounts receivable based on services billed but not collected at the end of the period. The change increased the Accounts Receivable by $883,968, an increase in Fund Assets of 63%, which was determined to be material. In essence, the financial position of the fund was understated. The significance of the percentage change in Fund Assets occurs because the City contracts with a private provider for the majority of services accounted for in the Solid Waste Fund. As a result, the City has minimal assets in the Solid Waste Fund, accounting for the large percentage change. Due to the materiality of this change, the City made this correction.

This new audit standard has resulted in a larger number of this type of finding in government audits. We believe that the items identified by the audit, which reflect long-standing City practices, would not have been a finding under the previous standards (the State Auditor's Office has acknowledged this verbally). That said, we appreciate the identification of the issue and will take steps to review our utility accounting practices and, as needed, improve internal controls. The draft audit reports (which only contains portions of the final audit report) are included as Attachment B and includes the details of the finding and the City's response.

The 2006 audit was officially concluded with the exit conference on November 28, 2007. At the exit conference auditors discuss items of concern which are not significant enough to include in the audit report. There was one exit item which was highlighted as follows: As authorized under RCW 35.21.685, the City purchased a condominium in the Plaza on State complex that was being sold as part of the property owner's bankruptcy to place it back into the City's affordable housing stock for those with an income of less than 80% of median income. The auditor's review uncovered the fact that the covenant the purchaser signed only required that he be at 90% of median income. Further investigation by the City Attorney's office indicated that the purchaser was actually at or below 80% of median so it was a "no harm, no foul" situation. It is the State Auditor's contention that although the purchaser met the statutory requirements, the City should have controls in place to ensure contracts comply with state statutes. The City will enter into discussions with A Regional Coalition for Housing (ARCH) to explore ways in which the controls required by the Auditor's office can be exercised by the City without impacting the mission and efficiency of ARCH.

Performance Audit – Fire Overtime

The passage of Initiative 900 (I-900) authorized the State Auditor to conduct independent, comprehensive performance audits of state and local government. The City of Kirkland was one of the jurisdictions selected to be audited for its use of overtime in the Fire Department. The State Auditor has chosen to suspend activity on this audit and, while they did not actually provide a report of their review, they provided input on their observations regarding public safety overtime at the November 28, 2007 exit conference (see Attachment C). Since no report is expected to be issued, there is no requirement to hold a public hearing. It is important to note that significant City staff time, in the Finance, IT, and Fire departments, was invested in providing information for this effort and we appreciate the support of all City staff involved.

Conclusion

The City takes great care to prepare financial statements that are accurate and reliable. The City of Kirkland prides itself on its strong financial condition and sound management, both of which are recognized in our bond rating, the certification of our investment policies, and the receipt of distinguished budgeting and financial reporting awards. We strongly believe that appropriate steps have been taken to address identified issues and we will keep the Finance Committee informed as we enter into the 2007 audit process.

Attachments

GFOA Recommended Practice

Mitigating the Negative Effects of Statement on Auditing Standards No. 112 (2007) (CAAFR)

Background. In May 2006, the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA) issued Statement on Auditing Standards No. 112, *Communicating Internal Control Related Matters Identified in an Audit*. This new pronouncement significantly increases the likelihood that a government's independent auditors may be required to report either a *significant deficiency*[1] or a *material weakness*[2] in conjunction with the financial statement audit.

SAS No. 112 clarifies that it is *not* sufficient that the independent auditor determine that the financial statements under audit are, in fact, *fairly presented* in accordance with generally accepted accounting principles (GAAP). Generally accepted auditing standards (GAAS) also require that the financial statements be the product of a financial reporting system that offers reasonable assurance that management is able to produce financial statements that comply with GAAP.

Independent auditors often assist clients with the preparation of their financial statements. Such assistance poses no problem if it is provided merely a matter of convenience (i.e., management could produce the financial statements, but chooses not to). However, such assistance will constitute either a significant deficiency or a material weakness under SAS No. 112 if it is provided as a matter of necessity rather than of convenience (i.e., management does not have the skills needed to prepare GAAP financial statements).

If management does not possess the skills to prepare GAAP financial statements on its own, the government could always choose to engage the services of someone other than the independent auditor to provide the needed assistance. Because such contractors would work for management (unlike the *independent* auditors) they would qualify as part of the government's financial reporting system, thus avoiding an automatic finding of a significant deficiency or material weakness.

SAS No. 112 also makes it clear that material auditor-identified audit adjustments typically will require that a significant deficiency or material weakness be reported.

Recommendation. The GFOA recommends that governments take into account the following considerations in crafting a strategy for minimizing any potential negative effect resulting from the implementation of SAS No. 112.

- ***Be prepared to provide evidence that the government has a sound financial reporting system in place.*** GFOA recommends that a government establish and document a system of financial reporting that is sufficient to provide reasonable assurance that management is able to prepare financial statements in conformity with GAAP. Appropriate criteria for evaluating the adequacy of a government's financial reporting system can be found in *Internal Control: Integrated Framework*, published by the Council of

[1]"A control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected."

[2]"A significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected."

Sponsoring Organizations of the Treadway Commission (COSO).[3] In particular, the financial reporting system should incorporate an anti-fraud program and controls, as well as ongoing internal audit/risk assessment activity commensurate with the size and complexity of the entity.

- ***Minimize the likelihood of material audit adjustments.*** Every practical step should be taken to minimize the possibility of material auditor-initiated audit adjustments. For example, a government should carefully review its cutoff procedures and the method it uses to uncover unrecorded liabilities at the end of the fiscal period (items found by the auditor rather than by management could result in a significant deficiency or material weakness being reported). Special care also should be taken to ensure the timely and effective implementation of new accounting standards.

- ***Review any financial statement preparation assistance provided by the independent auditors.*** If management chooses to make use of the services of the independent auditors in helping to prepare the financial statements as a matter of convenience, it should carefully document that a staff member with the requisite skills has reviewed all of the work performed by the auditor (e.g., by completing the GFOA financial reporting checklist or by using some similar review tool). If management does *not* have the skills necessary to prepare GAAP financial statements and desires the assistance of its independent auditors to help it do so, but without exposing itself to the risk of an automatic significant deficiency or material weakness, it may wish to consider obtaining the services of a consultant or some other outside party (e.g., retiree volunteer) to review the auditor's work on the government's behalf.

The GFOA does *not* recommend that governments engage the services of a second accounting firm to assist in preparing its financial statements solely to avoid having a significant deficiency or material weakness reported. It is by no means assured that the benefits of engaging a second firm would outweigh the costs. Moreover, a significant deficiency or material weakness might still be reported as the result of some other weakness in the financial reporting system (e.g., auditor-discovered audit adjustment), which could defeat the purpose of hiring the second firm.

If management decides that the costs of remedying a significant deficiency or material weakness in its financial reporting system cannot be justified by the benefits to be obtained, it should take care to alert the governing body as early as possible to explain its conclusion. In that case, governments subject to a Single Audit should explore the possibility of obtaining a waiver pursuant to paragraph 530c of U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," so as not to jeopardize the audit's "low risk" status.

Approved by the GFOA's Executive Board, October 19, 2007.

[3] The guidance offered in this report is discussed and applied specifically to local governments in the GFOA publication *Evaluating Internal Controls: A Local Government Manager's Guide.*

Washington State Auditor's Office

Financial Statements Audit Report

City of Kirkland
King County

Audit Period
January 1, 2006 through December 31, 2006

Report No.

Issue Date
September 2, 2007

Attachment B
DRAFT

Washington State Auditor
Brian Sonntag

Issue Date – (Issued by OS)

Council
City of Kirkland
Kirkland, Washington

Report on Financial Statements

Please find attached our report on the City of Kirkland's financial statements.

We are issuing this report in order to provide information on the City's financial condition.

In addition to this work, we look at other areas of our audit client's operations for compliance with state laws and regulations. The results of that audit will be included in a separately issued accountability report.

Sincerely,
Signature Here (Please do not remove this line)
BRIAN SONNTAG, CGFM
STATE AUDITOR

Insurance Building, P.O. Box 40021 • Olympia, Washington 98504-0021 • (360) 902-0370 • TDD Relay (800) 833-6388
FAX (360) 753-0646 • http://www.sao.wa.gov

Table of Contents

City of Kirkland
King County
January 1, 2006 through December 31, 2006

Schedule of Audit Findings and Responses 9

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards* 13

Independent Auditor's Report on Financial Statements 15

Financial Section 17

Schedule of Audit Findings and Responses

City of Kirkland
King County
January 1, 2006 through December 31, 2006

1. The City should improve internal controls over its financial statement preparation.

Background

City management, the state Legislature, state and federal agencies and bondholders rely on the information included in financial statements and reports to make decisions. It is the responsibility of City management to design and follow internal controls that provide reasonable assurance regarding the reliability of financial reporting. Controls must ensure that financial data is reliably authorized, processed and reported. Our audit identified a significant deficiency in controls that adversely affects the City's ability to produce reliable financial statements.

Government Auditing Standards prescribed by the Comptroller General of the United States require the auditor to communicate significant deficiencies, as defined below in the Applicable Laws and Regulations section, as a finding. This guidance became effective during the City's fiscal year 2006 audit. The new standard sets a lower threshold for the types of control deficiencies that are reported.

Description of Condition

We identified the following weaknesses in internal controls that, when taken together, represent a significant deficiency in controls over financial reporting:

- The City did not provide sufficient analysis over the composition of accounts receivable. As a result, services provided but not billed at the end of the period were not recorded in the Water/Sewer Fund, the Solid Waste Fund and the General Fund. This is a departure from generally accepted accounting principles, set by the American Institute of Certified Public Accountants which require unbilled revenues to be recorded at the end of the period. The discrepancy affects utility revenues for the year and accounts receivable balances at the end of the year.

- The City did not perform a sufficient detailed review and reconciliation of the financial statements to ensure they were accurate, complete and adequately supported.

Cause of Condition

The City's review process was not adequate to detect errors in the financial statements and notes; and ensure the utility receivables were reported in accordance with generally accepted accounting principles.

Effect of Condition

The City's financial information contained errors that were not detected by City personnel. During our review of the City's financial statements, we found the following significant error in the original financial statements we received for audit.

- For the Solid Waste Fund, the accrual of revenues increased revenues by $883,968; which is an increase in Fund Revenues of 1.2%, an increase to Accounts Receivable by $883,968, which is an increase in Fund Assets of 63%. .

We also found the following related immaterial errors

- For the Water/Sewer Fund, the accrual of revenues would increase revenues by $66,326; which would be an increase in Fund Revenues of .43%, an increase to Accounts Receivable of $2,081,600; which is an increase in Fund Assets of 2%

- The City collects a Utility Tax for the General Fund, which was also not accrued. The affect of this discrepancy is an increase in Revenues of $163,212; which is an increase of Fund Revenues of .45%, which is an increase in Fund Assets of 2.5%.

Due to the significance of the error in the Solid Waste Fund Accounts Receivable, the City made this correction. The remaining errors were considered immaterial and were not corrected.

There were additional immaterial errors noted that were corrected by the City. These deficiencies in internal controls make it reasonably possible that more serious misstatements could occur and not be prevented or detected by the City in the future.

Recommendation

We recommend the City's management implement internal controls to ensure adequate oversight of financial reporting, including a detailed review of the financial statements. The City should consult with the State Auditor's Office Budgeting Accounting and Reporting System Manual to ensure financial statements are properly presented.

City's Response

The City appreciates the efforts of the State Auditor's Office to work with the City to understand recent changes in audit standards which form the basis for this finding and for the opportunity to provide this response. In May 2006, the American Institute of Certified Public Accountants issued its Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters Identified in an Audit. SAS 112 has lowered the bar to the extent that errors that may not have been previously reportable may now be considered reportable simply because there is the potential for misstatement. The City believes that the items identified by the audit would not have been a finding under the previous standards and, in fact, the accounts receivable issue identified reflects a long-standing practice of the City. That said, we appreciate the identification of the issue and will take steps to review our utility accounting practices and, as needed, improve internal controls, as described below.

As a matter of clarification, the error determined to be material for the Solid Waste Fund is based on an increase to Accounts Receivable by $883,968, which is an increase in Fund Assets of 63%. The significance of the percentage change in Fund Assets occurs because the City contracts with a private provider for the majority of services accounted for in the Solid Waste Fund. As a result, the City has minimal assets in the Solid Waste Fund, accounting for the large percentage change. Due to the materiality of this change, the City made this correction. A similar condition existed in the Water/Sewer Fund and in the Utility Tax revenues for the General Fund, although the

magnitude of the impacts was immaterial to those funds. As a result, no change was made in these statements but will be addressed in the next reporting period.

The utility statements are prepared by the Public Works Department and reviewed by the Finance Department, although this review has not previously included a "bottom up" review from the base data. The utility receivables reporting inconsistency resulted from the use of utility billing reports that summarized revenues "billed but not collected" rather than service provided but "unbilled." This inconsistency has existed for many years but was only detected in this audit cycle due to a review of the base data in response to a different issue. As a result, the Finance Department will undertake a detailed review of the utility accounting practices and will provide a greater level of oversight to the utility accounting function in the future.

A contributing factor to the "additional immaterial errors" was the departure of the Financial Operations Manager, responsible for oversight of statement preparation, at the beginning of the audit (March 2007). This resulted in the Senior Accountant (who has prepared the statements for the past six years) filling the position on an interim basis during the audit. While the statements were prepared consistent with the City's past practices, without any significant accounting changes, and the statements were reviewed by the Finance Director, the lack of the additional level of review may have contributed to the immaterial errors. Several of the immaterial errors were presentation issues that existed in prior statements.

The City believes that both of these conditions have been addressed by the results of a re-organization of the Department of Finance and Administration that was implemented by management effective July 1, 2007. This change in the organization structure increases the focus on internal controls in accounting by:

- *Creating a Deputy Director of Finance position that will oversee day-to-day operations, including accounting and audit functions;*
- *Changing the Financial Operations Manager position to an Accounting Supervisor position focused only on accounting and audit functions and responsible for review of the statements prepared by the Senior Accountant; and*
- *Adding resources in the accounting division to help absorb the impacts of increased review of internal controls and performance audit preparation.*

The City takes great care to prepare financial statements that are accurate and reliable. The City staff responsible for preparing the statements are competent and have never intentionally failed to follow proper accounting and reporting guidelines. The City of Kirkland prides itself on its strong financial condition and sound management, both of which are recognized in our bond rating, the certification of our investment policies, and the receipt of distinguished budgeting and financial reporting awards. The City appreciates the SAO's critical review and insights as to how we can improve the presentation of our financial condition.

Auditor's Remarks

We thank City officials for the assistance we received during the audit.

Applicable Laws and Regulations

RCW 43.09.200 states:

> The state auditor shall formulate, prescribe, and install a system of accounting and reporting for all local governments, which shall be uniform for every public institution, and every public office, and every public account of the same class.

> The system shall exhibit true accounts and detailed statements of funds collected, received, and expended for account of the public for any purpose whatever, and by all public officers, employees, or other persons.
>
> The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction; all statements and reports made or required to be made, for the internal administration of the office to which they pertain; and all reports published or required to be published, for the information of the people regarding any and all details of the financial administration of public affairs.

Budget Accounting and Reporting System Manual - Part 3, Accounting, Chapter 1. Accounting Principles and General Procedures, Section B. Internal Control, states in part:

> Internal control is a management process for keeping an entity on course in achieving its business objectives, as adopted by the governing body. This management control system should ensure that resources are guarded against waste, loss and misuse; that reliable data is obtained, maintained, and fairly disclosed in financial statement and other reports; and resource use is consistent with laws, regulations and policies.
>
> Each entity is responsible for establishing and maintaining an effective system of internal control throughout their government.

Government Auditing Standards, January 2007 Revision - Section 5.11, states in part:

> For all financial audits, auditors should report the following deficiencies in internal control:
>
> a. Significant deficiency: a deficiency in internal control, or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is a more than remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.
> b. Material weakness: a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected...

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards*

I-2
City of Kirkland
King County
January 1, 2006 through December 31, 2006

Council
City of Kirkland
Kirkland, Washington

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kirkland, King County, Washington, as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2007.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies involving the internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control over financial reporting. We consider the deficiency described in the accompanying Schedule of Audit Findings and Responses to be a significant deficiency in internal control over financial reporting, and is reported as Finding 1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended for the information and use of management and the Council. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Signature Here (Please do not remove this line)
BRIAN SONNTAG, CGFM
STATE AUDITOR

June 26, 2007

Independent Auditor's Report on Financial Statements

F-1
City of Kirkland
King County
January 1, 2006 through December 31, 2006

Council
City of Kirkland
Kirkland, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kirkland, King County, Washington, as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed on page { }. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kirkland, as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Street Operating Special Revenue Fund, Parks and Municipal Reserve Special Revenue Fund, and Excise Tax Capital Improvement Special Revenue Fund funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages through is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Signature Here (Please do not remove this line)
BRIAN SONNTAG, CGFM
STATE AUDITOR

June 26, 2007

Financial Section

City of Kirkland
King County
January 1, 2006 through December 31, 2006

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis – 2006

BASIC FINANCIAL STATEMENTS

Statement of Net Assets – 2006
Statement of Activities – 2006
Balance Sheet – Governmental Funds – 2006
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2006
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – 2006
General and Major Special Revenue Fund Budgetary Comparisons – 2006
Statement of Net Assets – Proprietary Funds – 2006
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds – 2006
Statement of Cash Flows – Proprietary Funds – 2006
Statement of Fiduciary Net Assets – 2006
Statement of Changes in Net Plan Assets – Fiduciary Funds – 2006
Notes to Basic Financial Statements – 2006

SUPPLEMENTAL INFORMATION

Washington State Auditor's Office

Accountability Audit Report

City of Kirkland

King County

Report Date
July 26, 2007

Report No.

Issue Date

Washington State Auditor
Brian Sonntag

{Issue Date – (Issued by OS)}

Council
City of Kirkland
Kirkland, Washington

Report on Accountability

Please find attached our report on the City of Kirkland's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the City's financial statements. The results of that audit will be included in a separately issued audit report.

Sincerely,
Signature Here (Please do not remove this line)
BRIAN SONNTAG, CGFM
STATE AUDITOR

Insurance Building, P.O. Box 40021 • Olympia, Washington 98504-0021 • (360) 902-0370 • TDD Relay (800) 833-6388
FAX (360) 753-0646 • http://www.sao.wa.gov

Table of Contents

City of Kirkland
King County
July 26, 2007

Audit Summary 1

Description of the City 1

Audit Areas Examined 3

Audit Summary

City of Kirkland
King County
July 26, 2007

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Kirkland.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. We also examined City management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from January 1, 2006, through December 31, 2006.

RESULTS

The City complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

RELATED REPORTS

Our opinion on the City's financial statements {and compliance with federal program requirements} is provided in a separate report, which includes the City's financial statements.

CLOSING REMARKS

We thank City officials and personnel for their assistance and cooperation during the audit.

Description of the City

City of Kirkland
King County
July 26, 2007

ABOUT THE CITY

The City of Kirkland serves approximately 45,790 residents within King County. The City is located on the east shore of Lake Washington, off Interstate 405 in northern King county, 10 miles east of downtown Seattle, west of Redmond, and just north of Bellevue. The City has a council-manager form of government, with seven part-time, nonpartisan members, elected at large every two years to staggered, four-year terms, who in turn, elect a Mayor from one of their members to serve a two-year term. The City adopts a two-year budget. For 2005-2006, budgeted expenditures were approximately $295.2 million. The City has approximately 446 full-time equivalent employees and provides the following services: fire, police, municipal court, water/sewer/storm water utilities, public works, community and economic development, parks and recreation, and human services.

AUDIT HISTORY

We audit the City annually. In the past five audits, we have not reported any findings.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor	James L. Lauinger
Deputy Mayor	Joan McBride
Council	David Asher
	Mary-Alyce Burleigh
	Jessica Greenway
	Thomas Hodgson
	Robert Sternoff

APPOINTED OFFICIALS

City Manager	David Ramsay
City Attorney	Robin Jenkinson
Director of Finance & Administration	Tracey Dunlap (as of July 2006)
Director of Fire & Building/Fire Chief	Jeff Blake
Chief Information Officer	Brenda Cooper
Director of Parks & Community Services	Jennifer Schroder
Director of Planning & Community Development	Eric Shields
Chief of Police	Stan Aston
Director of Public Works	Daryl Grigsby
Director of Human Resources	Bill Kenny

Municipal Court Administrator	Tracy Jeffries

ADDRESS

City	123 5th Ave. Kirkland, WA 98033-6189 (425) 587-3000 www.ci.kirkland.wa.us/home.htm

Audit Areas Examined

City of Kirkland
King County
July 26, 2007

In keeping with general auditing practices, we do not examine every portion of the City of Kirkland's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

ACCOUNTABILITY

We evaluated the City's accountability in the following areas:

- Accounting/financial reporting
- Open public meetings/records laws
- Procurement (bidding/prevailing wage)
- Disbursements/expenditures
- Interfund transactions
- Compensation of public officials

FINANCIAL AREAS

Our opinion on the City's financial statements is provided in a separate report. That report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Revenues
- Expenditures/expenses
- Financial condition
- Long-term debt
- Overall presentation of the financial statements
- Financial statement preparation

Topical Guide
Washington Cities and Counties
Overtime Practices

When reviewing overtime practices, cities and counties should consider risk indicators such as departments with the highest total overtime; the highest number of employees; amount of overtime per employee; and wage gaps between highest- and lowest-paid employees. Cities and counties should also consider the following possible improvements in their efforts to manage departmental overtime.

Policies and internal controls
Local governments have contracts with employees that prescribe how overtime is earned. Some contracts allow employees to earn compensatory time in place of overtime. Contracts typically contain provisions related to overtime and compensatory time. Cities and counties must couple these contracts with good internal controls in order to effectively monitor and manage departmental overtime activity. Policies and internal controls work hand-in-hand to ensure compensation costs are properly managed.

We recommend local governments develop a comprehensive overtime and compensatory time policy for managers. An effective overtime and compensatory time policy outlines the process for recording, analyzing, managing and supervising overtime, requires on-going budget monitoring including staffing levels, identifies when employees are eligible for overtime or compensatory time, identifies the overtime pay-rate and the rate of accruing compensatory time.

Potential for Cost Savings
All public safety departments will encounter unavoidable overtime. Our planning efforts focused on the avoidable overtime, or that which can be largely avoided by accurately identifying staffing needs and then fully meeting these needs though hiring. For example, nearly every shift for jail or law enforcement services has to be covered. In the areas of jail or law enforcement, most avoidable overtime corresponds with low staffing levels resulting from difficulty in finding qualified candidates.

Once avoidable overtime is determined, it should be compared to the cost of hiring staff to work these avoidable overtime hours. When making these comparisons, cities and counties should consider the following to determine the potential for cost savings:

1. Ensure avoidable overtime calculations factor in all variables,

including vacation time, sick time and training time.

2. Determine the cost of hiring staff to cover avoidable overtime hours. When calculating the cost of hiring, include one-time training costs, on-going training costs and the annual cost of salary and benefits.
3. Compare the cost of unavoidable overtime (time-and-a-half) to the cost of hiring more employees (straight time at a lower rate plus additional training and benefit costs).

Compensatory Time Off

When employees work more than 40 hours, they can sometimes choose between compensatory time or overtime. Like overtime, compensatory time is expensive because every hour worked must be repaid at time-and-a-half or double time. In fact, compensatory time is often a more expensive option. One employee's compensatory time is often covered by a second employee who must work overtime. Under these conditions, compensatory time can increase payroll costs from 50 percent to100 percent more than if the first employee had instead received overtime pay.

Understanding that compensatory time is more expensive than overtime and how optimal staffing levels can minimize payroll costs is a key to managing those payroll costs within each department.

Recruitment and Retention

Many cities and counties are struggling to recruit and retain law enforcement and correctional officers. Best practices for recruitment and retention of public safety employees include:

Recruitment*

1. Develop a recruitment plan
2. Properly train the right people as recruiters
3. Build strong partnerships with the military, community colleges, universities, high schools and other organizations
4. Properly advertise vacancies
5. Develop an Employee Referral Program
6. Improve the selection process

Retention*

1. Develop a retention plan
2. Engage employees
3. Improve communication

*See the following sources for a more details:
http://www.post.ca.gov/training/bestpractices/bestpractices-recruitment.asp
http://www.post.ca.gov/training/bestpractices/RecruitmentBestPrac.pdf

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

Date: January 2, 2008

Subject: Left-turn Access to 12804 NE 85th Street – My Pet's Vet Clinic

RECOMMENDATION:

It is recommended that the City Council review the information regarding the left-turn access to My Pet's Vet Clinic located at 12804 NE 85th Street and approve the following:

1. **Left-turn access to the Vet Clinic at 12804 NE 85th Street**
   A. Continue to restrict left-turn access or,

   B. Direct the Public Works Department to remove a portion of the existing c-curb to allow left-turn access.

2. **Pedestrian improvements along the east side of 128th Avenue NE**
   Direct the Public Works Department to install an asphalt path along the east side of 128th Ave. NE to provide safe pedestrian access to NE 85th Street and to the Vet Clinic.

3. **Other proposed driveway revisions along NE 85th Street**
   Direct the Transportation Commission to review and make recommendations to the City Council regarding all other driveway revisions associated with the NE 85th Street Sound Transit Project.

BACKGROUND DISCUSSION:

On October 16, 2007, the City Council reviewed a letter to Mr. Dennis McNamara, owner of the business My Pet's Vet Clinic which is located at 12804 NE 85th Street. The letter regarded the installation of c-curbing on NE 85th Street in front of his business. The c-curb had been installed to limit left turns to properties on both sides of NE 85th St directly adjacent the signalized intersection of NE 85th Street and 128th Avenue NE. After discussing the letter, the Council requested that staff study the issue further and return to Council with another response to his concerns. Following the Council meeting, the Public Works Department did the following:

A. We met with Kim Benz of Northstream Development, owner of the subject property to review her concerns and discuss options.

B. We met with Dave Bernard, owner of the property at 12822 NE 85th Street, which is leased by the 7-11 store, to discuss the possibility of granting a joint driveway easement to the Vet Clinic property. Mr. Bernard indicated that he was not interested in granting such an easement.

C. We met with Mr. McNamara, twice to review his concerns about the access and discuss options.

D. We conducted a preliminary engineering analysis to determine the feasibility of installing a formal U-turn on NE 85th Street and found that the needed right-of-way and improvements to install a U-turn would cost between $450,000 and $950,000 (much of the cost variance is due to undefined right-of-way costs at this time).

E. We conducted a preliminary engineering analysis to determine the feasibility of installing a new driveway to the Vet Clinic from 128th Avenue NE and found that the costs of the improvements would likely be in excess of $70,000 and would result in a loss of on-site parking.

Following this work, Public Works presented the issue back to City Council at the November 20th, 2007 Council Meeting and explained that no new feasible options could be developed and recommended that the c-curb in question remain. After discussing the matter, City Council asked Public Works staff to reanalyze the issue and bring it back to the Council at a future meeting. The Council did ask that accident data at the intersection of NE 85th Street and 128th Avenue NE be provided and that Mr. Bernard, the owner of the 7-11 property, be re-contacted. Following this Council meeting, Public Works did the following:

A. We researched accident data for the NE 85th Street and 128th Avenue NE and found the following:

Accident Data Summary 2001-2007
NE 85th St @ 128th Ave NE (within 200 ft on each leg)

		Location			
Year	Total # of Accidents	East Leg	Center	West Leg	Accident Rate (a)
2001	8	4	2	2	0.51
2002	5	1	1	3	0.32
2003	3	1	1	1	0.19
2004(b)	5	2	1	2	0.32
2005	8	3	2	3	0.57
2006	8	2	4	2	0.57
2007(c)	6		6		
Total	**43**	**13**	**17**	**13**	**0.41**

(a) Accident Rate =(#acc)(1000000)/(365* ADT) ADT(Average Daily Traffic)
Average accident rate at signalized locations in Kirkland is 0.52
(b) Signal was installed in 2004
(c) Jan-August only

B. We contacted Mr. Bernard, again to discuss whether he had any future development plans for his property and whether there was anything the City could offer that would cause him to consider a joint driveway easement with the Vet Clinic property. Mr. Bernard explained that they did not have any immediate plans to redevelop the property, they were about to renew the lease with 7-11, and they did not want to encumber their property with a joint driveway easement. He did not know of anything that the City could offer him to reconsider.

C. We conducted an engineering study to determine if the c-curb could removed and a "pork chop island" could be installed in the new bank driveway on the south side of NE 85th Street (see Option 1 on attached map). We found that this option would limit left-turn movements to the new bank, but it did not address the left turn conflict between the eastbound left-turning traffic to the Vet Clinic traffic and westbound NE 85th Street traffic queuing to use the left turn pocket at the traffic signal.

   We then studied the feasibility of installing a revised c-cub to create a separate left-turn pocket for the traffic signal and the Vet Clinic (see Option 2 on attached map), but found that the neither pocket met transportation engineering design guidelines for left-turn pockets on an arterial-type street. The left-turn pocket would be less then 100 ft in length and would not provide adequate room for a vehicle to safely enter the pocket without causing a conflict with the through traffic on NE 85th Street.

D. We researched traffic count data collected during a period after the traffic signal was installed, but before the c-curb was extended and found that when left turns were allowed in the Vet Clinic, there were eight (8) left-turn movements during the AM peak period and two (2) left-turn movements during the PM peak period. This data indicates that during the PM Peak, when the traffic volumes are very high in the westbound direction on NE 85th Street, the majority of customers going to the Vet Clinic did not use this available left-turn movement and most likely used other routes to gain access to the Vet clinic.

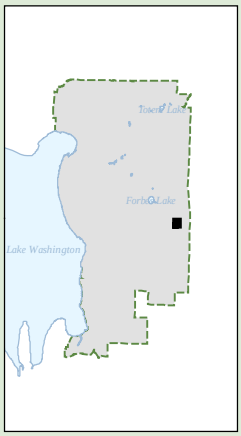
E. Last, we researched the feasibility of Vet Clinic customers traveling eastbound on NE 85th Street, turning left at 128th Avenue NE (using the traffic signal), then parking along the east side of 128th Avenue NE, and walking to the vet clinic (see Option 3 on attached map). There currently is no sidewalk along 128th Avenue NE in front of the Vet Clinic property nor is there sufficient right-of-way width to allow or create on-street parking along the frontage. However, Vet Clinic customers could park near the existing curb and sidewalk approximately 50 ft north of the Vet Clinic and walk to the Vet Clinic if a 110 ft long asphalt pathway is installed. Northstream Development could install this path or the Public Works Street Department is able to install it if the Council believes this would be beneficial. We estimate that the cost of the asphalt walk will be $5,000 or less. Unfortunately, a couple significant street trees will have to be removed to install a path. It should be noted that aside from the driveway access issue being discussed in this report, this missing pedestrian link would be very valuable to residents living north of NE 85th Street as it will complete a 425 ft long section of pedestrian improvements and will create safer pedestrian access along the east side of 128th Ave. NE to and from NE 85th Street.

In summary, the Public Works Department believes that every available option has been researched and we recommend that the c-curb be left in place. We are empathetic to the impacts on the Vet Clinic and will work quickly to install the asphalt path along the east side of 128th Ave. NE if the Council directs us to do so.

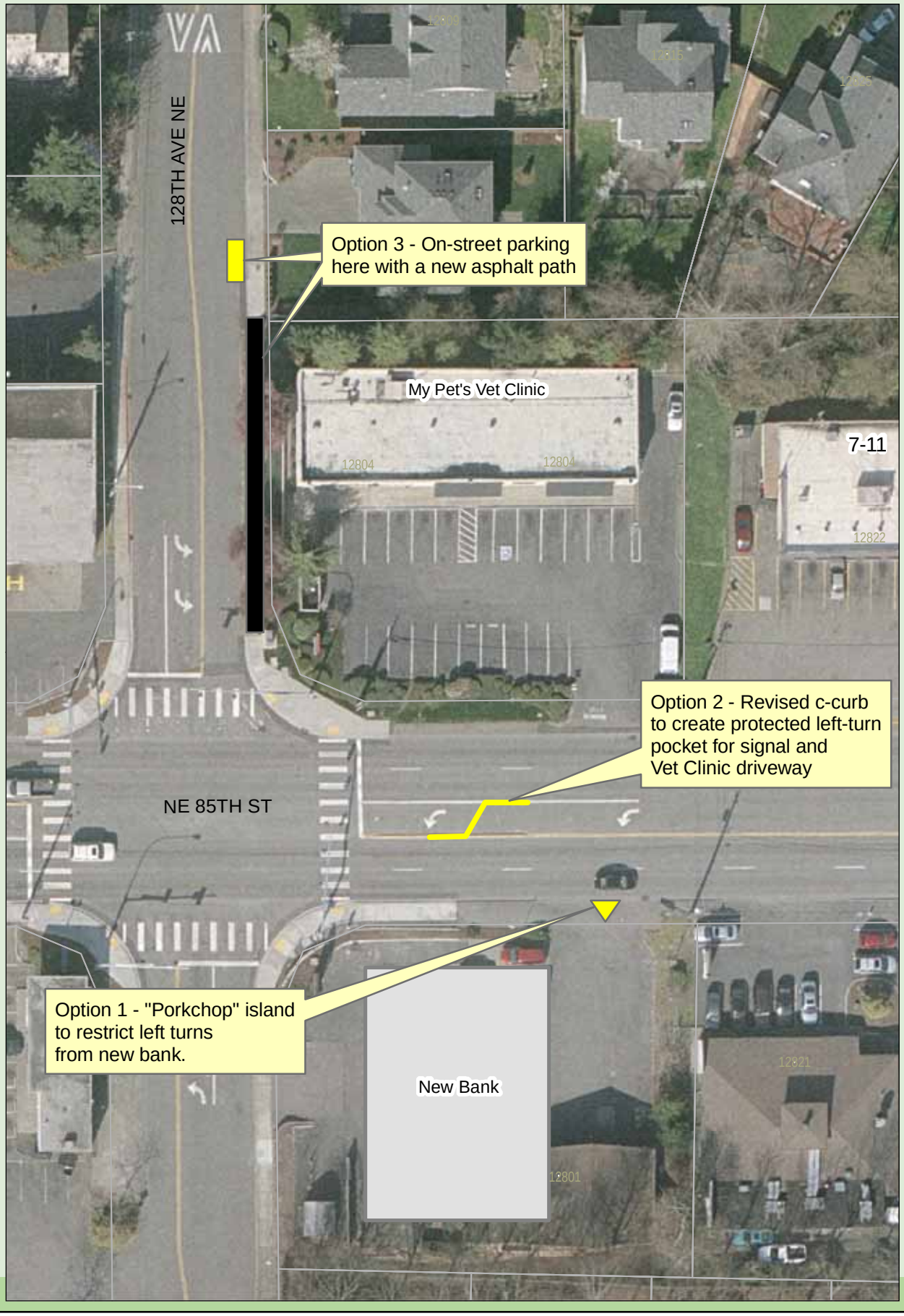
Attachment

cc: David Godfrey, PE, Transportation Engineering Manager

Left-Turn Access to 12804 NE 85th Street



Vicinity Map



1 inch = 50 feet

Produced by the City of Kirkland.
© 2007, the City of Kirkland, all rights reserved.
No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.

Council Meeting: 01/02/2008
Agenda: Unfinished Business
Item #: 12. c.

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

MEMORANDUM

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
Ray Steiger, P.E., Capital Projects Manager

Date: December 13, 2007

Subject: 116TH AVENUE NE (NORTH SECTION) NON-MOTORIZED FACILITIES
AWARD CONTRACT AND AUTHORIZE ADDITIONAL FUNDING

RECOMMENDATION:
It is recommended that the City Council award the contract for construction of the 116th Avenue NE Non-Motorized Facilities Project to Johansen Excavating, Inc. of Buckley, Washington in the amount of $1,080,972.64. In addition it is recommended that City Council authorize the use of an additional $236,000 from Surface Water Transportation Reserve.

BACKGROUND DISCUSSION:
The 116th Avenue NE (North Section) Non-Motorized Facilities project will provide for the installation of non-motorized and surface water improvements between NE 60th Street and NE 67th Street (Attachment A). These improvements are identified as Priority One improvements (pedestrian and bicycle) in the City's Non-Motorized Plan. They include 1,880 linear feet of bicycle lanes on both sides of 116th Avenue NE, curb, gutter, concrete sidewalk, ADA curb ramps, and crosswalk markings on the east side of 116th Avenue NE. The protected pedestrian route will complete the 116th Avenue NE pedestrian corridor between the NE 60th Street/I-405 pedestrian bridge and the Houghton Park and Ride. Planter strip is included where feasible, however due to significant grade behind the sidewalk, it is eliminated for much of the project.

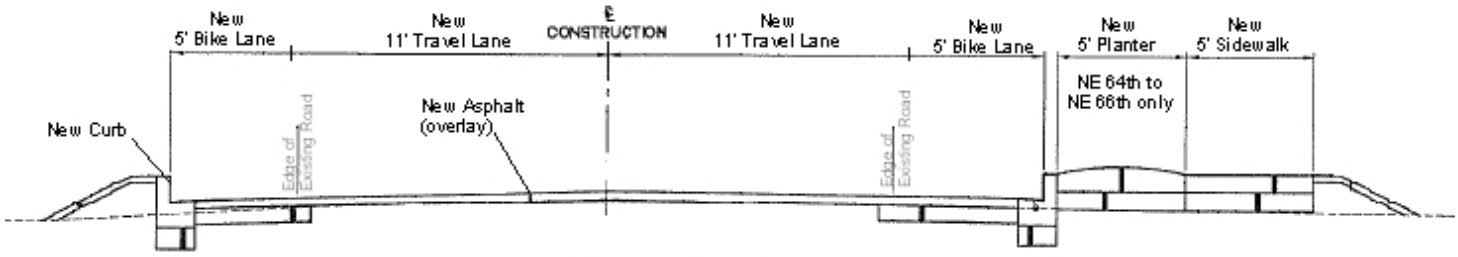
At their meeting of June 5, 2007, Council authorized Public Works staff to advertise for contractor bids in the more competitive market of late fall. At that time staff informed Council of a potential budget short fall of approximately $165,000; budget adjustments were not recommended until contractor bids were received. The first advertisement was published on October 25, 2007, and bids were opened and read publicly on November 20, 2007. A very competitive total of fourteen (14) bids were received and tabulated. The apparent low bidder, Trimaxx Construction, did not meet all conditions of award for federal grant funds and was therefore considered non-responsive. Specifically, Trimaxx failed to identify a federally certified Disadvantaged Business Enterprise subcontractor at the time of bid opening; instead Trimaxx provided a state certified Minority Business Enterprise making the bid non-responsive. Johansen Construction submitted a bid of $1,080,972.64, approximately $50,705 below the engineer's estimate of $1,131,677.82, which contained all appropriate paperwork making their submittal the lowest responsive bid. (Attachment B)

The total budget necessary to complete the project appears to be $1,503,000; approximately $188,500 over the current project budget and an amount similar to that anticipated at authorization to advertise (Attachments C). However, the shortfall does not reflect the whole picture within the restraints of the specific funding. Attachment D shows a funding shortfall of $235,822 for the surface water project; mostly made up of $59,440 in engineering and $175,284 in construction. Based on bids received, scope of the project, and competitive market, staff recommends raising the current budget an additional $236,000 to bring the project budget to $1,550,500.

This will be Kirkland's first contract with Johansen Construction; however, all reference checks have been positive. With Council approval, construction is anticipated to begin in January with substantial completion expected in May.

Attachments: (7)

Attachment A



PROPOSED CONFIGURATION
ROADWAY SECTION

Vicinity Map
116th Avenue NE Non-Motorized Facilities
(North Section NE 60th Street to NE 67th Street)

Attachment B

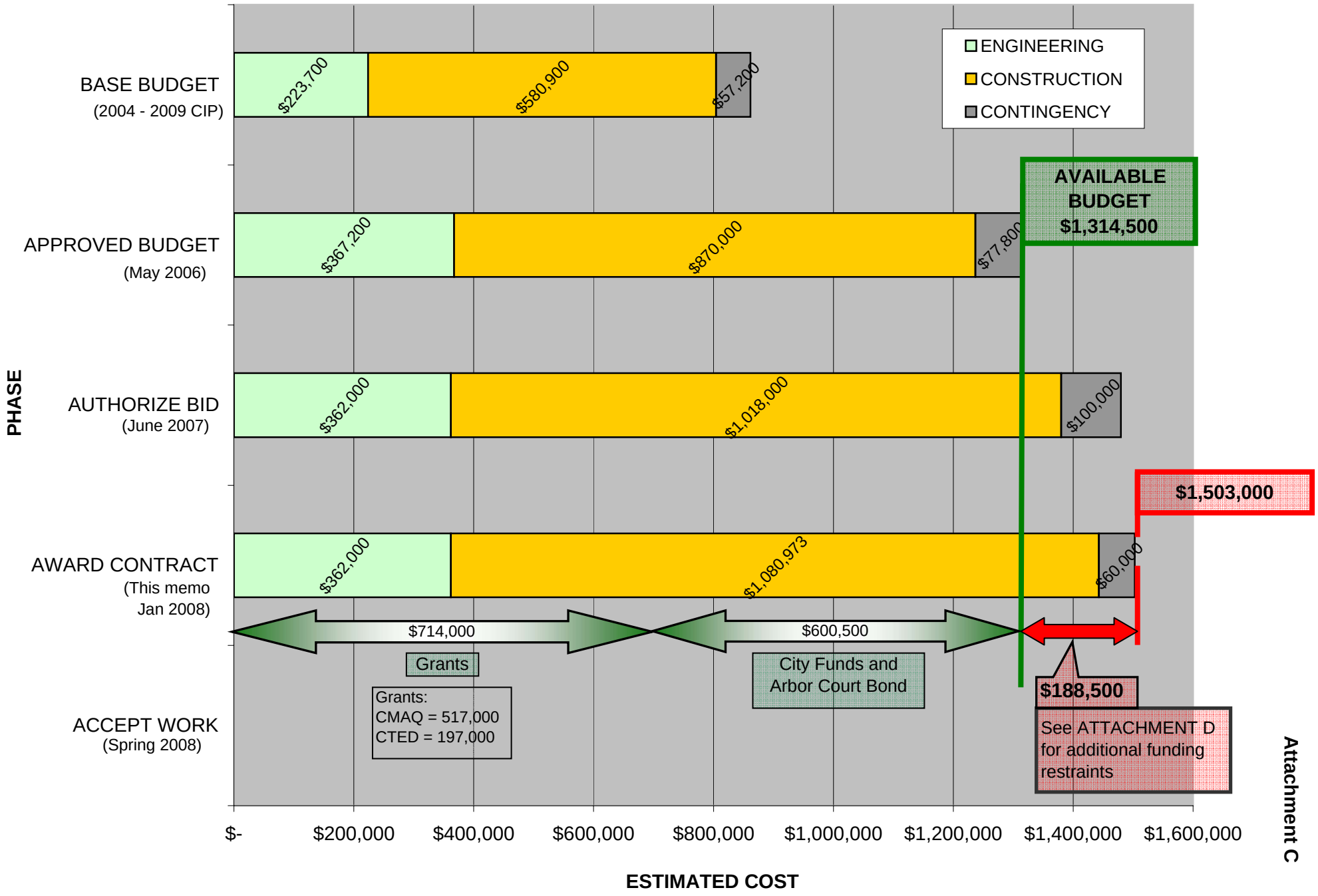
BID TABULATION
116TH AVENUE NE NON-MOTORIZED FACILITIES

Contractor	Total Bid
Johansen Excavating	1,080,972.64
Grade Inc	1,084,788.15
R.L. Alia Co	1,109,281.09
Engineer's Est	*1,131,677.82*
Construct Co	1,197,907.68
Precision Earthwork	1,233,066.69
West Coast Construction	1,297,989.81
Dennis R Craig	1,317,481.06
Laser Underground	1,324,766.23
SCI Infrastructure	1,331,877.44
Sanders General	1,339,930.01
DPK, Inc.	1,511,153.27
Westwater Construction	1,542,154.86
A-1 Landscaping	2,154,009.98
Trimaxx Construction*	1,057,185.43*
Average	1,327,326.02

* Apparent low bid was rejected by reason of not qualifying a Disadvantaged Business Enterprise (DBE) subcontractor at the time of bid opening. General contractor, Trimaxx Construction, identified state certified Minority Business Enterprise (MBE), Willy Concrete Corporation, to meet DBE performance goals. Willy Concrete Corporation did not have federal certification through The Washington State Office of Minority and Women's Business Enterprise (OMWBE) at the time of bid opening.

116TH AVENUE NE (NORTH SECTION) NON-MOTORIZED FACILITIES

PROJECT BUDGET REPORT

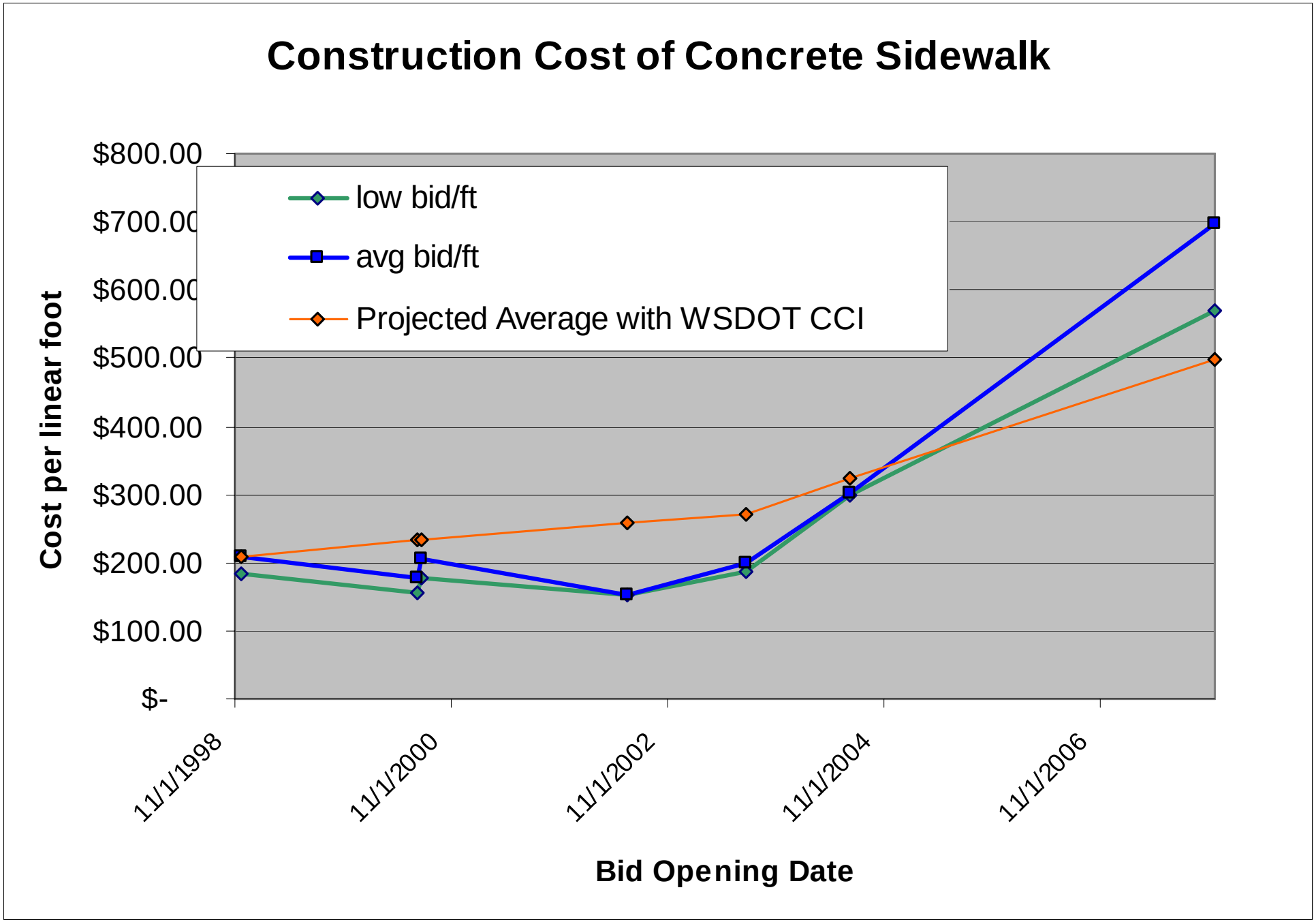


Attachment C

Attachment D

PROJECT BUDGET TABLE

Component	Budget			Actual (Est. or bid)	Budget minus Actual
Engineering	Grant (CTED & CMAQ)	City+Arbor Court	Sum		
non-motorized	$ 35,000	$ 267,520	$ 302,520	$ 243,080	$ 59,440
surface water	$ -	$ 59,480	$ 59,480	$ 118,920	$ (59,440)
			$ 362,000		
				Johansen Bid = $1,080,973	
Construction					
non-motorized	$ 679,000	$ 50,832	$ 729,832	$ 736,021	$ (6,189)
surface water		$ 169,668	$ 169,668	$ 344,952	$ (175,284)
			$ 899,500		
Contingency					
non-motorized	$ -	$ 34,214	$ 34,214	$ 40,000	$ (5,786)
surface water	$ -	$ 18,852	$ 18,852	$ 19,950	$ (1,098)
			$ 53,066		
Totals by Project					
non-motorized	$ 714,000	$ 352,566	$ 1,066,566	$ 1,019,101	$ 47,465
surface water	$ -	$ 248,000	$ 248,000	$ 483,822	$ (235,822)
Total	$ 714,000	$ 600,566	$ 1,314,566		
			$ 235,822		
			$ 1,550,388	**Requested Budget**	


Construction Cost of Concrete Sidewalk
$800.00
$700.00
$600.00
$500.00
$400.00
$300.00
$200.00
$100.00
$-
Cost per linear foot
low bid/ft
avg bid/ft
Projected Average with WSDOT CCI
11/1/1998
11/1/2000
11/1/2002
11/1/2004
11/1/2006
Bid Opening Date

ATTACHMENT F

FISCAL NOTE

CITY OF KIRKLAND

Source of Request

Daryl Grigsby, Public Works Director

Description of Request

Request for additional funding of $236,000 from the Surface Water Transportation Reserve for the 116th Ave NE (North Section) Non-Motorized Facilities project (CNM 0042 423). This project has 2 components - pedestrian/bicycle and surface water improvements on 116th Ave NE between NE 60th Street and NE 67th Street. The funding shortfall for the surface water portion of the project is identified as $235,822. (The pedestrian/bicycle component bid is actually under original budget). Based on bids received, scope of the project, and competitive market, staff recommends raising the budget an additional $236,000 to bring the project budget total to $1,503,000.

Legality/City Policy Basis

Fiscal Impact

One-time use of $236,000 of the Surface Water Transportation Reserve designated for surface water transportation-related capital projects. The reserve is fully able to fund this request.

Recommended Funding Source(s)

	Description	2008 Est End Balance	Prior Auth. 2007-08 Uses	Prior Auth. 2007-08 Additions	Amount This Request	Revised 2008 End Balance	2008 Target
Reserve	Surface Water Transportation Rsv	1,417,365	0	0	236,000	1,181,365	see below
	The Surface Water Transportation Reserve is the accumulated set aside for transportation-related surface water projects. It has not been previously used and there is no current target. The reserve is fully able to fund this request.						
Revenue/Exp Savings							
Other Source							

Other Information

Prepared By	Neil Kruse, Budget Analyst	Date	December 13, 2007

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: Sheila Cloney, Special Projects Coordinator
Marilynne Beard, Assistant City Manager

Date: December 14, 2007

Subject: KIRKLAND UNCORKED – LTAC RECOMMENDATION

RECOMMENDATION:

City Council approves the Lodging Tax Advisory Committee's recommendation to allocate $15,000 of Lodging Tax funds to support marketing of the 2008 Kirkland Uncorked Event.

BACKGROUND:

The City Council received a report on the Kirkland Uncorked event at their October 2nd meeting. At that meeting, staff provided an overview of the results of the events and an analysis of both positive and negative outcomes. The issue was referred to the Lodging Tax Advisory Committee for further study.

The following "SWOT" analysis summarizes the strengths, weaknesses, opportunities and threats of the Kirkland Uncorked events:

Strengths

•Wine on the waterfront
•Marina parking lot open
•Sponsors want to return
•Downtown did well (restaurants, galleries)
•Arts community benefited through Kirkland Arts Center fund raising element
•Companion activities were successful
•Bottled wine sales did well
•Integrated Marketing Plan produced extensive marketing and media exposure (e.g. Seattle Homes and Lifestyles and Peter Greenberg website)

Weaknesses

•Food location and availability
•Short time frame for planning
•Perceived loss of Summerfest
•Pricing structure
•Music (not enough ongoing music in Wine Garden)
•Conflicting stakeholder visions

•Wine over-pours
•First-time event
•Unclear artist selection process
•Closure of 520 bridge
•Attendance

	Planned	Actual
Public Areas	30,000	25,000-40,000
Wine Garden	8,000-10,000	3,332

•Financial outcome

Financial Goals

- Pay all bills
- Return $20,000 to City from net profits
- Provide seed money for 2008

Financial Results

- Deficit of $10,000 (loss to Bold Hat Productions)
- No first year payback of $20,000 to City
- No 2008 seed money

Opportunities

•Second-year "known" event
•New and returning sponsors
•Support from the local arts community for Best of the Northwest to organize the art element
•520 bridge will be open
•Seafair will publicize event
•Demographic has been identified allowing for more targeted marketing
•Fewer and more focused stakeholders

Threats

•Council concern about use of park for gated event
•City and Bold Hat did not recover investment
•No seed money for 2008
•Timely decision needed to proceed with 2008 event
•Area reached near capacity during peak hours

In the end, it was felt that the event organizers tried to accommodate too many conflicting interests and that it diluted the resources available. While the event was successful on a number of levels, it failed to achieve its financial goals which are key to producing Uncorked in the second year.

The Lodging Tax Advisory Committee was asked to evaluate the event from a tourism perspective. There was some concern on the committee's part that the event was not a "tier one" tourism event in that it had limited impact on overnight stays in Kirkland. However, it was noted that retailers and restaurants in the downtown core did see the event as a positive influence on their businesses.

Bold Hat Productions (the event producers) presented a series of recommendations regarding programming changes to the event they would recommend in order improve the event's appeal and financial outcomes. Their

recommendations focus on enhancing elements of the event that were well-received, eliminating elements that were not a success and restructuring the pricing. Their recommendations are summarized below:

Food

Food should be more easily available within the wine garden, with the understanding that it should not compete with the local restaurants. Food and wine "pairings" will be made available with the price of admission in addition to food booths where patrons can purchase food. Full meals would not be offered inside the event. Additional food booths also provide a source of revenue for the event. Winemaker dinners could be offered at local restaurants on the same weekend.

Wine

The token system will be eliminated and the price of admission will include all tastings (both food and wine samples). One-ounce pour spouts will be required on all bottles to limit over-pours. A Gallery Passport Tour may be offered whereby some wines would be available for tasting inside the local galleries. The passport would include tasting at the wine garden and the galleries. Additional educational seminars are recommended as they were very popular.

Art

Best of the Northwest (Northwest Crafts Alliance) has expressed an interest in producing the art element of the event. Best of the Northwest produces several shows in the region and represents a number of local artisans.

Music

Additional live music will be available on the main stage in addition to string quartets sponsored by Classical KING FM for continuous ambiance. The Teen Center has agreed that the venue was not appropriate for their audience and would not be organizing live bands near the event next year.

Lifestyle

The vendors that sponsored the lifestyle vignettes were very pleased with the event. Additional lifestyle sponsors should be sought and improved layout will be developed to better showcase their displays.

Pricing

A fundamental change in pricing is needed to increase revenue and since the number of tastings won't be limited. Bold Hat has recommended a pre-sale ticket price of $40 that would include all wine and food samplings (more substantial food would be purchased inside or outside of the event). Day-of-event admission is recommended at $50. A survey of similar events offered locally supports this pricing structure as does the demographic profile of those that attended. A summary of the economic analysis and demographics is included as Attachment A to this memo.

Some of the new programming elements are intended to produce additional income for the event. Several new sponsors are expected given that the event has a one-year track record and we have a tangible event to sell.

A comparison of the actual financial results for 2007 is compared to the projected results based on the recommended programming changes.

2007		2008	
Income		**Income**	
Sponsorship	$ 20,600	Sponsorship	$ 66,000
City Seed Money	40,000	LTAC Tourism Sponsorship	30,000
Registration Fee	6,670	Registration Fee	15,000
Sales Day of Event	116,080	Sales Day of Event	211,500
Total Income	$183,350	Total Income	$ 322,500
Expenses		**Expenses**	
Advertising	18,452	Advertising	20,000
Operational Costs	175,892	Operational Costs	180,000
Total Expenses	$194,345	Total Expenses	$ 200,000
Net Income	($10,995)	Net Income	$ 122,500
Repayment to City	($40,000)	Recovery of 2007 Deficit	(50,995)
2007 Deficit	($50,995)	Seed Money for 2009 Event	$ 71,505

It should be noted that the financial plan was based on a $30,000 marketing sponsorship from LTAC which was one of the meeting topics for the December 14th LTAC meeting. The LTAC recommended that the City provide marketing sponsorship for the event of $15,000. The LTAC also asked Bold Hat for a three to five-year business plan for the event so that they can better ascertain how the event will support the LTAC's mission in the future. The LTAC will consider additional funding for the 2008 event once they receive the long-range business plan. Bold Hat Productions has expressed a concern about the quality of marketing that can be accomplished with the lower amount. They will advise the City by the January 2nd Council meeting as to whether they are able to produce the event in 2008.

If the Council approves the LTAC's recommendation, a formal budget adjustment will be prepared for Council action at a subsequent meeting.

Kirkland Uncorked

A Festival of Style & Taste

July 18-20, 2008 Marina Park Kirkland, WA

Indulge your senses…

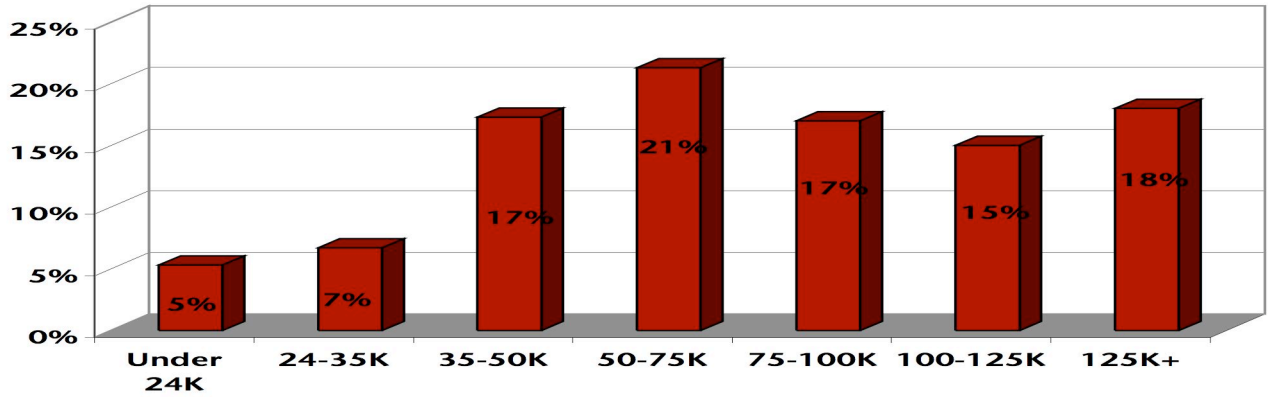
Kirkland Uncorked presents a truly unique experience, dedicated to indulging the senses within a lifestyle environment. The focus of this regional weekend event is fine Washington wine and food, luxury art and home design. Kirkland Uncorked promises to please the palate of its primarily affluent audience in their 30's to 50's.

Wine ~ Food ~ Art ~ Music ~ Lifestyle

www.kirklanduncorked.com

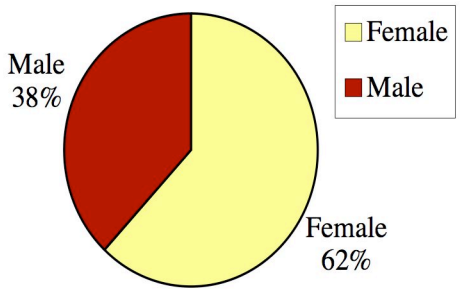
Kirkland Uncorked
Demographics

Income



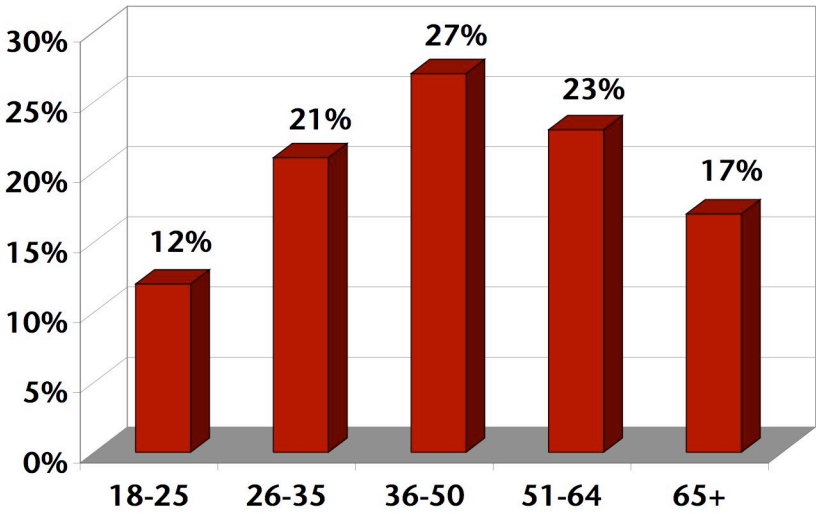
Average Income Level = $50,000 - $100,000

Gender



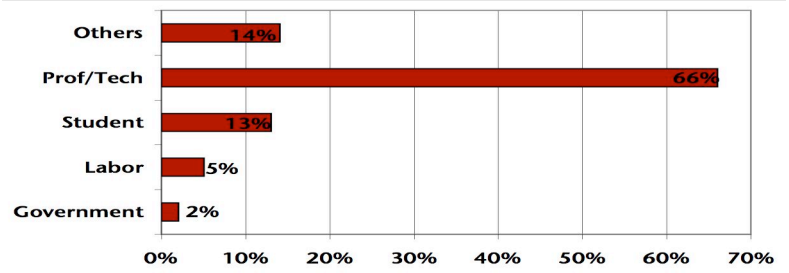
Gender: 62% Female, 38% Male

Age



Average Age = 36-50 years

Occupation



In it's inaugural year, Kirkland Uncorked ushered in an astounding regional attendance of 4,500 and it is expected to increase dramatically over the upcoming years.

A Festival of Style & Taste

Wine ~ Food ~ Art ~ Music ~ Lifestyle

Kirkland Uncorked, a three-day festival of style and taste dedicated to the experience of wine, food, art, lifestyle and music.

Wine

Over 20 Washington wineries and wine makers spend the weekend at Kirkland Uncorked pouring the finest wine in the world. Scheduled wine seminars educate on the appreciation of wine and Washington wine trends. The Kirkland Uncorked Wine shop allows guest to take home any wines tasted.

Food

Pairing plates, restaurant sampling, cooking and grilling demonstrations, as well as the crazed grilling competition are all highlighted events in the Tasting and Lifestyle Garden. Kirkland Restaurants will be hosting winemaker dinners in conjunction with the Kirkland Uncorked weekend festivities.

Art

"Best of the Northwest" comes to Kirkland to showcase over 60 of the finest artisan in the Northwest. Along Kirkland Ave. artesian booths feature paintings, sculptures, ceramics, jewelry and more. Kirkland's reputation as a major supporter of art and artists is highlighted with over 14 galleries in the downtown core.

Lifestyle

Seattle Homes & Lifestyle encompasses the vast array of lifestyle exhibits within the Tasting and Lifestyle Garden. Complimenting the wine tasting is the opportunity to browse and shop the latest trends in home décor and fashions. Chat with experts and listen to seminars on how to create your own design masterpiece.

Music

Funk bands that make everyone want to dance, acclaimed jazz and the perfectly paired ambiance of a classical string quartet provide the ideal soundtrack for the Kirkland Uncorked experience. Come for the wine and food and stay for the music and ambiance of beautiful Marina Park on picturesque Lake Washington.

Kirkland Uncorked
Promotional Material

Coaster Promotion

50,000 inserted in the Seattle Weekly. 20,000 distributed in bars and restaurants.

Event Poster

1000 full-color posters distributed throughout the Puget Sound.

Advance Tickets

Over 1,000 advance tickets sold at 12 outlets.

Event Program

75,000 32-page programs inserted in Seattle Homes & Lifestyle Magazine. 5,000 programs distributed throughout the Puget Sound.

Rack Card

5,000 rack cards are distributed pre-event.

Kirkland Uncorked

Media Promotion

Print

Our print advertising campaign spans a variety of publications for maximum exposure including:

- Seattle Weekly
  Cir. 98,400
- The Journals Newspaper
  Cir. 41,000
- Seattle Homes & Lifestyle
  Cir. 35,000
- 425 Magazine
  Cir. 40,000

Television

Twenty-five 30 second King 5 television commercials are aired for two weeks leading up to the event. The spots were broadcast on the network in the Seattle/Tacoma region. King 5 also posted an ad on King5.com with a total impression of 83,891 and resulted in over 1,000 clicks.

Radio

Over 150 Kirkland Uncorked radio spots are aired and numerous promotional giveaways and inclusions are provided by the official radio partners of Kirkland Uncorked.

<u>Major Radio Partners include:</u>

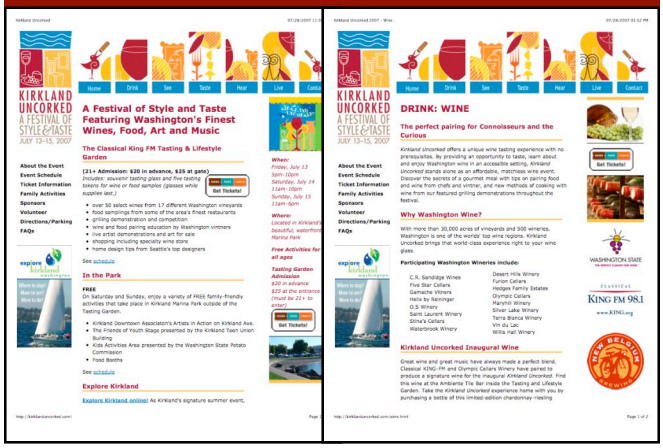
- Classical King FM 98.1
- The Mountain 103.7
- KUOW 94.9
- KPLU 88.5
- KWJZ 98.9
- Traffic Reports

Kirkland Uncorked
Online Promotion

Kirkland Uncorked Website

The Kirkland Uncorked website features:

- A comprehensive festival schedule, winery listings, advance ticket information, grilling chef bios, and more!
- Logos linked to sponsor websites
- Sponsored promotional banners under menu bar.
- Over 50,000 views per year, with 20,000 views the week of the event.



Online Calendar Listings & Groups

Kirkland Uncorked is listed on over 100 online calendars including:

- dailycandy.com
- petergreenberg.com
- redtricycle.com
- nwsource.com
- facebook.com
- myspace.com
- eastsidebusiness.com
- fbworld.cm
- writeforwine.com
- winemeetup.com
- foodmeetup.com
- King5.com
- bellevuemetro.com
- eventfull.com
- localwineevents.com
- backpage.com
- querycat.com
- winecow.com
- newsbytes.com
- seattledining.com
- 425magazine.com
- KSTW.com

Kirkland Uncorked

Media Coverage

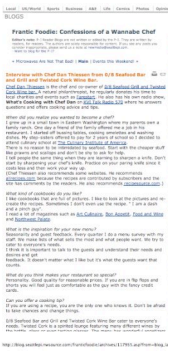
Kirkland Uncorked has many unique elements that appeal to a wide variety of media outlets. In addition to the articles about wine tasting, newspapers and magazines focused on the grilling competition and high-end art.

Kirkland Uncorked has been featured in:

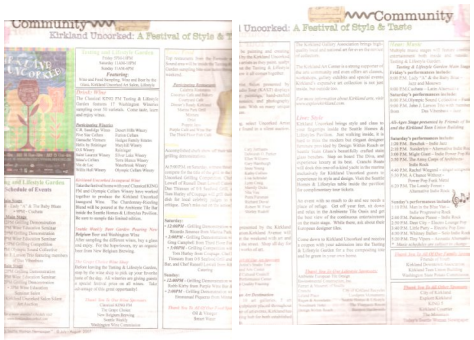
- The Seattle Times
- Seattle Post-Intelligencer
- Today's Seattle Woman Newspaper
- Kirkland Courier Reporter
- Destination Kirkland
- Wine Press Northwest
- Seattle Weekly
- Seattle Magazine
- Seattle Homes & Lifestyles
- The Herald
- The Stranger
- The Olympian
- Puget Sound Journey

Kirkland Courier Reporter

Wine Press Northwest



Seattle Post-Intelligencer



Today's Seattle Woman Newspaper

Destination Kirkland: 2007 Events Guide

The Seattle Times

ATTACHMENT B

FISCAL NOTE

CITY OF KIRKLAND

Source of Request

Marilynne Beard, Assistant City Manager

Description of Request

Request for $15,000 of Lodging Tax revenue to support marketing of the 2008 Kirkland Uncorked Event. The Lodging Tax Advisory Committee is recommending the $15,000 for marketing and will be funded from estimated revenue above budget for 2007 that is uncommitted.

Fiscal Impact

One-time use of Lodging Tax revenue. The Lodging Tax Fund is expected to receive over $74,000 in Lodging Tax revenue above the 2007 budget. The additional revenue is available to fund this one-time request.

Recommended Funding Source(s)

	Description	2008 Est End Balance	Prior Auth. 2007-08 Uses	Prior Auth. 2007-08 Additions	Amount This Request	Revised 2008 End Balance	2008 Target
Reserve	N/A	0	0	0	0	0	0
		0	0	0	0	0	0
Revenue/ Exp Savings							
Other Source							

Other Information

Prepared By	Sandi Hines, Financial Planning Manager	Date	December 14, 2007

CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3225
www.ci.kirkland.wa.us

MEMORANDUM

QUASI JUDICIAL

To: David Ramsay, City Manager

From: Eric Shields, AICP, Planning Director
Ronald Hanson, Project Planner, Consultant
Dawn Nelson, AICP, Planning Supervisor

Date: December 10, 2007

Subject: Running Short Plat, 7004 122nd Avenue NE, File No. SPL07-00025

RECOMMENDATION

The Department of Planning and Community Development recommends that the City Council consider the Running Short Plat application and direct staff to return to the January 15, 2007 Council meeting with a Resolution to either:

1) Grant the application as recommended by the Hearing Examiner; or
2) Modify and grant the application; or
3) 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 rule to vote on the matter at the next meeting and vote on the application at this meeting. A resolution reflecting the recommendation of the Hearing Examiner is enclosed.

RULES FOR CITY COUNCIL CONSIDERATION

The City Council shall consider the Short Plat 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.

BACKGROUND DISCUSSION

Kirkland Municipal Code Title 22 establishes the criteria by which a property that is smaller than the amount required for subdivision may still proceed. The specific criteria are addressed in the staff report. This short plat was required to be reviewed using Process IIB because one of the lots is more than 5 percent below the minimum lot size.

Kirk Running has applied for a two lot short plat pursuant to the requirements of Kirkland Municipal Code Title 22. The proposed project is located at 7004 122nd Avenue NE. The applicant is proposing to retain the existing residence located on proposed Lot 1. The existing carport,

storage structure, covered patio, walkways, and portion of the existing driveway will be removed to meet setback requirements.

The subject property is 13,416 square feet (.30 acres) in size. The RSX 7.2 zoning district has a minimum lot size of 7,200 square feet. A total site area of 14,400 square feet would normally be required for the 2-lot short plat. Lot 1 is 6,612 square feet and Lot 2 is 6,804 square feet. The total site area is 984 square feet (13.6%) less than that normally required which is less than the allowable fifteen percent reduction in total site area (1,080 square feet) as provided in KMC Section 22.28.030.

The Hearing Examiner held a public hearing on the application on November 7, 2007. There were no members of the public that spoke at the hearing. The Hearing Examiner recommended approval with conditions in her report dated November 19, 2007. Her conditions included staff's recommended conditions.

ENCLOSURES

1. Hearing Examiner Recommendation
2. Resolution

CITY OF KIRKLAND
HEARING EXAMINER FINDINGS, CONCLUSIONS AND DECISION

APPLICANT: Kirk Running

FILE NO: SPL07-00025

APPLICATION:

1. **Site Location**: 7004 122nd Avenue NE

2. **Request**: To subdivide one developed 13,416 square foot site (.30 acres) located in the single-family RSX 7.2 zone into two single-family lots. Since the site area is less than normally required for a two lot short plat in the RSX 7.2 zone (14,400 square feet), the lot size reduction provisions of Kirkland Municipal Code (KMC) 22.28.030 apply. The applicant proposes to retain an existing single family house, located on the west end of the site, on proposed Lot 1. (See Attachments 2a and 2b to Exhibit A.)

3. **Review Process:** Process IIB, Hearing Examiner conducts public hearing and makes a recommendation; City Council makes final decision (per KMC 22.28.030).

4. **Summary of Key Issues:** Compliance with established development regulations, removal of the existing carport, covered patio, storage structure, and walkways, and deviation from the minimum lot size requirements.

SUMMARY OF RECOMMENDATIONS:

Department of Planning and Development	Approve with conditions
Hearing Examiner:	Approve with conditions

PUBLIC HEARING:

The Hearing Examiner visited the site and held a public hearing on the application on November 15, 2007, in the Council Chambers, City Hall, 123 Fifth Avenue, Kirkland, Washington. A verbatim recording of the hearing is available at the City Clerk's office. The minutes of the hearing are available for public inspection in the Department of Community Development.

PUBLIC COMMENT:

A list of those who testified at the public hearing, and a list of the exhibits offered at the hearing are included at the end of this Recommendation. The testimony is summarized in the hearing minutes.

FINDINGS, CONCLUSIONS and RECOMMENDATION:

After considering the evidence in the record and inspecting the site, the Examiner adopts the **Findings of Fact and Conclusions** set forth in Section II of the Planning Department's Advisory Report as the Findings and Conclusions of the Hearing Examiner on this matter. The Examiner also adopts the **Recommendation** set forth in Section I.B of the Planning Department's Advisory Report as the Recommendation of the Hearing Examiner.

SUBSEQUENT MODIFICATIONS

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

CHALLENGES AND JUDICIAL REVIEW

The following is a summary of the deadlines and procedures for challenges. 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., **November 27, 2007**, 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.

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 22.20.370 of the Subdivision Ordinance, the short plat must be recorded with King County within four (4) years following the date of approval, or the decision becomes void; provided, however, that in the event judicial review is initiated, the running of the four years is tolled for any period of time during which a court order in said judicial review proceeding prohibits the recording of the short plat.

Entered this 19th day of November, 2007.

Sue A. Tanner
Hearing Examiner

TESTIMONY:

The following persons testified at the public hearing:

From the City:
Ron Hanson, Project Planner

From the Applicant:
Kirk Running

EXHIBITS:

The following exhibits were offered and entered into the record at the public hearing:

A. Department of Planning and Community Development Staff Advisory Report dated November 7, 2007, with 6 attachments
B. Letter of November 11, 2007, to Ron Hanson from Michael and Sandra Smith

PARTIES OF RECORD:

Kirk Running, 6513 132nd Avenue NE, Kirkland, Wa. 98033
Marian Donnelly-Joss, 7033 122nd Avenue NE, Kirkland, Wa. 98033
Melinda Bronsdon, 12229 NE 64th Street, Kirkland, Wa. 98033
Al Wingert, 12204 NE 68th Place, Kirkland, Wa. 98033
Department of Planning and Community Development
Department of Public Works
Department of Building and Fire Services

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: Ronald Hanson, Project Planner

Dawn Nelson, AICP, Planning Supervisor

Eric R. Shields, AICP, Planning Director

Date: **November 7, 2007**

File: **RUNNING SHORT PLAT (SPL07-00025)**

Hearing Date and Place: November 15, 2007, 9:00 a.m.
City Hall Council Chamber
123 Fifth Avenue, Kirkland

TABLE OF CONTENTS

Section	Page
Application	2
Recommendations	2
Site Description	3
History	4
Public Comment	4
Approval Criteria	5
Development Regulations	5
Comprehensive Plan	8
Development Review Committee	9
Subsequent Modifications	9
Judicial Review	9
Lapse of Approval	9
Appendices	9
Parties of Record	9

I. INTRODUCTION

A. APPLICATION

1. Applicant: Kirk Running

2. Site Location: 7004 122nd Avenue NE (See Vicinity Map, Attachment 1).

3. Request: Subdivide one developed 13,416 square foot site (.30 acres) located in the single-family RSX 7.2 zone into two single-family lots. Since the site area is less than normally required for a two lot short plat in the RSX 7.2 zone (14,400 square feet), this short plat application is being reviewed under the lot size reduction provisions of Kirkland Municipal Code Section 22.28.030. There is an existing single family house located on the west end of the site that the applicant is proposing to retain on proposed Lot 1 (See Attachments 2a-b, and Section II.E.2).

4. Review Process: Short Plat, Planning Director decision.

5. Summary of Key Issues and Recommendations: The key issues in consideration of this short plat are compliance with established development regulations, removal of the existing carport, covered patio, storage structure, and walkways, and deviation from the minimum lot size requirements (See Attachment 3, Development Standards, Section II.E, and Section I.B. Recommendations).

B. RECOMMENDATIONS

Based on Findings of Fact and Conclusions (Section II), and the Attachments included in this report, city staff recommends 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 (See Conclusion II.G.2).

2. Trees shall not be removed following short plat approval, except as approved by the Planning Department. Attachment 3, Development Standards, contains specific information concerning tree retention requirements (See Conclusion II.E.1.b).

3. Prior to recording the short plat, the applicant shall:

    a. Sign a covenant ensuring that the future buildings on each lot comply with a .40 Floor Area Ratio (See Conclusion II.E.3.c.2).

    b. Revise the lot common property line between Lots 1 and 2 so that both lots are approximately 6,708 square feet (See Conclusion II.E.3.a.2).

    c. Provide two on-site parking spaces for the existing house being retained on Lot 1 (See Conclusion II.A.1.b).

d. Obtain a demolition permit from the City of Kirkland and remove the existing carport, storage structure, covered tile patio, driveway pavement located within 5 feet of the north property line, and walkways that straddle the common property line between proposed Lots 1 and 2 and the proposed access easement (See Conclusion II.A.1.b).

II. FINDINGS OF FACT AND CONCLUSIONS

A. SITE DESCRIPTION

1. Site Development and Zoning:

a. Facts:

(1) Size: The site area is 13,416 square feet (.30 acres). Since the site area is less than normally required for a two lot short plat in the RSX 7.2 zone (14,400 square feet), this short plat is being reviewed under the lot size reduction provisions of Kirkland Municipal Code Section 22.28.030 (See Section II.E.2)

(2) Land Use: The western portion of the site is developed with a single family house, carport, storage structure, covered patio, paved driveway and walkways. The applicant is proposing to retain the existing house and remove all other structures and hard surfaces. The existing house will meet the applicable FAR (40%), site coverage (50%) and structure setback requirements of the RSX 7.2 zone on proposed Lot 1. The carport and storage structure located on the north side of the house, the covered tile patio located on the east side of the house, and other walkways straddle either the proposed access easement or common property line between Lots 1 and 2. In addition, the existing driveway pavement extends to the north property line of the site (See Attachments 2a-b).

(3) Zoning: RSX 7.2, a single-family residential zone with a minimum lot size of 7,200 square feet. The area of proposed Lot 1 is 6,612 square feet and Lot 2 is 6,804 square feet (See Attachments 2a-b, and Section II.E.2).

(4) Terrain: The site is generally level (See Attachments 2a-b).

(5) Vegetation: There are 13 significant trees on the site. Other vegetation consists of lawn and residential landscaping on the western portion of the site (Lot 1), and lawn and a garden on the eastern portion of the site (Lot 2) (See Attachments 2a-b, Attachment 3, Attachment 4, and Section II.E.1).

b. Conclusions: Size, Zoning, Terrain, and Vegetation are not constraining factors in this application. Land Use is not a constraining factor provided the existing carport, storage structure, covered patio, walkways, and the driveway pavement located within 5 feet of the north property line are removed.

2. Neighboring Development and Zoning:

a. Facts: The subject property is surrounded by the following uses:

North: The area is zoned RSX 7.2 and is developed with single family homes.

South: To the south is NE 70th Street and an area zoned RS 8.5 developed with single family homes.

East: The area is zoned RSX 7.2 and is developed with single family homes.

West: To the west is 122nd Avenue NE and an area zoned RSX 7.2 developed with single family homes.

b. Conclusion: The neighborhood development and zoning are not constraining factors in this short plat.

B. HISTORY

Facts: The site consists of a portion of Lot 10, Block 3, of the plat of Orchard Heights. There are no known historical land use actions that would affect the proposed short plat.

2. Conclusion: The subject short plat application is being processed under current Zoning and Subdivision regulations that apply to the property. The short plat will comply with all zoning, subdivision and municipal code requirements currently in effect in order to receive approval (See Section II.D). History is not a constraining factor in this application.

C. PUBLIC COMMENT

The public comment period for the short plat extended from September 6, 2007 to September 24, 2007. The Planning Department received three letters during the above comment period. The first letter is from Marian Donnelly-Joss who resides at 7033 122nd Avenue NE (See Attachment 4a). The second is letter is from Melinda Bronsdon who resides at 12229 NE 64th Street (See Attachment 4b). The third is from Al Wingert who resides at 12204 NE 68th Place (See Attachment 4c).

The concerns raised in the letters include (1) Opposition to the removal of the existing home on the site; (2) opposition to the construction of large homes that are out of character with the neighborhood; (3) safety issues related to driveway location; (4) inadequate guest parking, and (5) compliance with lot size requirements of the RSX 7.2 zone.

Staff Response: (1) The applicant is proposing to retain the existing house on proposed Lot 1 of the short plat. The existing carport and storage enclosure located on the north end of the site, and the covered patio on the east side of the house will be removed to allow for vehicular access, and to meet the structure setback requirements of the RSX 7.2 zone. (2) As required by the Kirkland Subdivision Ordinance, the total square footage of the future home on Lot 2 will be reduced from the normally allowed 50% of the lot area to 40% of the lot area. This will help ensure that the future home to be constructed on Lot2 will be more in scale with the homes in the general vicinity, and with the size of the new lot. (3) Due to the amount of traffic on NE 70th Street, an arterial type street, the Public Works Department is recommending that vehicular access to both Lots be from 122nd Avenue NE (a neighborhood access type street), via the proposed access easement on the north end of the site. In addition, the Public Works Department is recommending that there be no visual

obstructions at the intersection so that required sight distance requirements can be met. (4) The Kirkland Zoning Code requires that a minimum of 2 parking spaces be provided on the lot for each home. The applicant is required to install 2 parking stalls for both the existing home on Lot 1 and the future home on Lot 2. (5) The City of Kirkland Subdivision Ordinance includes lot size reduction provisions which allow subdivision of property with less than the normally required lot sizes under certain circumstances. See Section II.E.2.b for further discussion.

D. APPROVAL CRITERIA

1. Facts: Municipal Code Section 22.20.140 states that the Planning Director may approve a short subdivision only if:

   a. There are adequate provisions for open spaces, drainage ways, rights-of-way, easements, water supplies, sanitary waste, power service, parks, playgrounds, and schools; and

   b. It will serve the public use and interest and is consistent with the public health, safety, and welfare. The Planning Director shall be guided by the policy and standards and may exercise the powers and authority set forth in RCW 58.17.

   Zoning Code Section 145.45 states that the Planning Director may approve a short subdivision only if:

   a. It is consistent with all applicable development regulations, including but not limited to the Zoning Code and Subdivision Code, and to the extent there is no applicable development regulation, the Comprehensive Plan.

2. Conclusion: The proposal complies with Municipal Code Section 22.20.140 and Zoning Code Section 145.45. It is consistent with the Comprehensive Plan (See Section II.F). With the recommended conditions of approval, it is consistent with the Zoning Code and Subdivision regulations (See Section II. D) and there are adequate provisions for open spaces, drainage ways, rights-of-way, easements, water supplies, sanitary waste, power service, parks, playgrounds, and schools. It will serve the public use and interest and is consistent with the public health, safety, and welfare because the proposal will contribute to the housing stock of the community in a manner that is consistent with the Comprehensive Plan.

E. DEVELOPMENT REGULATIONS

1. Natural Features - Significant Vegetation

   a. Facts:

      1) Regulations regarding the retention of trees can be found in Chapter 95 of the Kirkland Zoning Code. The applicant is required to retain all viable trees on the site following the short plat approval. Tree removal will be considered at the land surface modification and building permit stages of development.

      2) The applicant has submitted a Tree Plan III, prepared by a certified arborist (See Attachment 5). Specific information regarding the tree density on site and the viability of each tree can be found in Attachment 3, Development Standards.

b. Conclusions: The applicant has provided a Tree Plan III with the short plat application and this plan has been reviewed by the City's Arborist. The applicant should retain all viable trees during the construction of plat improvements and residences and comply with the specific recommendations of the City's arborist.

2. General Lot Layout and Site Development Standards

a. Fact: Municipal Code Section 22.28.030 requires that all lots meet the minimum size requirements established for the property in the Kirkland Zoning Code or other regulatory documents. If a property is smaller than that required for subdivision by an amount greater than 10 percent and less than or equal to 15 percent of the minimum lot size for the zoning district as shown on the Kirkland Zoning Map, subdivision may still proceed as long as the proposal complies with all of the criteria in Section 3 below.

The RSX 7.2 zone has a minimum lot size of 7,200 square feet. A total of 14,400 square feet would normally be required for the proposed two lot short plat. Proposed Lot 1 is 6,612 square feet and Lot 2 is 6,804 square feet for a total site area of 13,416 square feet. The total site area is 984 square feet less than that normally required (13.6%), for a two lot short plat in the RSX 7.2 zone.

b. Conclusions: The subject property does not meet the minimum lot size requirement of 14,400 square feet for the proposed two lot short plat in the RSX 7.2 zone. However, the property is within the size range that subdivision may proceed as long as the criteria in Section 3 below are met.

3. Lot Size Reduction Criteria

a. The shortage of area is spread evenly over all of the lots in the subdivision (unless an existing structure or other physical feature such as a sensitive area or easement makes even distribution of the size shortage difficult).

1) Fact: The applicant is proposing Lot 1 to be 6,612 square feet, and Lot 2 to be 6,804 square feet. The shortage of area is currently not evenly distributed between the two lots. The existing house is located on proposed Lot 1, the smaller of the two lots. There are no existing structures or other physical features that make even distribution of the size shortage difficult. The shortage of area can be evenly distributed between the two lots by relocating the common property line between Lots 1 and 2 to the east by slightly less than one (1) foot.

2) Conclusion: Prior to recording the short plat with King County, the applicant should revise the proposed lot line between Lots 1 and 2 so that both lots are the same size at approximately 6,708 square feet.

b. All lots have a minimum lot width at the back of the required front yard of no less than 50 feet (unless the garage is located at the rear of the lot or the lot is a flag lot).

1) Fact: Both proposed lots have a minimum lot width at the back of the required front yard of no less than 50 feet. Lot 1 is 64 feet in width and Lot 2 is 58 feet in width.

2) Conclusion: Both lots meet the above minimum lot width requirement.

c. In zoning districts for which the Zoning Code establishes a floor area ratio (FAR) limitation, a covenant is signed prior to recording of the plat ensuring that buildings on the new lots will comply with an FAR restriction at least ten percentage points less than that required by the zoning district as shown on the Kirkland Zoning Map.

1) Facts:

a) The maximum FAR currently allowed within the RSX 7.2 zone for a single family residence is 50%. Under current zoning regulations, 10 percentage points less would allow a maximum FAR of 40%. The subject site is not located within the jurisdiction of the Houghton Community Council, therefore, the above FAR restriction applies to the subject short plat.

b) The existing single story house on Lot 1 is being retained. The house is 1,400 square feet in size based on the applicant survey. Based on the proposed size of Lot 1 (6,612 square feet, the existing house would have a 21% FAR. If both lots are the same size, approximately 6,708 square feet, the resulting FAR would be 20.8%

2) Conclusions:

a) The applicant should submit a covenant stating that the maximum FAR allowed on each lot within the subject short plat is 10 percentage points less than that allowed by the zoning district as shown on the zoning map, to be recorded with the King County.

b) The existing house being retained on Lot 1 meets the 40% FAR restriction.

d. If any lot is smaller than the minimum lot size for the zoning district by an amount greater than 5% of the minimum lot size, the subdivision shall be reviewed and decided using Process IIB described in Chapter 152 of Title 23 of this Code. Approval of the application may only be recommended if the new lots are compatible, with regard to size, with other lots in the immediate vicinity of subdivision.

1) Facts:

a) Lot 1 (developed) is proposed to be 6,612 square feet, approximately 8.1% smaller than the 7,200 square feet required by the RSX 7.2 zoning district. Lot 2 is proposed to be 6,804 square feet, approximately 5.5 % smaller than the 7,200 square feet required by the RSX zoning district. If both lots are the same size (6,708 square feet), each lot will be approximately 6.8% smaller than the 7,200 square feet required by the RSX 7.2 zoning district. Since both lots are more than 5% smaller than the minimum lot size required for its zoning district, this application is being reviewed using Process IIB.

b) The subject property is 13,416 square feet, 984 square feet short of meeting the 14,400 square foot minimum site size for a two lot short plat in the RSX 7.2 zone. If the property were 274 square feet larger, a Process IIB application would not be required. This would be the equivalent of each parcel being about approximately 1.25 feet wider.

c) In the surrounding area zoned RSX 7.2 (within 500 feet of the subject site, north of NE 70th Street) all of the existing lots meet or exceed the minimum lot size of 7,200 square feet. Several of the lots within this area are of sufficient size to be short platted in the future and will have access to the same lot size reduction provisions of the Kirkland Subdivision Code that are being applied to the subject short plat.

d) In the surrounding area zoned RS 8.5 (within 500 feet of the subject property, south of NE 70th Street) two of the lots contain less than the minimum lot size of 8,500 square feet. The lot located at 12033 NE 70th Street contains 7,880 square feet, and the lot located at 12025 NE 70th Street contains 7,575 square feet. Both of these lots are more than 5 percent smaller than the minimum required 8,500 square feet in the RS 8.5 zone.

e) The existing single story 1,400 square foot home on proposed Lot 1 is being retained. The resulting FAR on this lot will be 20.8%. The future home on Lot 2 will have a maximum FAR restriction of 40%. This will result in a total square footage of the house (including garage) of 2,683 square feet. If both proposed lots were 132 square feet larger, or 6,840 square feet in size, the lots would be subject to the normal 50% FAR requirement of the RSX 7.2 zone. The resulting allowable home size would be increased to 3,420 square feet, or 737 square feet (21.5%) larger than will be allowed on the lots with the FAR restriction.

f) There are 47 single family lots zoned RSX 7.2 located on the north side of NE 70th Street within 500 feet of the subject site. Based on King County records, home sizes (including garage) range from 700 square feet to 3,930 square feet. Thirty four (34) of the lots have homes ranging in size from 700 square feet to 2,630 square feet, all of which are smaller than will be permitted on the subject short plat site with the maximum 40% FAR restriction. The smaller homes within this area are generally older homes built in an era prior to the addition of many of the improvements expected in homes built in today's residential market.

2) Conclusion: The proposed short plat is consistent with the criteria established to allow a reduction in lot sizes. The lots are somewhat smaller than those in the immediate neighborhood. However, with the 40% FAR restriction, the resulting development will be compatible with the existing development in the neighborhood.

F. COMPREHENSIVE PLAN

1. Fact: The subject property is located within the South Rose Hill Neighborhood. The Land Use Plan on page XV.G-7, Figure SRH-3, designates the subject property for low-density residential, 6 dwelling units per acre (See Attachment 7). The proposed density is approximately 6.49 dwelling units per acre. Table LU-3 in the Comprehensive Plan provides a range of residential densities described in the Comprehensive Plan with comparable zoning classifications. The table indicates that low density residential zones with a 6-7 dwelling unit per acre designation corresponds to an RS 7.2 zoning classification. The subject site is zoned RSX 7.2.

2. Conclusion: The proposal is consistent with the Comprehensive Plan designation.

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

IV. 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 21 calendar days of the issuance of the final land use decision by the City.

V. LAPSE OF APPROVAL

Under Section 22.20.370 of the Subdivision Ordinance, the short plat must be recorded with King County within four (4) years following the date of approval, or the decision becomes void; provided, however, that in the event judicial review is initiated, the running of the four years is tolled for any period of time during which a court order in said judicial review proceeding prohibits the recording of the short plat.

VI. APPENDICES

Attachments 1 through 6.

1. Vicinity Map
2. Boundary and Topographic Survey
3. Development Standards
4. Public Comments
   a. Letter from Marian Donnelly-Joss
   b. Letter from Malinda Bronsdon
   c. Letter from Al Wingert
5. Arborist Report prepared by Giles Consulting
6. South Rose Hill Neighborhood Land Use Plan on Page XV.G-7, Figure SRH-3

VII. PARTIES OF RECORD

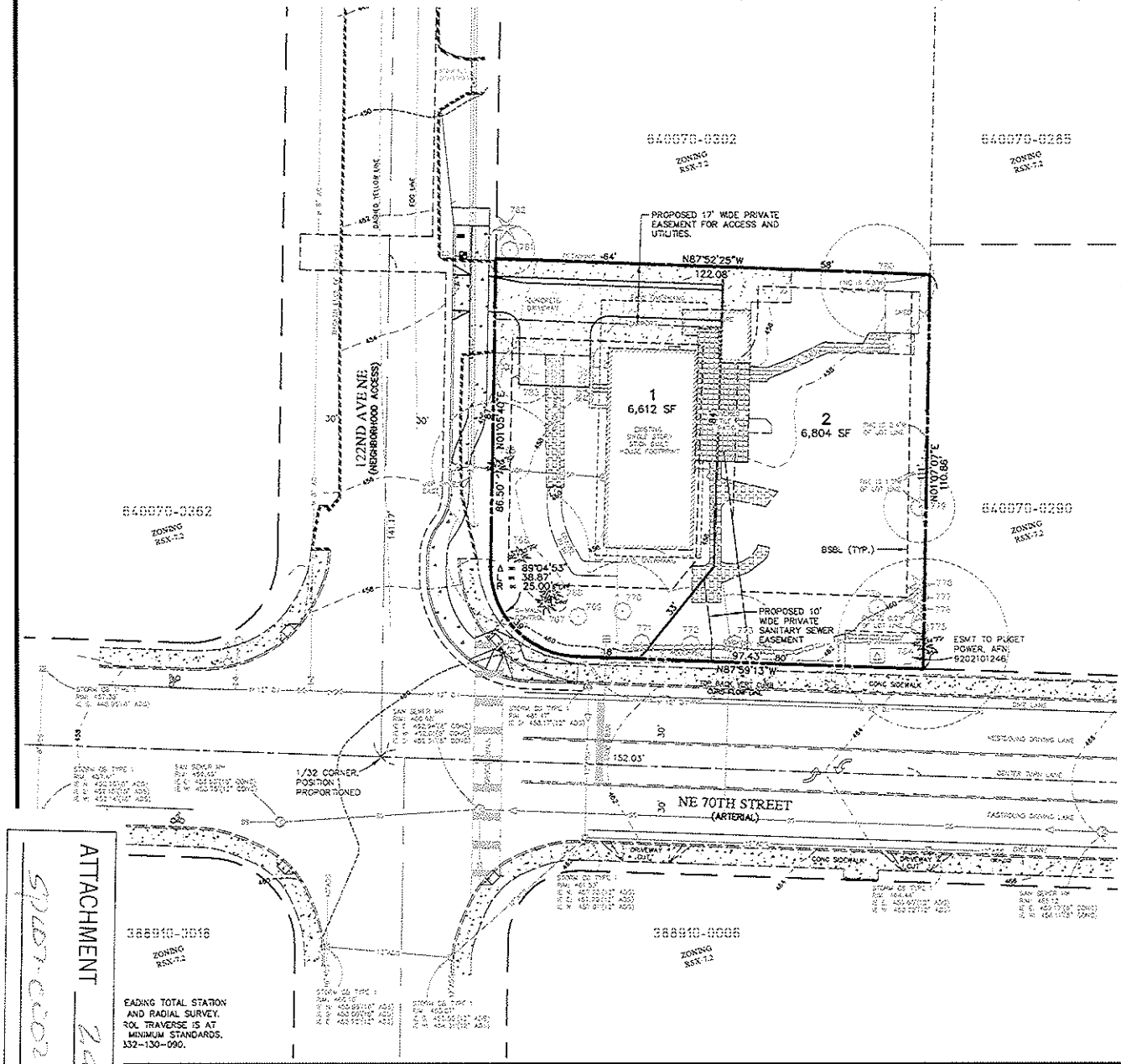
Kirk Running, 6513 132nd Avenue NE, Kirkland, Wa. 98033
Marian Donnelly-Joss, 7033 122nd Avenue NE, Kirkland, Wa. 98033
Melinda Bronsdon, 12229 NE 64th Street, Kirkland, Wa. 98033
Al Wingert, 12204 NE 68th Place, Kirkland, Wa. 98033
Department of Planning and Community Development
Department of Public Works
Department of Building and Fire Services

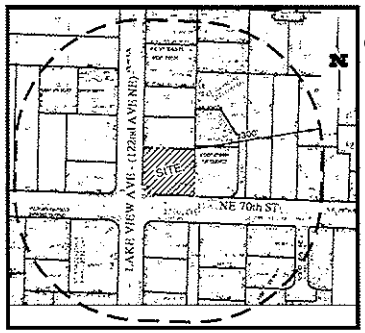
Running Short Plat

ATTACHMENT 1

SPC07-00025

SE 4 OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M





VICINITY MAP

SCALE: 1"=200'

LEGAL DESCRIPTION:

LOT 10, BLOCK 3, PLAT OF ORCHARD HEIGHTS, VOLUME 19, PAGE 89, KING COUNTY, WASHINGTON;

EXCEPT THE NORTH 186 FEET THEREOF; BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.

LESS THAT PORTION LYING SOUTHWESTERLY OF A 25 FOOT RADIUS CURVER TANGENT TO THE SOUTH AND WEST LINES OF THE PARCEL OF LAND DESCRIBED AS LOT 10, BLOCK 3, ORCHARD HEIGHTS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 89, IN KING COUNTY, WASHINGTON; EXCEPT THE NORTH 186 FEET THEREOF.

BASIS OF BEARING:

THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 25N, RANGE 5E, W.M., PER WASHINGTON STATE PLANE COORDINATES, NORTH ZONE BEARING NORTH 87°59'13" WEST BETWEEN THE FOUND MONUMENTS AT THE WEST QUARTER CORNER OF SECTION 9 AND THE CENTER OF SECTION 9.

REFERENCE:

1. PLAT OF ORCHARD HEIGHTS, AN ADDITION TO THE CITY OF SEATTLE VOL. 19, PG. 89.

2. KING COUNTY RECORD OF SURVEY VOL. 152, PG. 64.

3. KING COUNTY RECORD OF SURVEY VOL. 78, PG. 198.

BENCHMARK:

VERTICAL:
DATUM: NAVD 1988
WCOS POINT 14 (DE23)
WEST 1/4 CORNER OF SEC. 9-25-5
FOUND MON IN CASE W/2" BRASS DISK
ELEVATION: 313.031 US FEET

HORIZONTAL:
DATUM: NAD 1991
WCOS POINT 14 (DE23)
WEST 1/4 CORNER OF SEC. 9-25-5
FOUND MON IN CASE W/2" BRASS DISK
NORTHING: 246,697.574 FEET
EASTING: 1,307,246.214 FEET

WCOS POINT 13 (DE12)
CENTER OF SEC. 9-25-5
FOUND MON IN CASE W/2" BRASS DISK
NORTHING: 246,603.410 FEET
EASTING: 1,309,925.148 FEET

APPLICANT/DEVELOPER:

KIRK RUNNING
6513 132 AVE NE, PMB 160
KIRKLAND, WA 98033
PHONE: (206)310-0744

ENGINEER/ SURVEYOR:

AMERICAN ENGINEERING CORPORATION
4032 148TH AVE. NE
REDMOND, WA 98052
CONTACT: EINAR GUNDERSEN
PHONE: (425) 881-7430

PROJECT DATA:

TAX PARCEL ID:	640070-0301
SITE ADDRESS:	7004 122ND AVE NE
PROPOSED USE:	SINGLE FAMILY RESIDENTIAL
TOTAL AREA (SF):	13,416 SF
TOTAL AREA (ACRES):	0.308 AC
NO. OF PROPOSED LOTS:	2

LOT SIZE TABLE:

LOT 1	6,878 SF	LOT 2	6,537 SF

ZONING INFORMATION:

EXISTING ZONING:	RSX-7.2
MIN LOT SIZE ALLOWED PER ZONE:	(0.90)(7200)=6,480 SF
MIN. LOT SIZE PROPOSED:	6,612 SF
PROPOSED FAR	
ALLOWED PER ZONE = 50% (FAR)	
PROPOSED (DUE TO LOT AVG) = 40% (FAR)	
PARKING STALLS PROPOSED	4 (2 FOR EACH LOT)
MAXIMUM BUILDING HEIGHT PROPOSED (ABOVE AVERAGE BUILDING ELEVATION)	30 FT
BUILDING SETBACKS	
FRONT(FBSBL)	20 FEET MINIMUM
SIDE(SBSBL)	5 FEET

LOT 1 EX. HOUSE = 1,400 SF
LOT 1 FAR = 21%
ALLOWED SF = (6,612)(0.4) = 2,645 SF

SERVICES:

UTILITY PURVEYORS:

WATER	CITY OF KIRKLAND
SEWER	CITY OF KIRKLAND
PHONE	GTE

RECOMMENDED FOR APPROVAL

BY: _____ DATE: _____
BY: _____ DATE: _____
BY: _____ DATE: _____
BY: _____ DATE: _____

DARYL F. CHRISTENSEN
STATE OF WASHINGTON
30444
REGISTERED PROFESSIONAL LAND SURVEYOR
EXPIRES: JULY 30.

EADING TOTAL STATION AND RADIAL SURVEY. ROL TRAVERSE IS AT MINIMUM STANDARDS. 332-130-090.

ATTACHMENT 2a
SP07-0025

Revisions	Date	By

Date	7-24-07
Scale	20
Drawn	BD
Designed	RS
Checked	RS/GTC

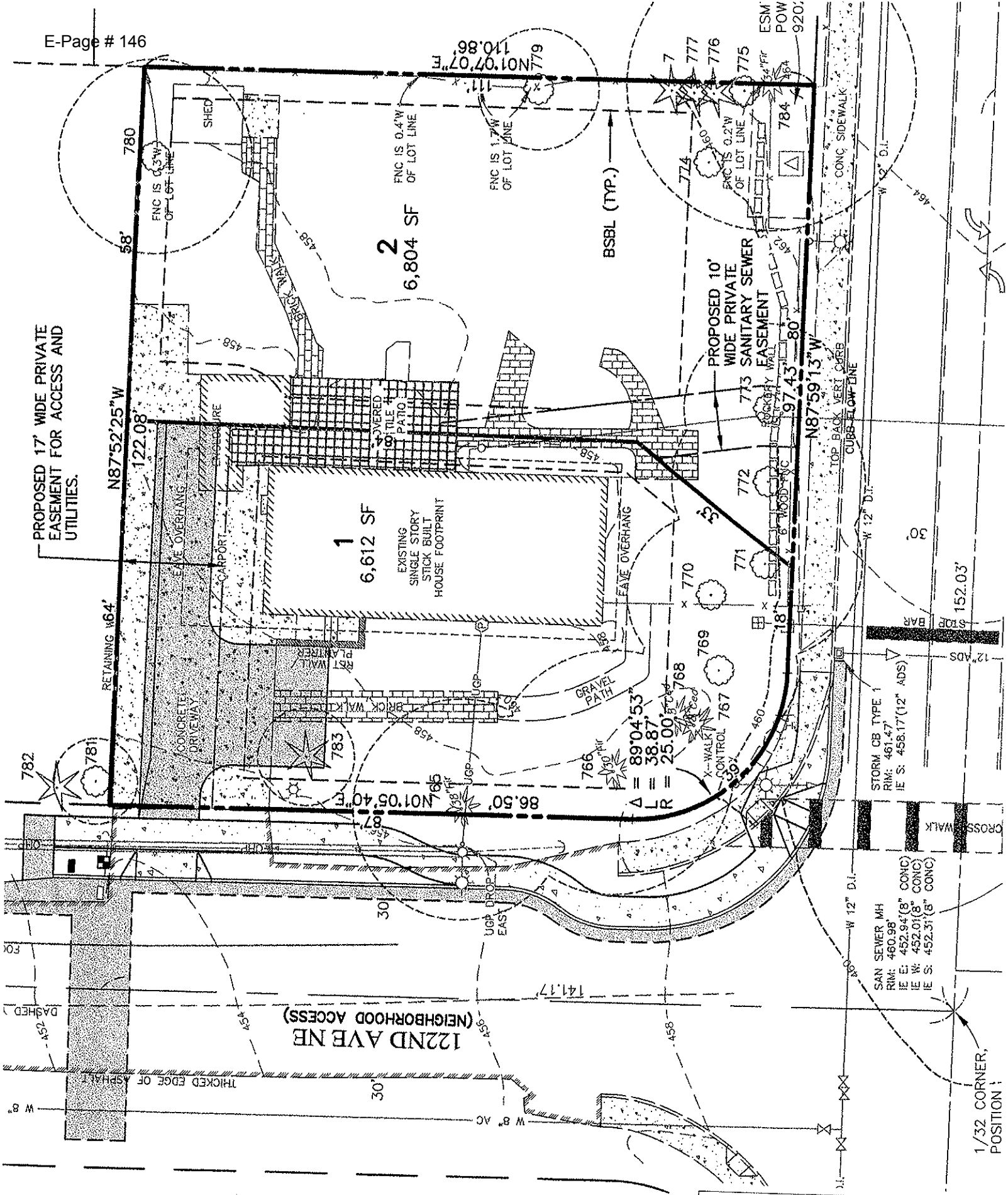
RUNNING SHORT PLAT
PRELIMINARY PLAT PLAN

American Engineering Corporation
Engineers • Planners • Surveyors
4032 148th Ave. N.E.
Redmond, WA 98052
PHONE (425) 881-7430 Fax (425) 881-7731

Date Plotted	Plotting Scale	File path & Name
7-24-07	20	

JOB NO. 0712

SHEET 1 OF 2



ATTACHMENT 2b

SPL07-00025

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

Date: 9/7/2007

DEVELOPMENT STANDARDS
CASE NO.: SPL07-00025
PCD FILE NO.:SPL07-00025

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

PUBLIC WORKS CONDITIONS

Permit #: SPL07-00025
Project Name: Running 2-lot Short Plat
Project Address: 7004 122nd Ave. NE
Date: August 6, 2007

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:
Philip Vartanian, Development Engineer
Phone: 425-587-3853 Fax: 425-587-3807
E-mail: pvartanian@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. At the pre-application stage, the fees can only be estimated. 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. All street and utility improvements shall be permitted by obtaining a Land Surface Modification Permit.
4. The subdivision can be recorded in advance of installing all the required street and utility

ATTACHMENT 3
SPL07-00025

improvements by posting a performance security equal to 130% of the value of work. Contact the Development Engineer assigned to this project to assist with this process.

5. Because this project is exempt from SEPA, it is also exempt from concurrency review.

6. 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).

7. Any existing single family homes within this project which are demolished will receive a Traffic Impact Fee credit. This credit will be applied to the first Building Permit that is applied for within the subdivision (and subsequent Building Permits if multiple houses are demolished). The credit amount for each demolished single family home will be equal to the most currently adopted Traffic Impact Fee schedule.

8. 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.

9. 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.

10. 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).

11. A completeness check meeting is required prior to submittal of any Building Permit applications.

12. The required tree plan shall include any significant tree in the public right-of-way along the property frontage.

13. All subdivision recording mylar's shall include the following note:

Utility Maintenance: Each property owner shall be responsible for maintenance of the sanitary sewer or storm water stub from the point of use on their own property to the point of connection in the City sanitary sewer main or storm water main. Any portion of a sanitary sewer or surface water stub, which jointly serves more than one property, shall be jointly maintained and repaired by the property owners sharing such stub. The joint use and maintenance shall "run with the land" and will be binding on all property owners within this subdivision, including their heirs, successors and assigns.

Public Right-of-way Sidewalk and Vegetation Maintenance: Each property owner shall be responsible for keeping the sidewalk abutting the subject property clean and litter free. The property owner shall also be responsible for the maintenance of the vegetation within the abutting landscape strip. The maintenance shall "run with the land" and will be binding on all property owners within this subdivision, including their heirs, successors and assigns.

Sanitary Sewer Conditions:

1. The existing sanitary sewer main within the public right-of-way along the front of the property is adequate to serve all the lots within the proposed project.

2. Provide a 6-inch minimum side sewer stub to the new lot. The existing side sewer that serves the existing house from NE 70th Street can be use to serve the new house on lot 2 as long as it is 6" diameter and determined, via video inspection that it is in good condition.

Water System Conditions:

1. Provide a separate 1" minimum water service from the water main to the meter for the new lot: City

of Kirkland will set the water meter.

2. If the existing house is demolished, the existing water service may be used provided that it is in the right location, is not galvanized or blue poly, and is sized adequately to serve the building (per the Plumbing Code).

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. Contact City of Kirkland Surface Water Staff at (425) 587-3800 for help in determining drainage review requirements.

Small Site Drainage Review for Short Plats
The drainage design for short plats that create less than 5,000 square feet of new impervious surface area and clear less than 2 acres or 35% of the site, whichever is greater, should follow Policy D-3 of the Department of Public Works Pre-Approved Plans. Projects this size may require Targeted Drainage Review per Section 1.1.2 of the 1998 King County Surface Water Design Manual, depending on site conditions.

Note: The City is required to adopt the 2005 Dept. of Ecology Surface Water Design Manual (or equivalent) in 2007. The earliest that we anticipate its adoption is June of 2007. This project will be required to meet the most currently adopted surface water design manual at the time of permit application.

2. Provide an erosion control plan with Building or Land Surface Modification Permit application. The plan shall be in accordance with the 1998 King County Surface Water Design Manual.

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. As part of the roof and driveway drainage conveyance system for each new house, each lot shall contain a 10 ft. long (min.) infiltration trench with an overflow to the public storm drain system. These infiltration trenches shall be installed with the individual new houses.

5. Provide a separate storm drainage connection for each lot.

6. All roof and driveway drainage must be tight-lined to the storm drainage system (including the existing roof and driveway).

Street and Pedestrian Improvement Conditions:

1. The subject property abuts 122nd Ave. NE (a Neighborhood Access type street) and NE 70th St (an Arterial 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:

122nd Ave. NE
A. Widen the street to 18 ft. from centerline to face of curb (match the existing curb alignment to the north)
B. 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.
C. A bump-out at the intersection is not required. Public Works had requested a bump-out during the pre-submittal process, but the Transportation Engineers are recommending that a standard curb return radius be used. To avoid any disruption to the wheelchair ramp and flashing crosswalk, the curb radius

will be extended from the existing curb and the radius will most likely have to be field adjusted.

NE 70th Street.
D. Remove and replace any cracked curb and gutter or sidewalk
E. Grant a public landscape strip that when combined with the extra right-of-way behind the sidewalk totals 5 feet. Within this easement and extra right-of-way, plant street trees 30 ft. on-center. If a new fence is to be constructed, it shall be along the north edge of the said easement.

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. The driveway for each lot shall be long enough so that parked cars do not extend into the access easement or right-of-way (20 ft. min.)

4. The driveway for lot 2 must be taken from the proposed access easement.

5. All street and driveway intersections shall not have any visual obstructions within the sight distance triangle. See Public Works Pre-approved Policy R.13 for the sight distance criteria and specifications.

6. 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.

7. Underground all new and existing on-site utility lines and overhead transmission lines.

8. 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 not feasible and defer the undergrounding by signing an agreement to participate in an undergrounding project, if one is ever proposed. In this case, the Public Works Director has determined that undergrounding of existing overhead utility on 122nd Ave. NE is not feasible at this time and the undergrounding of off-site/frontage transmission lines should be deferred with a Local Improvement District (LID) No Protest Agreement. The final recorded subdivision mylar shall include a condition requiring all associated lots to sign a LID No Protest Agreement prior to the issuance of a building permit for said lot. In addition, if a house is to be saved on one of the lots within the subdivision, a LID No Protest Agreement shall be recorded against this lot at the time of subdivision recording.

*** FIRE DEPARTMENT CONDITIONS ***

The existing hydrant on the corner of NE 70th & 122nd Avenue NE is adequate to provide coverage for the project. If not already equipped as such, it shall be equipped with a 5" Stortz fitting.

Fire flow in the area is approximately 3,100 gpm, which is adequate.

Per Kirkland Municipal Code, all new buildings which are 5,000 gross square feet or larger require fire sprinklers. This requirement also applies to new single family homes; the garage is included in the gross square footage. (This comment is included in the short plat conditions for informational purposes only.)

BUILDING DEPARTMENT COMMENTS

Prior to issuance of Building, Demolition or Landsurface Modification permit applicant must submit a proposed rat baiting program for review and approval. Kirkland Municipal Ordinance 9.04.050

Building permits must comply with the International Building, Residential and Mechanical Codes and the Uniform Plumbing Code as adopted and amended by the State of Washington and the City of

Kirkland.

Structure must comply with Washington State Energy Code ; and the Washington State Ventilation and Indoor Air Quality Code.

Structures must be designed for seismic zone III, wind speed of 80 miles per hour and exposure B.

Plumbing meter and service line shall be sized in accordance with the 2003 UPC

Demolition permit required for removal of existing structures, if applicable.

Prior to recording of the short plat, a portion of the existing structure must be removed due to its proximity to proposed lot lines. A single family residence alteration permit is required to be applied for, approved, issued and final'd prior to short plat recording.

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: Running Short Plat, SPL-07-00025
Subdivision Standards

22.28.030 Lot Size. Unless otherwise approved in the preliminary subdivision or short subdivision approval, all lots within a subdivision must meet the minimum size requirements established for the property in the Kirkland zoning code or other land use regulatory document.

22.28.130 Vehicular Access Easements. The applicant shall comply with the requirements found in the Zoning Code for vehicular access easements or tracts.

22.28.210 Significant Trees. The applicant shall design the plat so as to comply with the tree management requirements set forth in Chapter 95 of the Kirkland Zoning Code. The Planning Official is authorized to require site plan alterations to retain Type 1 trees. The applicant shall retain all viable trees at the short plat approval stage and all viable trees with the required Land Surface Modification Permit, except for those trees needed to be removed for installation of the plat infrastructure improvements. The applicant shall also retain all viable trees during the development of each single family lot except for those trees required to be removed for the construction of the house and other associated site improvements. A Tree Plan III was submitted with the short plat. There are 13 significant trees on the site, 11 of which are viable trees. A minimum of 9 tree credits are required for the subject site. There are a total of 51 tree credits on the site. If at any stage of development, tree retention on the site falls below the minimum required tree density, replanting shall be required per KZC Section 95.35.

22.32.010 Utility System Improvements. All utility system improvements must be designed and installed in accordance with all standards of the applicable serving utility.

22.32.030 Stormwater Control System. The applicant shall comply with the construction phase and permanent stormwater control requirements of the Municipal Code.

22.32.050 Transmission Line Undergrounding. The applicant shall comply with the utility lines and appurtenances requirements of the Zoning Code.

22.32.060 Utility Easements. Except in unusual circumstances, easements for utilities should be at least ten feet in width.

27.06.030 Park Impact Fees. New residential units are required to pay park impact fees prior to issuance of a building permit. Please see KMC 27.06 for the current rate. Exemptions and/or credits may apply pursuant to KMC 27.06.050 and KMC 27.06.060. If a property contains an existing unit to be removed, a "credit" for that unit shall apply to the first building permit of the subdivision.

Prior to Recording:

22.20.362 Short Plat - Title Report. The applicant shall submit a title company certification which is not more than 30 calendar days old verifying ownership of the subject property on the date that the property owner(s) (as indicated in the report) sign(s)

the short plat documents; containing a legal description of the entire parcel to be subdivided; describing any easements or restrictions affecting the property with a description, purpose and reference by auditor's file number and/or recording number; any encumbrances on the property; and any delinquent taxes or assessments on the property.
22.20.366 Short Plat - Lot Corners. The exterior short plat boundary and all interior lot corners shall be set by a registered land surveyor. If the applicant submits a bond for construction of short plat improvements and installation of permanent interior lot corners, the City may allow installation of temporary interior lot corners until the short plat improvements are completed.
22.20.390 Short Plat - Improvements. The owner shall complete or bond all required right-of-way, easement, utility and other similar improvements.
22.32.020 Water System. The applicant shall install a system to provide potable water, adequate fire flow and all required fire-fighting infrastructure and appurtenances to each lot created.
22.32.040 Sanitary Sewer System. The developer shall install a sanitary sewer system to serve each lot created.
22.32.080 Performance Bonds. In lieu of installing all required improvements and components as part of a plat or short plat, the applicant may propose to post a bond, or submit evidence that an adequate security device has been submitted and accepted by the service provider (City of Kirkland and/or Northshore Utility District), for a period of one year to ensure completion of these requirements within one year of plat/short plat approval.

Prior to occupancy:
22.32.020 Water System. The applicant shall install a system to provide potable water, adequate fire flow and all required fire-fighting infrastructure and appurtenances to each lot created.
22.32.040 Sanitary Sewer System. The developer shall install a sanitary sewer system to serve each lot created.
22.32.90 Maintenance Bonds. A two-year maintenance bond may be required for any of the improvements or landscaping installed or maintained under this title.

Zoning Code Standards
95.45 Tree Installation Standards. All supplemental trees to be planted shall conform to the Kirkland Plant List. All installation standards shall conform to Kirkland Zoning Code Section 95.45.

105.10.2 Pavement Setbacks. The paved surface in an access easement or tract shall be set back at least 5 feet from any adjacent property which does not receive access from that easement or tract. An access easement or tract that has a paved area greater than 10 feet in width must be screened from any adjacent property that does not receive access from it. Screening standards are outlined in this section.
105.20 Required Parking. Two parking spaces are required for each single-family home.
110.60.5 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 between the hours of 8 p.m. and 7 a.m., Monday through Saturday, and all day on Sundays or holidays which are observed by the City, 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 Rockeries 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.
115.115.3.o Garage Setbacks. In low density residential zones, garages meeting certain criteria in this section can be placed closer to the rear property line than is normally allowed in those zones.
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.
145.22.2 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 and return them to the Department of Planning and Community Development. The signs shall be disassembled with the posts, bolts, washer, and nuts separated from the sign board.

Prior to recording:
110.60.6 Mailboxes. Mailboxes shall be installed in the development in a location approved by the Postal Service and the Planning Official. The applicant shall, to the maximum extent possible, group mailboxes for units or uses in the development.

Prior to issuance of a grading or building permit:
95.35.2. b. (3) (b) i Tree Protection Techniques. A description and location of tree protection measures during construction for trees to be retained must be shown on demolition and grading plans.

95.35.6 Tree Protection. Prior to development activity or initiating tree removal on the site, vegetated areas and individual trees to be preserved shall be protected from potentially damaging activities. Protection measures for trees to be retained shall include (1) placing no construction material or equipment within the protected area of any tree to be retained; (2) providing a visible temporary protective chain link fence at least 4 feet in height around the protected area of retained trees or groups of trees until the Planning Official authorizes their removal; (3) installing visible signs spaced no further apart than 15 feet along the protective fence stating "Tree Protection Area, Entrance Prohibited" with the City code enforcement phone number; (4) prohibiting excavation or compaction of earth or other damaging activities within the barriers unless approved by the Planning Official and supervised by a qualified professional; and (5) ensuring that approved landscaping in a protected zone shall be done with light machinery or by hand.

Prior to occupancy:

95.50 Tree Maintenance The applicant shall submit a 5-year tree maintenance agreement to the Planning Department to maintain all pre-existing trees designated for preservation and any supplemental trees required to be planted.

95.50.3 Maintenance of Preserved Grove The applicant shall provide a legal instrument acceptable to the City ensuring the preservation in perpetuity of approved groves of trees to be retained.

107.90 Maintenance Bonds. The applicant shall establish a two-year maintenance bond to ensure maintenance of the storm water system.

110.75 Bonds. The City may require or permit a bond to ensure compliance with any of the requirements of the Required Public Improvements chapter.

From: "Marian T. Donnelly-Joss" <jossfam4@juno.com>
To: ronwhanson@comcast.net
Subject: Running Short Plat Application No. SPL07-00025
Date: Sunday, September 16, 2007 3:57:25 PM

Mr. Hanson,

This e-mail is in response to a notice we received by mail regarding a neighbor's application to short plat his property into two lots.

My first comment is a general one and one which will likely have no effect whatsoever on whether this short plat is granted. My husband and I both really hate what is happening to our neighborhood! Everywhere, old houses are being torn down and two, three and sometimes even four houses are being squeezed onto the property!!! Million dollar mega houses loom over more modest homes. Shouldn't it be a consideration of the City to try to maintain neighborhoods with modest homes with yards for growing families and contain some of this overbuilding for the extremely rich?

As for the above-referenced property, besides being very disappointed that a perfectly good house will be torn down to make way for two yard-less towering houses that won't fit in with the character of the street, please note that the corner at 122nd and 70th is a very dangerous one and we don't think it would be a good idea to have a second driveway closer to the intersection. Cars tend to whip onto 122nd from 70th at a high rate of speed. I'm sure the owner has already thought of this however, and is planning to stack the two houses on one driveway -- another really ugly, impractical trend in the area -- which will mean that if the future owners have guests, they will likely have to park down the street, probably in front of our house, which does not please us at all. We say enough already!!! Put some limits on this gross overbuilding of mega houses in our neighborhood.

Marian and Phil Joss
7033 122nd Avenue NE
Kirkland, WA 98033

ATTACHMENT 4 g
SPL07-00025

From: BRONSON874@aol.com
To: ronwhanson@comcast.net
Subject: proposal *SPL07-00025*
Date: Sunday, September 16, 2007 4:22:08 PM

Sir:
I object to the proposal to short plat a lot on the corner of NE 70th Street and 122nd Ave NE. There is no reason to subdivide this lot or destroy a perfectly good house just to satisfy the greed of a seller and a contractor. This zoning practice of replacing modest homes on spacious lots with high density big boxes on small lots needs to stop. There is no reason why this house could not be modernized or upgraded as is and preserve the yard. The increasing high density in the area puts unneeded stress on public services and destroys the character of the neighborhood. Please take a stand and stop this practice under the guise of progress.

Melinda Bronsdon
12229 N. E. 64th Street
Kirkland, WA 98033
425-827-5708
bronson874@aol.com

****
See what's new at http://www.aol.com

ATTACHMENT 11
SPL05-00025

RECEIVED
SEP 20 2007
AM PM
PLANNING DEPARTMENT
BY

City of Kirkland - Ron Hanson
123 Fifth Ave.
Kirkland, WA 98033

September 18, 2007

Ron:

File #: SPL07-00025

I am opposed to the application for a short plat. And request that the application be denied.

The area is zoned for a minimum lot size of 7,200 square feet. If zoning requirements are to have any meaning, 7,200 square feet means just that.

It's nice that the current owner wants to sell off half his property to make a nice profit, but there is no overwhelming need or public concern to break the zoning code. Is the owner proposing the short plat so that two low income housing units would be built? I don't think so.

Now is the time for the city to rigidly enforce the zoning codes. The homeowner bought the property as a unit and should sell it as such. Selling a property with a nice large lot has always been attractive for buyers.

Thanks for your consideration.

Very truly yours

Al Wingert

Al Wingert
12204 NE 68th PL
Kirkland, WA 98033

ATTACHMENT 4c
SPL07-00025

Gilles Consulting
Brian K. Gilles
425-822-4994

TREE PLAN III
AT
RUNNING SHORT PLAT
7004 132ND AVE NE
KIRKLAND, WA 98033

June 11, 2007

PREPARED FOR:
Kirk Running
6513 132nd. Ave NE
PMV 160
Kirkland, WA 98033

PREPARED BY:
GILLES CONSULTING
Brian K. Gilles, Consulting Arborist
ISA Certified Arborist # PN-0260
ASCA Registered Consulting Arborist # RCA-418A
PNW-ISA Certified Tree Risk Assessor #148

Fax: 425-822-
E-mail: bkgil
P.O. Box 2366

ATTACHMENT 5
SPC07-00025

Printed on recycled paper

CONTENTS

ASSIGNMENT 3

EXECUTIVE SUMMARY 3

METHODOLOGY 3

Tree Tags 4

OBSERVATIONS 4

CONCLUSIONS AND RECOMMENDATIONS 4

Tree Protection Measures 4

WAIVER OF LIABILITY 5

ATTACHMENTS 7

ASSIGNMENT

Kirk Running, owner of the property at 7004 122nd Avenue NE, in Kirkland, Washington, contracted with Gilles Consulting to evaluate the trees on the site. The property is under consideration for redevelopment into a two lot short plat. The City of Kirkland requires a Tree Plan III as part of the permit application process. This evaluation report can be used to develop the full sized Tree Plan III.

EXECUTIVE SUMMARY

- 20 Trees were evaluated:
  - 2 trees are presumed to be off the property, they are #'s 781 and 782
  - Both trees are in the neighbor's yard to the north and are just north of the subject property driveway.
  - They can be adequately protected with tree protection fencing placed along the northern edge of the driveway.
  - 18 trees were evaluated on the subject property:
  - **Significance:**
    - 5 Trees are less than 6 inches in diameter and are therefore, *Non-Significant*
      - They are #'s 770, 772, 775, 776, & 778.
    - 15 Trees are greater than 6 inches in diameter and are, therefore, *Significant.*
  - **Viability:**
    - 2 trees are *Non-Viable* due to poor health, poor structure, lack of wind firmness, or a combination.
      - They are #'s 768 & 774.
    - 18 trees have the health, structure, and wind firmness to withstand the stresses of construction if site development requirements allow.
  - **Tree Credits:**
    - The 16 *Viable* trees on the subject property that total 51.5 Tree Credits

METHODOLOGY

To evaluate the trees and to prepare the report, I drew upon my 25+ years of experience in the field of arboriculture and my formal education in natural resources management, dendrology, forest ecology, plant identification, and plant physiology. I also followed the protocol of the International Society of Arboriculture (ISA) for Visual Tree Assessment (VTA) that includes looking at the overall health of the trees as well as the site conditions. This is a scientifically based process to look at the entire site, surrounding land and soil, as well as a complete look at the trees themselves.

In examining each tree, I looked at such factors as: size, vigor, canopy and foliage condition, density of needles, injury, insect activity, root damage and root collar health, crown health, evidence of disease-causing bacteria, fungi or virus, dead wood and hanging limbs. While no one can predict with absolute certainty which trees will or will

not fail, we can, by using this scientific process, assess which trees are most likely to fail and take appropriate action to minimize injury and damage.

Tree Tags

The trees were tagged and numbered 765 through 784. The tags are made of shiny aluminum approximately one inch by three inches in size and are attached to the tree with staples and a one foot strip of brightly colored survey tape. The tags were placed as high as possible to minimize their removal and were generally placed on the backsides of the trees as inconspicuously as possible. Please refer to *Attachment 1, Site Plan* for an orientation to the site and the approximate location of the trees.

OBSERVATIONS

The subject property is located at the northeast corner of the intersection of NE 70th Street and 122nd Avenue NE. The property currently contains an existing single-family home, concrete driveway, a carport, a block and gravel walk way, a covered patio, a garden shed, lawn area in the back, and various landscape beds. The existing trees on the site are primarily around the perimeter of the existing lot.

The proposal is to divide the lot into two with a north/south property line at or near the center of the existing lot. Access to the newly created lot in the rear will be over the existing driveway.

In an effort to present the information and conclusions for each tree in a manner that is clear and easy to understand, I have included a detailed spreadsheet, *Attachment 2, Tree Inventory/Condition Spreadsheet*. The descriptions on the spreadsheet were left brief in order to include as much pertinent information as possible and to make the report manageable. A detailed description of the terms used in the spreadsheet and in this report can be found in *Attachment 3, Glossary*. A brief review of these terms and descriptions will enable the reader to rapidly move through the spreadsheet and better understand the information.

CONCLUSIONS AND RECOMMENDATIONS

There are two trees on the lot that are in poor condition and are *Non-Viable.*

- Tree # 768 is a 9.2-inch diameter Western Red Cedar in the southwest corner of the lot.
    - Unless there is any utility work required in the area the tree can be left at this time since it does not pose a significant threat to life or property.
- Tree # 774 is a dying purple leafed Plum in the back yard.
    - It will likely be in the way of construction and it is advisable to remove the tree.

There are five small trees that are *Non-Significant* by City of Kirkland standards. They are #'s 770, 772, 775, 776, and 778. However, they contribute to the landscape and provide 1.5 tree credits. If construction/developments allow their retention, they are worthy of retention and would contribute to the long-term value of the project.

Trees # 781 and 782, located just north of the north property line, can be adequately protected with a tree protection fence along the north side of the existing driveway. The southern limbs of # 781 may need to be trimmed to allow for the safe entry and exit of the site. It is recommended that the neighbor be contacted and that the neighbor be made aware of the need and allowed to make the necessary pruning cuts themselves.

Tree Protection Measures

In order for trees to survive the stresses placed upon them in the construction process, tree protection must be planned in advance of equipment arrival on site. If tree protection is not planned integral with the design and layout of the project, the trees will suffer needlessly and possibly die. With proper preparation, often costing little or nothing extra to the project budget, trees can survive and thrive after construction. This is critical for tree survival because damage prevention is the single most effective treatment for trees on construction sites. Once trees are damaged, the treatment options available are limited.

The minimum Tree Protection Measures in *Attachment 5, Tree Protection Measures* are on three separate sheets that can be copied and introduced into all relevant documents such as site plans, permit applications and conditions of approval, and bid documents so that everyone involved is aware of the requirements. These Tree Protection Measures are intended to be generic in nature. They will need to be adjusted to the specific circumstances of your site that takes into account the location of improvements and the locations of the trees.

WAIVER OF LIABILITY

There are many conditions affecting a tree's health and stability, which may be present and cannot be ascertained, such as, root rot, previous or unexposed construction damage, internal cracks, stem rot and more which may be hidden. Changes in circumstances and conditions can also cause a rapid deterioration of a tree's health and stability. Adverse weather conditions can dramatically affect the health and safety of a tree in a very short amount of time. While I have used every reasonable means to examine these trees, this evaluation represents my opinion of the tree health at this point in time. These findings do not guarantee future safety nor are they predictions of future events.

The tree evaluation consists of an external visual inspection of an individual tree's root flare, trunk, and canopy from the ground only unless otherwise specified. The inspection may also consist of taking trunk or root soundings for sound comparisons to aid the evaluator in determining the possible extent of decay within a tree. Soundings are only

an aid to the evaluation process and do not replace the use of other more sophisticated diagnostic tools for determining the extent of decay within a tree.

As conditions change, it is the responsibility of the property owners to schedule additional site visits by the necessary professionals to ensure that the long-term success of the project is ensured. It is the responsibility of the property owner to obtain all required permits from city, county, state, or federal agencies. It is the responsibility of the property owner to comply with all applicable laws, regulations, and permit conditions. If there is a homeowners association, it is the responsibility of the property owner to comply with all Codes, Covenants, and Restrictions (CC&R's) that apply to tree pruning and tree removal.

This tree evaluation is to be used to inform and guide the client in the management of their trees. This in no way implies that the evaluator is responsible for performing recommended actions or using other methods or tools to further determine the extent of internal tree problems without written authorization from the client. Furthermore, the evaluator in no way holds that the opinions and recommendations are the only actions required to insure that the tree will not fail. A second opinion is recommended. The client shall hold the evaluator harmless for any and all injuries or damages incurred if the evaluator's recommendations are not followed or for acts of nature beyond the evaluator's reasonable expectations, such as severe winds, excessive rains, heavy snow loads, etc.

This report and all attachments, enclosures, and references, are confidential and are for the use of the client concerned. They may not be reproduced, used in any way, or disseminated in any form without the prior consent of the client concerned and Gilles Consulting.

Thank you for calling Gilles Consulting for your arboricultural needs.

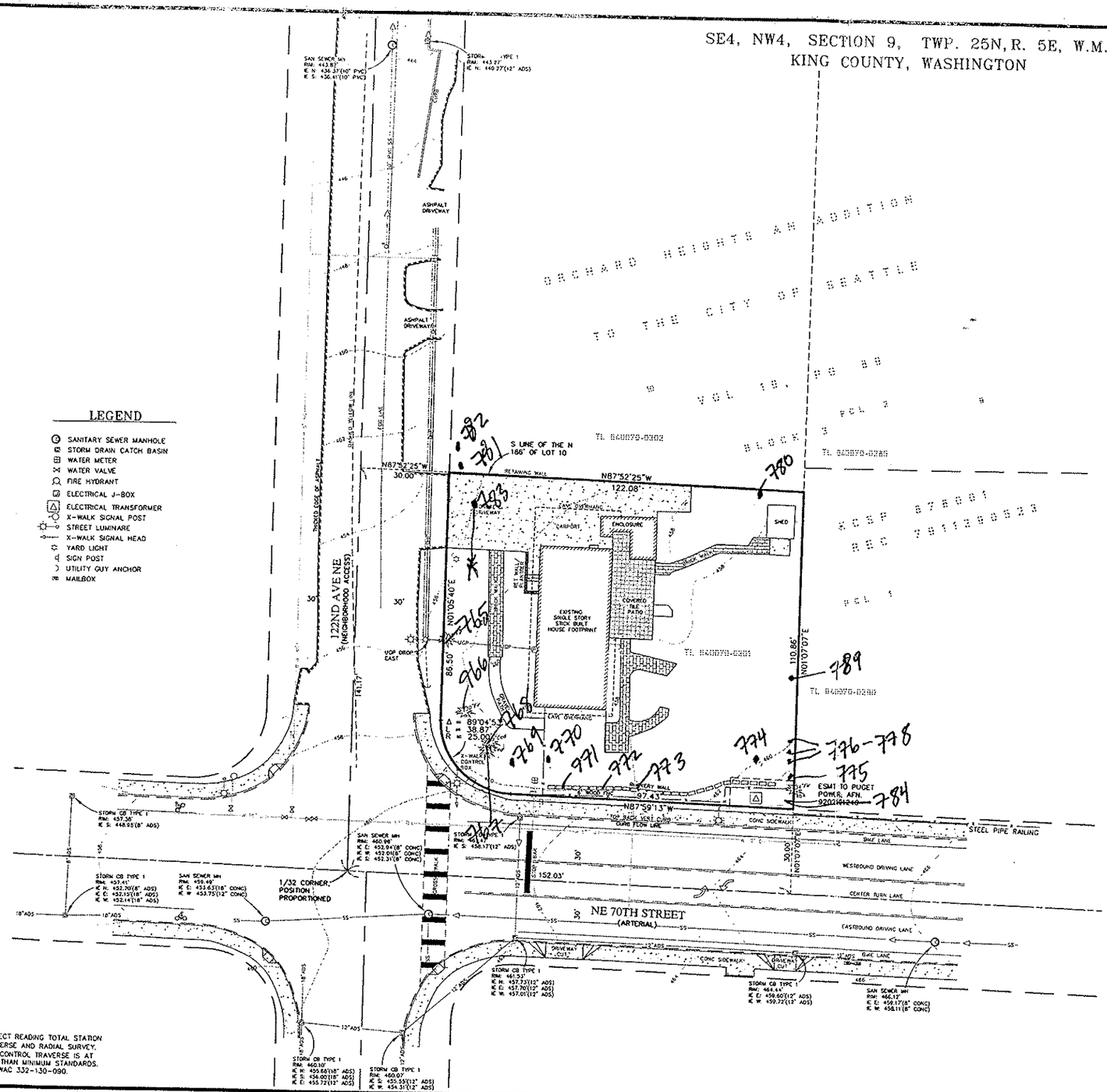
Sincerely,

Brian K. Gilles, Consulting Arborist
ISA Certified Arborist # PN-0260
ASCA Registered Consulting Arborist # RCA-418A
PNW-ISA Certified Tree Risk Assessor #148

ATTACHMENTS

ATTACHMENT 1 - SITE PLAN
ATTACHMENT 2 - TREE INVENTORY/CONDITIONS SPREADSHEET
ATTACHMENT 3 - GLOSSARY
ATTACHMENT 4 - PHOTOS
ATTACHMENT 5 - TREE PROTECTION MEASURES
ATTACHMENT 6 - REFERENCES

SE4, NW4, SECTION 9, TWP. 25N, R. 5E, W.M.
KING COUNTY, WASHINGTON



5 SECOND DIRECT READING TOTAL STATION METHOD: TRAVERSE AND RADIAL SURVEY. PRECISION OF CONTROL TRAVERSE IS AT HIGHER LEVEL THAN MINIMUM STANDARDS. REQUIRED BY WAC 332-130-090.

LEGAL DESCRIPTION

LOT 10, BLOCK 3, PLAT OF ORCHARD HEIGHTS, VOLUME 19, PAGE 89, KING COUNTY, WASHINGTON;

EXCEPT THE NORTH 186 FEET THEREOF;
BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M.

LESS THAT PORTION LYING SOUTHWESTERLY OF A 25 FOOT RADIUS CURVER TANGENT TO THE SOUTH AND WEST LINES OF THE PARCEL OF LAND DESCRIBED AS LOT 10, BLOCK 3, ORCHARD HEIGHTS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 89, IN KING COUNTY, WASHINGTON; EXCEPT THE NORTH 186 FEET THEREOF.

BASIS OF BEARING

THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 25N, RANGE 5E, W.M., PER WASHINGTON STATE PLANE COORDINATES, NORTH ZONE BEARING NORTH 87°59'13" WEST BETWEEN THE FOUND MONUMENTS AT THE WEST QUARTER CORNER OF SECTION 9 AND THE CENTER OF SECTION 9.

HORIZONTAL DATUM

NAD 1991

VERTICAL DATUM

NAVD 1988

BENCH MARK

VERTICAL:
WCCS POINT 14 (DE23)
WEST 1/4 CORNER OF SEC. 9-25-5
FOUND MON IN CASE W/2" BRASS DISK
ELEVATION: 313.031 US FEET

HORIZONTAL:
WCCS POINT 14 (DE23)
WEST 1/4 CORNER OF SEC. 9-25-5
FOUND MON IN CASE W/2" BRASS DISK
NORTHING: 246,697.574 FEET
EASTING: 1,307,246.214 FEET

WCCS POINT 13 (DE12)
CENTER OF SEC. 9-25-5
FOUND MON IN CASE W/2" BRASS DISK
NORTHING: 246,603.410 FEET
EASTING: 1,309,925.148 FEET

REFERENCE

1. PLAT OF ORCHARD HEIGHTS, AN ADDITION TO THE CITY OF SEATTLE VOL. 19, PG. 89.
2. KING COUNTY RECORD OF SURVEY VOL. 152, PG. 64.
3. KING COUNTY RECORD OF SURVEY VOL. 78, PG. 198.

LOT AREA

13,415.5 SQUARE FEET±
0.308 ACRES±

ZONING

RSX-7.2

Revisions			
No.		Date	By

Date	3-14-2007
Scale	20
Drawn	MLS
Surveyed	GCK/MSS
Checked	GTC

TOPOGRAPHIC SURVEY
FOR
KIRK RUNNING
7004 122ND AVENUE NE
KIRKLAND, WA 98033

GARY T. CHRISTENSEN — STATE OF WASHINGTON — 30444 — REGISTERED PROFESSIONAL LAND SURVEYOR — EXPIRES: JULY 30,

American Engineering Corporation
Engineers • Planners • Surveyors
4032 148th Ave. N.E.
Redmond, WA 98052
PHONE (425) 881-7430 Fax (425) 881-7731

File path & Name
P:\Proj_ecis\2007\0712\Survey\Dwg\50712TP20.dwg 5/9/2007 12:42:26 PM PST

JOB NO. 0712

SHEET 1 of 1

ATTACHMENT 2:
TREE INVENTORY/CONDITION SPREADSHEET

SITE: Running Short Plat
7004 122nd Ave NE
Kirkland, WA 98033

Date of Inspection: 5-23-2007

ion: Indicates the general area of the site where the tree is located.
vidual tree number.

DF/Pm	Douglas Fir, *Pseudotsuga menziezii*
WRC/Tp	Western Red Cedar, *Thuja plicata*
SxM/Mxs	Soulangiana Magnolia, *Magnolia x soulangiana*
TcP/Pc	Thundercloud Plum, *Prunus cerasifera*
VM/Ac	Vine Maple, *Acer circinatum*
Dw/Cf	Dogwood, *Cornus florida*
Plum/Psp	Plum, *Prunus sp.*
WB/Bp	White Birch, *Betula papyrifera*
Js/Js	Juniper species, *Juniperus species*
LC/Cl	Lawson Cypress (Port Orford Cedar), Chamaecyparis lawsoniar
DF/Pm	Douglas Fir, *Pseudotsuga menziezii*

k diameter @ 4.5' above average ground level.

#5 *Tree Credit:* This is based upon Table 95.35.1, Page 12, Chapter 95 of the Kirkland Municipal Code.
#6 *Drip Line:* The radius, the distance from the trunk to the furthest branch tips.
#7 *Limits of Disturbance:* The boundary between the area of minimum protection around a tree and the allowable site disturbance as determined by a qualified professional.
#8 *LCR:* *Live Crown Ratio* - the amount of live canopy expressed as a % of the entire tree height
#9 *Symmetry:* General shape of canopy and weight distribution of the tree around the trunk.
#10 *Foliage:* General description of foliage density that indicates tree health and vigor.
#11 *Crown Condition:* The most important external indication of tree health and vigor.
#12 *Trunk:* Description of trunk condition or abnormalities if any.
#13 *Root Collar:* The base of the tree where the trunk flares into the roots--deformities or problems are noted here.
#14 *Roots:* Root problems are noted here.
#15 *Comments:* Additional observations about the tree's condition.
#16 *Significance:* A "significant" tree is at least 6" in diameter measured at 4.5' above the average ground level.
#17 *Current Health Rating:* a description of general health ranging from dead, dying, hazard, poor, suppressed, fair, good, very good, to excellent.
#18 *Viability:* A significant tree that is in good health with a low risk of failure due to structural defects, is relatively wind firm if isolated or remains as remains as part of a grove, and is a species that is suitable for its location.
#19 *Recommendation:* This is an estimate of whether or not the tree is of sufficient health, vigor, and structure to consider retaining.

2	3	4	5.0	6	7 -- LIMITS OF DISTURBANCE				8	9	10	11	12	13	14	15	16	17	18	19
TREE #	SPECIES	DBH	TREE CREDIT	DRIP LINE	North	South	East	West	LCR	SYMMETRY	FOLIAGE	CROWN CONDITION	TRUNK	ROOT COLLAR	ROOTS	COMMENTS	SIGNIFICANCE	CURRENT HEALTH RATING	VIABILITY	STATUS / RECOMMENDATION
765	DF/Pm	29.2"	11.0	18'	16'	16'	to house	to sidewalk	65%	Min. Asym.	Dense	Regeneration healthy	Previously topped at 20'	Unusual butt swell south side	Restricted, 5' east of sidewalk	Popping bark, early bark beetle, base rot and possible center rot.	Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
766	DF/Pm	36.5"	15.0	20'	16'	16'	to house	to sidewalk	80%	Gen. Sym.	Dense	Regeneration healthy	Previously topped at 30'	NAD	Restricted, 7' east of sidewalk	Early Bark Beetle Infestation	Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
767	WRC/Tp	12.3"	3.0	12'	6'	to sidewalk	8'	to sidewalk	70%	Min. Asym.	Dense	Healthy	Previously topped at 3' with rot down to base	Base Rot	Restricted	Fill on 45% of critical root zone. Callousd wound south east side at 5.5 feet down to 3 feet.	Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
768	WRC/Tp	9.2"	1.0	12'	7'	to sidewalk	9'	to sidewalk	60%	Maj. Asym.	Average	Regeneration healthy	Previously topped at 5.5', Center rot	Base Rot	Restricted	Fill on 25% of critical root zone. Callused wound south side 7 feet down to base.	Significant	Poor	Non-viable	Potential to Retain with Tree Protection Measures
769	SxM/Mxs	8.0"	1.0	13'	14'	to sidewalk	14'	14'	65%	Min. Asym.	Dense	Average	Forked at 1' with included bark down to 6"	NAD	-	Diameters equal 3.5 and 5.0 inches.	Significant	Good	Viable	Potential to Retain with Tree Protection Measures
770	TcP/Pc	4.5"	0.5	14'	NA	NA	NA	NA	45%	Min. Asym.	Thin	Average	Forked at 4'	NAD	-		Not Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
771	Plum/Psp	6.5"	1.0	16'	12'	to sidewalk	12'	12'	60%	Gen. Sym.	Dense	Healthy	Forked at 3.5'	NAD	Restricted	Bacterial infection in trunk. Lots of suckers at base. Growing on top of 3 foot tall rockery and next to side walk.	Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
772	WB/Bp	5.2"	0.5	16'	6'	to sidewalk	6'	6'	75%	Min. Asym.	Average	Average	Previously topped at 6'. Leans south west over fence	Bowed at base	Surface to west	Growing on top of 3 foot tall rockery and next to side walk.	Not Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
773	Js/Js	8.5"	1.0	14'	8'	to sidewalk	10'	10'	50%	Min. Asym.	Dense	Pruned Off	Forked at 2.5', previously topped at 5.5'	NAD	-		Significant	Fair	Viable	Potential to Retain with Tree Protection Measures

ATTACHMENT 2:
TREE INVENTORY/CONDITION SPREADSHEET

SITE: Running Short Plat
7004 122nd Ave NE
Kirkland, WA 98033

Date of Inspection: 5-23-2007

2	3	4	5.0	6	7 -- LIMITS OF DISTURBANCE				8	9	10	11	12	13	14	15	16	17	18	19
TREE #	SPECIES	DBH	TREE CREDIT	DRIP LINE	North	South	East	West	LCR	SYMMETRY	FOLIAGE	CROWN CONDITION	TRUNK	ROOT COLLAR	ROOTS	COMMENTS	SIGNIFICANCE	CURRENT HEALTH RATING	VIABILITY	STATUS / RECOMMENDATION
774	TcP/Pc	7.5"	1.0	6'	NA	NA	NA	NA	50%	Maj. Asym.	Thin	Regeneration weak	Center Rot	Base Rot	-	Open wound east side base up 16 inches. Previously topped at 6.5 feet. Forked at 4 feet with included bark down 12 inches.	Significant	Poor	Non-Viable	Consider Removal
775	Js/Js	2.8"	0.0	7'	4'	to sidewalk	NA	4'	90%	Min. Asym.	Thin	Previously topped at 8'	Straight	NAD	Restricted	Growing in raised bed and adjacent to retaining wall. Adjacent to east property line fence.	Not Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
776	LC/Cl	2.9"	0.0	6'	6'	6'	To property line	6'	98%	Min. Asym.	Dense	Healthy	Straight	NAD	-	Adjacent to east property line fence.	Not Significant	Good	Viable	Potential to Retain with Tree Protection Measures
777	LC/Cl	6.8"	1.0	7'	6'	6'	To property line	7'	98%	Min. Asym.	Dense	Healthy	Forked at 6", straight	NAD	-	Adjacent to east property line fence.	Significant	Good	Viable	Potential to Retain with Tree Protection Measures
778	LC/Cl	4.1"	0.5	7'	6'	6'	To property line	8'	9800%	Min. Asym.	Dense	Healthy	Straight	NAD	-	Adjacent to east property line fence. Early bark beetle.	Not Significant	Good	Viable	Potential to Retain with Tree Protection Measures
779	Js/Js	7.0"	1.0	10'	10'	10'	To property line	10'	50%	Min. Asym.	Dense	Healthy	Forked at base	Partially Exposed	Restricted, surface to west	In raised bed.	Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
780	Js/Js	11.1"	2.0	16'	To property line	12'	to shed	12'	35%	Min. Asym.	Dense	Regeneration good	Forked at 2'	NAD	-	Next to garden shed.	Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
781 OP	VM/Ac	est. 5.5"	0.0	7'	NA	6'	to sidewalk	6'	75%	Maj. Asym.	Average	Healthy	Previously pruned, regeneration good	NAD	-	Forked at 3 feet.	Significant	Good	Viable	Potential to Retain with Tree Protection Measures
782 OP	DF/Pm	Est. 25"	0.0		NA	to property line	to property line	to property line	70%	Maj. Asym.	Short shoot elongation, average	Epicormic growth	Straight	NAD	-	Sap flow all sides, early bark beetle.	Significant	Fair	Viable	Potential to Retain with Tree Protection Measures
783	Dw/Cf	8.0"	1.0	8'	to driveway	10'	10'	10'	70%	Gen. Sym.	Dense	Healthy	Forked at 1.5'	NAD	-		Significant	Good	Viable	Potential to Retain with Tree Protection Measures
784	DF/Pm	28.5"	1.0	24'	NA	to sidewalk	NA	8'	75%	Min. Asym.	Average	Average	Straight	NAD	-	Ivy up 20 feet from base. Epicormic growth. Short shoot elongation.	Significant	Good	Viable	Potential to Retain with Tree Protection Measures
			51.5	= Total number of Tree Credits on the site on the Inspection day.																

SUMMARY:

- 20 Trees were evaluated:
  - 2 trees are presumed to be off the property, they are #'s 781 and 782
    - Both trees are in the neighbor's yard to the north and are just north of the subject property driveway.
    - They can be adequately protected with tree protection fencing placed along the northern edge of the driveway.
  - 18 trees were evaluated on the subject property:
    - **Significance:**
      - 5 Trees are less than 6 inches in diameter and are therefore, *Non-Significant*
        - They are #'s 770, 772, 775, 776, & 778.
      - 15 Trees are greater than 6 inches in diameter and are, therefore, *Significant.*
    - **Viability:**
      - 2 trees are *Non-Viable* due to poor health, poor structure, lack of wind firmness, or a combination.
        - They are #'s 768 & 774.
      - 18 trees have the health, structure, and wind firmness to withstand the stresses of construction if site
    - **Tree Credits:**
      - The 16 *Viable* trees on the subject property that total 51.5 Tree Credits

ATTACHMENT 3 - GLOSSARY

Terms Used in This Report, on the Tree Condition / Inventory Spreadsheet, and Their Significance

In an effort to clearly present the information for each tree in a manner that facilitates the reader's ability to understand the conclusions I have drawn for each tree, I have collected the information onto a spreadsheet format. This spreadsheet was developed by Gilles Consulting based upon the *Hazard Tree Evaluation Form* from the book, *The Evaluation of Hazard Trees in Urban Areas*, by Matheney and Clarke. The descriptions were left brief on the spreadsheet in an effort to include as much pertinent information as possible, to make the report manageable, and, to not bore the reader with infinite levels of detail. A review of these terms and descriptions will allow the reader to rapidly move through the report and understand the information.

1) **TREE LOCATION**—indicates what general area of the site the tree is on, or whether the tree is Off the Project property.
2) **TREE #**—the individual number of each tree.
3) **SPECIES**—this describes the species of each tree with both most readily accepted common name and the officially accepted scientific name.
4) **DBH**—Diameter Breast Height. This is the standard measurement of trees taken at 4.5 feet above the average ground level of the tree base.
    i) Occasionally it is not practical to measure a tree at 4.5 feet above the ground. The most representative area of the trunk near 4.5 feet is then measured and noted on the spreadsheet. For instance, a tree that forks at 4.5 feet can have an unusually large swelling at that point. The measurement is taken below the swelling and noted as, '28.4" at 36"'.
    ii) Trees with multiple stems are listed as a "clump of x," with x being the number of trunks in the clump. Measurements may be given as an average of all the trunks, or individual measurements for each trunk may be listed.
        (1) Every effort is made to distinguish between a single tree with multiple stems and several trees growing close together at the bases.
5) **TREE CREDIT**—Tree Credit based on Trunk Diameter
6) **DRIP LINE**— The radius, the distance from the trunk to the furthest branch tips.
7) **LIMITS OF DISTURBANCE**— The boundary between the area of minimum protection around a tree and the allowable site disturbance as determined by a qualified professional.
8) **% LCR**—Percentage of Live Crown Ratio. The relative proportion of green crown to overall tree height. This is an important indication of a tree's health. If a tree has a high percentage of Live Crown Ratio, it is likely producing enough photosynthetic activity to support the tree. If a tree has less than 30 to 40% LCR it can create a shortage of needed energy and can indicate poor health and vigor.
9) **SYMMETRY**—is the description of the form of the canopy. That is, the balance or overall shape of the canopy and crown. This is the place I list any major defects in

the tree shape—does the tree have all its foliage on one side or in one unusual area. Symmetry can be important if there are additional defects in the tree such as rot pockets, cracks, loose roots, weak crown etc. Symmetry is generally categorized as Generally Symmetrical, Minor Asymmetry or Major Asymmetry:

i) Gen. Sym.—Generally Symmetrical. The canopy/foliage is generally even on all sides with spacing of scaffold branches typical for the species, both vertically and radially.
ii) Min. Asym.—Minor Asymmetry. The canopy/foliage has a slightly irregular shape with more weight on one side but appears to be no problem for the tree.
iii) Maj. Asym.—Major Asymmetry. The canopy/foliage has a highly irregular shape for the species with the majority of the weight on one side of the tree. This can have a significant impact on the tree's stability, health and hazard potential—especially if other defects are noted such as cracks, rot, root defects.

10) **FOLIAGE/BRANCH**—describes the foliage of the tree in relation to a perfect specimen of that particular species. First the branch growth and foliage density is described, and then any signs or symptoms of stress and/or disease are noted. The condition of the foliage, or the branches and buds for deciduous trees in the dormant season, are important indications of a tree's health and vigor.

i) For Deciduous trees in the dormant season:
   (1) The structure of the tree is visible,
   (2) The quantity and quality of buds indicates health, and is described as good bud set, average bud set, or poor bud set. These are abbreviated in the spreadsheet as: gbs, abs, or pbs.
   (3) The amount of annual shoot elongation is visible and is another major indication of tree health and vigor. This is described as:
      a) Excellent, Good, Average, or Short Shoot Elongation. These are abbreviated in the spreadsheet as ESE, GSE, ASE, OR SSE.
ii) For evergreen trees year round and deciduous trees in leaf, the color and density of the foliage indicates if the tree is healthy or stressed, or if an insect infestation, a bacterial, fungal, or viral infection is present. Foliage is categorized on a scale from:
   (1) Dense—extremely thick foliage, an indication of healthy vigorous growth,
   (2) Good—thick foliage, thicker than average for the species,
   (3) Normal/Average—thick foliage, average for the species, an indication of healthy growth,
   (4) Thin or Thinning—needles and leaves becoming less dense so that sunlight readily passes through; an indication that the tree is under serious stress that could impact the long-term survivability and safety of the tree,
   (5) Sparse—few leaves or needles on the twigs, an indication that the tree is under extreme stress and could indicate the future death of the tree

(6) Necrosis—the presence of dead twigs and branchlets. This is another significant indication of tree health. A few dead twigs and branches are reasonably typical in most trees of size. However, if there are dead twigs and branchlets all over a certain portion of the tree, or all over the tree, these are indications of stress or attack that can have an impact on the tree's long-term health.

(7) Hangers—A term to describe a large branch or limb that has broken off but is still hanging up in the tree. These can be particularly dangerous in adverse weather conditions.

11) **CROWN CONDITION**—the crown is uppermost portion of the tree, generally considered the top 10 to 20% of the canopy or that part of the canopy above the main trunk in deciduous trees and above the secondary bark in evergreen trees.

i) The condition of the tree's crown is a reflection of the overall health and vigor of the entire tree. The crown is one of the first places a tree will demonstrate stress and pathogenic attack such as root rot.

ii) If the **Crown Condition** is healthy and strong, this is a good sign. If the crown condition is weak, broken out, or shows other signs of decline, it is an indication that the tree is under stress. It is such an important indication of health and vigor that this is the first place a trained forester or arborist looks to begin the evaluation of a tree. Current research reveals that, by the time trees with root rot show significant signs of decline in the crown, fully 50% or more of the roots have already rotted away. **Crown Condition** can be described as:

(1) Healthy Crown—exceptional growth for the species.

(2) Average Crown—typical for the species.

(3) Weak Crown—thin spindly growth with thin or sparse needles.

(4) Flagging Crown—describes a tree crown that is weak and unable to grow straight up.

(5) Dying Crown—describes obvious decline that is nearing death.

(6) Dead Crown—the crown has died due to pathological or physical injury. The tree is considered to have significant stress and/or weakness if the crown is dead.

(7) Broken out—a formerly weak crown condition that has been broken off by adverse weather conditions or other mechanical means.

(8) Regenerated or Regenerating—formerly broken out crowns that are now growing back, Regenerating crowns may appear healthy, average, or weak and indicate current health of the tree.

(9) Suppressed—a term used to describe poor condition of an entire tree or just the crown. Suppressed crowns are those that are entirely below the general level of the canopy of surrounding trees which receive no direct sunlight. They are generally in poor health and vigor. Suppressed trees are generally trees that are smaller and growing in the shade of larger trees around them. They generally have thin or sparse needles, weak or missing crowns, are prone to insect attack as well as bacterial and fungal infections.

12) **TRUNK**—this is the area to note any defects that can have an impact on the tree's stability or hazard potential. Typical things noted are:
    i) FORKED—bifurcation of branches or trunks that often occur at a narrow angle.
    ii) INCLUDED BARK—a pattern of development at branch or trunk junctions where bark is turned inward rather than pushed out. This can be a serious structural defect in a tree that can and often does lead to failure of one or more of the branches or trunks especially during severe adverse weather conditions.
    iii) EPICORMIC GROWTH—this is generally seen as dense thick growth near the trunk of a tree. Although this looks like a healthy condition, it is in fact the opposite. Trees with Epicormic Growth have used their reserve stores of energy in a last ditch effort to produce enough additional photosynthetic surface area to produce more sugars, starches and carbohydrates to support the continued growth of the tree. Generally speaking, when conifers in the Pacific Northwest exhibit heavy amounts of Epicormic Growth, they are not producing enough food to support their current mass and are already in serious decline.
    iv) INTERNAL STRUCTURAL WEAKNESS—a physical characteristic of the tree trunk, such as a **kink, crack, rot pocket, or rot column** that predisposes the tree trunk to failure at the point of greatest weakness.
    v) BOWED—a gradual curve of the trunk. This can indicate an Internal Structural Weakness or an overall weak tree. It can also indicate slow movement of soils or historic damage of the tree that has been corrected by the curved growth.
    vi) KINKED—a sharp angle in the tree trunk that indicates that the normal growth pattern is disrupted. Generally this means that the internal fibers and annual rings are weaker than straight trunks and prone to failure, especially in adverse weather conditions.
    vii) GROUND FLOWER—an area of deformed bark near the base of a tree trunk that indicates long-term root rot.
13) **ROOT COLLAR**—this is the area where the trunk enters the soil and the buttress roots flare out away from the trunk into the soil. It is here that signs of rot, decay, insect infestation, fungal or bacterial infection are noted. **NAD** stands for **N**o **A**pparent **D**efects.
14) **ROOTS**—any abnormalities such as girdling roots, roots that wrap around the tree itself that strangle the cambium layer and kill the tree, are noted here.
15) **COMMENTS**—this is the area to note any additional information that would not fit in the previous boxes or attributes about the tree that have bearing on the health and structure of the tree.
16) **SIGNIFICANCE**—a "significant" tree is at least 6" in diameter measured at 4.5' above the average ground level.
16) **CURRENT HEALTH RATING**— a description of general health ranging from dead, dying, poor, senescent, suppressed, fair, good, very good, to excellent.

17) **VIABILITY**— A significant tree that is in good health with a low risk of failure due to structural defects, is relatively wind firm if isolated or remains as part of a grove, and is a species that is suitable for its location.
    i) Please note that many trees may be listed as "Non-Viable" due to poor health, poor structure, or the tree may be below the size threshold for a "Viable Tree." However, it is worth examining the Non-Viable Trees to determine if any or all of them can be left on the property. They can add significant benefit to the landscape and contribute to wildlife habitat.
18) **RECOMMENDATION**—This is an estimate of whether or not the tree is of sufficient health, vigor, and structure to consider retaining.

NOTE: TREES WITH THE SAME DESCRIPTION AND DIFFERENT RATINGS: Two trees may have the same descriptions in the matrix boxes, one may be marked "Significant," while another may be marked "Non-Significant." The difference is in the degree of the description—early necrosis versus advanced necrosis for instance. Again, these descriptions were left brief in an effort to include as much pertinent information as possible, to make the report manageable, and, not to bore the reader with infinite levels of detail.

ATTACHMENT 4 - PHOTOS

View of northern property line and driveway

Tree # 782
Tree # 781

View of the southwest property corner at the intersection of NE 70th Street and 122nd Avenue NE

Base of tree # 768 in the southwest property corner at the intersection of NE 70th Street and 122nd Avenue NE

ATTACHMENT 5 - TREE PROTECTION MEASURES

In order for trees to survive the stresses placed upon them in the construction process, tree protection must be planned in advance of equipment arrival on site. If tree protection is not planned integral with the design and layout of the project, the trees will suffer needlessly and will possibly die. With proper preparation, often costing little, or nothing extra to the project budget, trees can survive and thrive after construction. This is critical for tree survival because damage prevention is the single most effective treatment for trees on construction sites. Once trees are damaged, the treatment options available are limited.

The following minimum Tree Protection Measures are included on three separate sheets so that they can be copied and introduced into all relevant documents such as site plans, permit applications and conditions of approval, and bid documents so that everyone involved is aware of the requirements. These Tree Protection Measures are intended to be generic in nature. They will need to be adjusted to the specific circumstances of your site that takes into account the location of improvements and the locations of the trees.

TREE PROTECTION MEASURES:

1. Tree Protection Fences will need to be placed around each tree or group of trees to be retained.
    a. Tree Protection Fences are to be placed according to the attached drawing and as noted in the attached Tree Inventory/Conditions Spreadsheet, Column 6 - Limits of Disturbance.
    b. Tree Protection Fences must be inspected prior to the beginning of any construction work/activities.
    c. Nothing must be parked or stored within the Tree Protection Fences—no equipment, vehicles, soil, debris, or construction supplies of any sorts.

2. Cement trucks must not be allowed to deposit waste or wash out materials from their trucks within the Tree Protection Fences.

3. The Tree Protection Fences need to be clearly marked with the following or similar text in four inch or larger letters:

TREE PROTECTION AREA, ENTRANCE PROHIBITED
To report violations contact
City Code Enforcement
at 425-587-3225

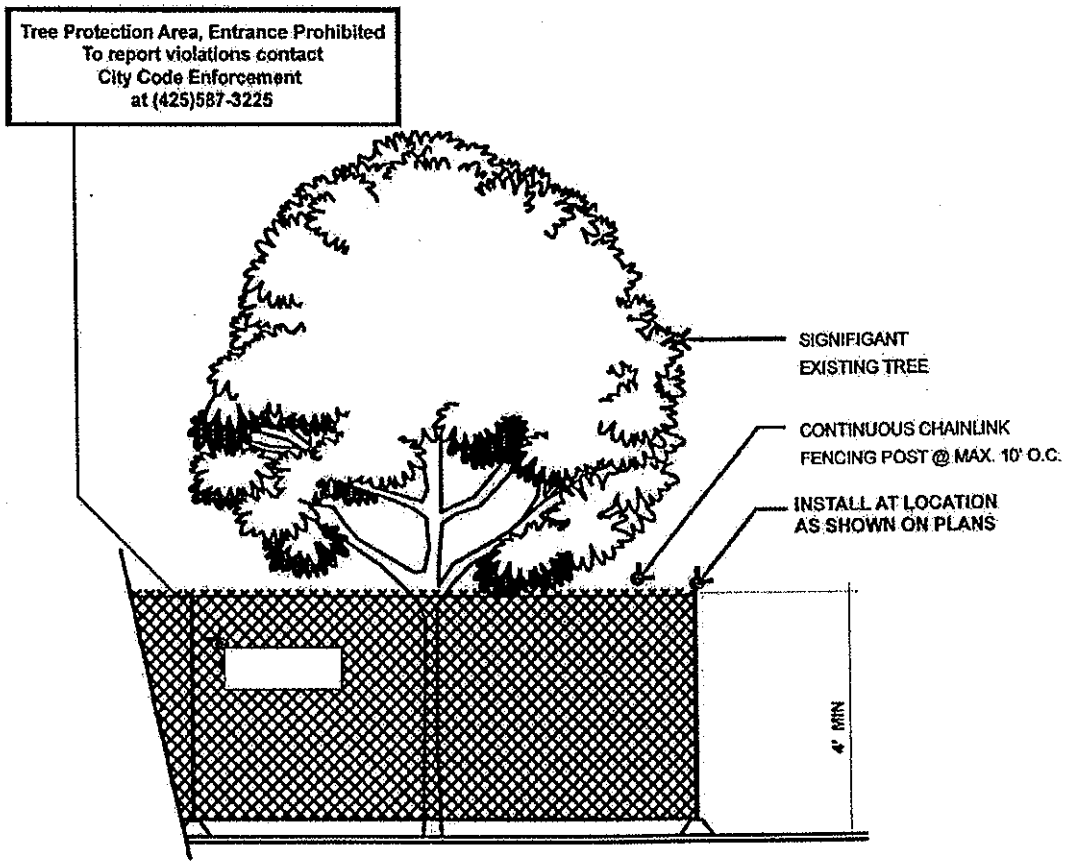
4. The area within the Tree Protection Fencing must be covered with wood chips, hog fuel, or similar materials to a depth of 8 to 10 inches. The materials should be placed prior to beginning construction and remain until the Tree Protection Fencing is taken down.

5. When excavation occurs near trees that are scheduled for retention, the following procedure must be followed to protect the long term survivability of the tree:
    a. An International Society of Arboriculture, (ISA) Certified Arborist must be working with all equipment operators.
        i. The Certified Arborist should be outfitted with a shovel, hand pruners, a pair of loppers, a handsaw, and a power saw (a "sawsall" is recommended).
    b. When any roots of one inch diameter or greater, of the tree to be retained, is struck by the equipment, the Certified Arborist should stop the equipment operator.
    c. The Certified Arborist should then excavate around the tree root by hand/shovel and cleanly cut the tree root.
        i. The Certified Arborist should then instruct the equipment operator to continue.

6. Putting Utilities Under the Root Zone:
    a. Boring under the root systems of trees (and other vegetation) shall be done under the supervision of an ISA Certified Arborist. This is to be accomplished by excavating a limited trench or pit on each side of the critical root zone of the tree and then hand digging or pushing the pipe through the soil under the tree. The closest pit walls shall be a minimum of 7 feet from the center of the tree and shall be sufficient depth to lay the pipe at the grade as shown on the plan and profile.
    b. Tunneling under the roots of trees shall be done under the supervision of an ISA Certified Arborist in an open trench by carefully excavating and hand digging around areas where large roots are exposed. No roots 1 inch in diameter or larger shall be cut.
    c. The contractor shall verify the vertical and horizontal location of existing utilities to avoid conflicts and maintain minimum clearances; adjustment shall be made to the grade of the new utility as required.

7. Watering:
    a. The trees will require significant watering throughout the summer and early fall in order to survive long-term. An easy and economical watering can be done using soaker hoses placed three feet from the trunk of the tree and spiraled around the tree. One 75-foot soaker hose per tree is adequate. It is best to place the soakers using landscape staples, (available from HD Fowler in Bellevue for pennies apiece) then cover the area with two to three inches composed materials. The composted material will act as a mulch to minimize evaporation and will also stimulate the microbial activity of the soil which is another benefit to the health of the tree.
    b. Water the tree to a depth of 18 to 20 inches. I recommended leaving the water on the soaker hoses for six to eight hours and then digging down to determine how deep your water is penetrating. Then adjust accordingly. It may take a good two days of watering to reach the proper depth.
    c. Once the water reaches the proper depth, turn off the hoses for four weeks and then water again. Water more often when temperatures increase—every three weeks when temperatures exceed 80 degrees and every two weeks when temperatures exceed 90 degrees. This drying out of the soil in between watering is important to prevent soil pathogens from attacking the trees.

FENCING SIGN DETAIL



1. MINIMUM FOUR (4) FOOT HIGH TEMPORARY CHAINLINK FENCE SHALL BE PLACED AT THE CRITICAL ROOT ZONE OR DESIGNATED LIMIT OF DISTURBANCE OF THE TREE TO BE SAVED. FENCE SHALL COMPLETELY ENCIRCLE TREE (S). INSTALL FENCE POSTS USING PIER BLOCK ONLY. AVOID POST OR STAKES INTO MAJOR ROOTS. MODIFICATIONS TO FENCING MATERIAL AND LOCATION MUST BE APPROVED BY PLANNING OFFICIAL.

2. TREATMENT OF ROOTS EXPOSED DURING CONSTRUCTION: FOR ROOTS OVER ONE (1) INCH DIAMETER DAMAGED DURING CONSTRUCTION, MAKE A CLEAN STRAIGHT CUT TO REMOVE DAMAGED PORTION OF ROOT. ALL EXPOSED ROOTS SHALL BE TEMPORARILY COVERED WITH DAMP BURLAP TO PREVENT DRYING, AND COVERED WITH SOIL AS SOON AS POSSIBLE.

3. NO STOCKPILING OF MATERIALS, VEHICULAR TRAFFIC, OR STORAGE OF EQUIPMENT OR MACHINERY SHALL BE ALLOWED WITHIN THE LIMIT OF THE FENCING. FENCING SHALL NOT BE MOVED OR REMOVED UNLESS APPROVED BY THE CITY PLANNING OFFICIAL. WORK WITHIN PROTECTION FENCE SHALL BE DONE MANUALLY UNDER THE SUPERVISION OF THE ON-SITE ARBORIST AND WITH PRIOR APPROVAL BY THE CITY PLANNING OFFICIAL.

4. FENCING SIGNAGE AS DETAILED ABOVE MUST BE POSTED EVERY FIFTEEN (15) FEET ALONG THE FENCE.

CITY OF KIRKLAND WASHINGTON

TREE PROTECTION FENCING DETAIL

ATTACHMENT 6 - REFERENCES

1. Dirr, Michael A. *Manual of Woody Landscape Plants, Their Identification, Ornamental Characteristics, Culture, Propagation, and Uses*. Champaign: Stipes Publishing Company, 1990.

2. Harris, Richard W. et al. *Arboriculture, Integrated Management of Landscape Trees, Shrubs, and Vines*. 4th ed. Upper Saddle River: Prentice Hall, 2004.

3. Matheney, Nelda P. and Clark, James R. *Evaluation of Hazard Trees*. 2nd ed. Savoy: The International Society of Arboriculture Press, 1994

4. Matheney, Nelda P. and Clark, James R. *Trees & Development, A Technical Guide to Preservation of Trees During Land Development*. Savoy: The International Society of Arboriculture Press, 1998.

5. Watson, Gary W., and Neely, Dan, eds. *Trees & Building Sites*. Savoy: The International Society of Arboriculture Press, 1995.

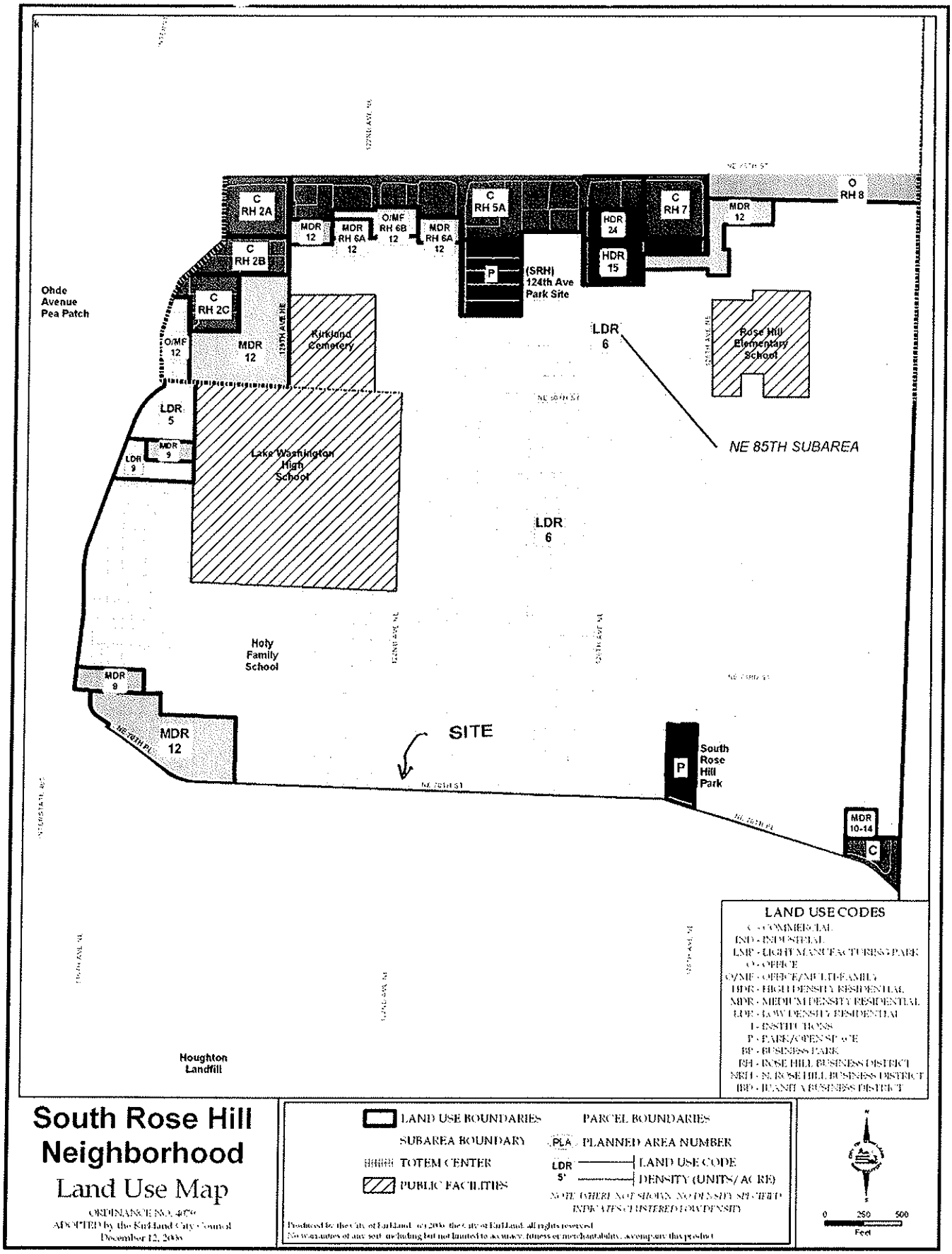


Figure SRH-3: South Rose Hill Lar

ATTACHMENT 7
SP07-00025

November 11, 2007

RECEIVED
NOV 14 2007
AM PM
PLANNING DEPARTMENT
BY

Mr. Ron Hanson
City of Kirkland
Planning Department
123 Fifth Ave.
Kirkand, WA 98033

RE: File no. SPL07-00025

Dear Mr. Hanson

I think it is easily substantiated to approve the short plat at 7004 – 122nd Ave. NE and further that existing RS 7200 zoning be reduced to allow for more building permits and construction of close in affordable housing. Many cities and communities across the nation (including Seattle) have already downsized square footage requirements on lot sizes which has had a very favorable impact in allowing people to purchase properties with established amenities (e.g. schools, shopping, parks, playgrounds, etc.) and, as a result, has greatly reduced both urban and suburban sprawl. This action would also be environmentally favorable towards reducing future acquisition and development of land and forests for homebuilding as well as reduce the need for new sewer systems and associated utilities. Lastly, it would provide an additional ongoing revenue source for the city of Kirkland to sustain balanced budgets both present and future.

With effective development and building codes in place to preserve property values and enhance existing neighborhoods, controlled growth is responsible growth.

Sincerely,

Michael and Sandra Smith
12105 NE 73rd St.
Kirkand, WA 98033
(425) 827-3760
MichaelandSandy@mac.com

CITY OF KIRKLAND
Hearing Examiner Exhibit
Applicant ___ ADMITTED ✓
Department ✓ DENIED ___
B.
FILE # SPL07-00025
ppellant Respondent Department

RESOLUTION R-4682

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE SHORT SUBDIVISION OF RUNNING AS APPLIED FOR BY KIRK RUNNING BEING DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. SPL07-00025 AND SETTING FORTH CONDITIONS TO WHICH SUCH SHORT SUBDIVISION BE SUBJECT.

WHEREAS, the Department of Planning and Community Development has received application for a short subdivision of property within a RSX 7.2 zone and said application having been made by Kirk Running the owner of the real property described in said application; 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 State Environmental Policy Act; and

WHEREAS, the proposal for short subdivision has been submitted to the Kirkland Hearing Examiner, who held public hearing thereon at her regular meeting of November 15, 2007; and

WHEREAS, the Kirkland Hearing Examiner, after 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 short subdivision 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, Conclusions and Recommendations of the Kirkland Hearing Examiner as signed by her and filed in Department of Planning and Community Development File No. SPL07-00025 are hereby adopted by the Kirkland City Council as though fully set forth herein.

Section 2. The short subdivision is hereby given approval 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 all federal, state, or local statutes, ordinances, or regulations applicable to this subdivision other than as expressly set forth herein.

Section 4. 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 5. A copy of this resolution, along with the Findings, Conclusions and Recommendations hereinabove adopted, shall be attached to and become a part of the evidence of the approval of said short subdivision to be delivered to the applicant.

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

SIGNED IN AUTHENTICATION thereof this _____ day of _____, 20____.

_____
Mayor

ATTEST:

_____
City Clerk

Council Meeting: 01/02/2008
Agenda: New Business
Item #: 13. b.

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

To: City Council

From: Transportation Commission, Jon Pascal Chair

Date: December 13, 2007

Subject: Proposed concurrency methodology

Background
At direction of the City Council, The Transportation Commission began examining ways to improve the concurrency system in early 2006. At the March, 2007 study session between the Commission and the Council an intermediate report on the Commission's work was given and it was agreed that the Commission should continue to work on improvements to the concurrency system. This memo describes a proposed concurrency update the Transportation Commission is developing. Although some details are yet to be resolved, the Commission has agreed on a method we believe to be viable. We have made presentations to the Planning Commission, Houghton Community Council and to the general public. Although each of these meetings brought refinements, none of the comments we heard led us to change our fundamental approach. At this time we would like to understand Council's response to our ideas. Based on Council's response we will begin to prepare language for the Comprehensive Plan and a revised concurrency ordinance.

Concurrency was put in place as a requirement of the Growth Management Act. The general concept is that concurrency will prohibit the rate of land use growth from exceeding the rate of completion of transportation facilities. Each city can develop its own concurrency system and standards. Concurrency is not designed as the sole method for controlling growth or mitigating its impacts. Other regulations such as Commute trip reduction, SEPA and Impact Fees play critical roles in this regard.

Why are we looking at Concurrency?
Council request. As mentioned above both the Council and the Commission felt a revision of the concurrency system was needed.
Current system is confusing with many moving parts. Since its inception, the existing system with its need to calculate v/c ratios at signalized intersections has been considered opaque and confusing.
Adjustments are difficult. It was out of the need for an adjustment in early 2005 that a fresh look at concurrency grew. In the past, making changes to the calculation system have been hard to explain and justify.
Other cities are looking at streamlining and simplifying. Although several cities have systems similar to our current system, those cities that are revising their systems are looking at ways of

making concurrency simpler. Primary among these is Redmond. Their proposed system, although different in detail, is similar structurally.

Goals for a revised concurrency system.
The Commission has agreed on the following set of goals a new concurrency system should meet.

- Gives an overall view of capacity for new trips, not project level tool
- Doesn't generate funds
- Flexible, system could be out of balance for a time
- Similar to other cities.
- Plan drives concurrency not vice versa
- Multimodal
- Predictable
- Understandable

Although the system we are proposing does not meet all these goals we feel that it does successfully meet most of them.

Comparing the old and new approaches
Under the current system, each development proposal is evaluated to determine the number of trips it will add. These impacts are summed across developments to determine the cumulative effect of approved projects. For each signalized intersection, performance is measured by comparing the number of trips that exist to the number of trips to be added with the capacity of the network that will be in place when the development is complete. If the performance of the system with the project meets standards, the project passes concurrency. Otherwise concurrency is not passed and the development cannot go forward without being modified.

Our proposed system establishes a number of PM peak hour vehicle trips that can be allowed based on 1) the land use and road network plans for 2022 and 2) the funded CIP. As more of the 2022 road network is constructed, more trips are allowed. Concurrency is met as long as there are fewer trips approved than are allowed, in other words the supply for trips is greater than the demand.

Table 1 shows how the existing and proposed concurrency methods meet the goals described above.

Goal	Existing	Proposed
Plan based vs. project based	Project based. looks at concurrency on a project by project basis	Plan based. Results are tied back to 2022 land use and road plans. Monitors implementation of the plans.
Doesn't generate funds	Neither system is designed to generate funds to build projects. That is more in the realm of impact fees.	
Flexible, system could be out of balance for a time	Ability to pass concurrency is closely tied to geographic accuracy of future land use and road network projections.	There is more room to pass concurrency when the land use forecast proves inaccurate.
Similar to other cities.	A few cities have programs similar to our existing program for example Bellevue	Redmond is developing that is similar to the proposed system. Redmond is moving away from a system similar to our existing system.
Plan drives concurrency not vice versa	If concurrency is triggered it is difficult to identify how to correct the deficiency to allow development to continue.	If concurrency is triggered the options for correcting deficiency are more clear and can be addressed.
Multimodal	Can account for a reduction in trips because of increased non-SOV use.	Not truly multimodal, but somewhat more obvious accounting for non-SOV trips
Predictable	Hard to predict a) how much capacity is available in the system and b) the amount that any given project will reduce that available capacity.	Easy to predict both how much capacity is available and the effect of any project on the remaining capacity.
Understandable	Since the method involves v/c ratios it is hard to understand. Complication makes it less understandable.	Although there are some portions that are hard to explain, overall the method is easier to explain and understand. Overall simplicity helps understandability

How does the new system work?

The basic premise of the new system is to allow a certain amount of new auto trips based on the amount of the network that is built to support those trips. Underlying this method is the concept that realization of the 2022 land use and roadway plans would result in an acceptable level of service.

The basic steps of the new procedure are as follows

1. Look at the future year (currently 2022) land use projection and see how many new trips will be generated between now and then.
2. Divide up the number of trips found in step 1 into the number of trips that can be supported by a unit of the 2022 road network.
3. Analyze the funded 6 year CIP to estimate how much of the 2022 road network will be completed in the next 6 years.
4. Multiply the number in step 2 by the number in step 3 to get the number of trips allowed in the current year.

The figure on the next page illustrates graphically how the system works. Concurrency is met if the cumulative number of trips is less than the number of trips allowed. The upper lines in the chart represent the number of trips allowed given a certain funded CIP. The lower lines represent cumulative trips permitted. Lines in the chart are based on actual data for the years shown. The concurrency factor referred to near the bottom of the chart comes from the calculation described in step 2 above.

Note that the final arithmetic needed to complete step 3 (described above) is still under consideration by the Commission and changes to the calculation would result in changes to where the "trips allowed" lines fall on the chart.

Report Card
An integral feature of the new Concurrency system is a yearly report card. Details of the card's proposed content are described below.

<u>Signalized intersection performance</u>
Table with planning level v/c for each intersection based on actual counts. Compare subarea performance with subarea level of service standards. Forecast signal performance with approved but not yet built development. Description/analysis of findings. Conclusions would be around what project changes should be made to the 6yr CIP or to the 2022 plan.

<u>Location and intensity of development that has occurred in relation to where it was forecast to occur.</u>
Maps comparing forecast 2007-2022 land use with actual development activity. Land use would be described by type and geographic location. Also, a map which illustrates where development occurred over the past year.

<u>For the funded CIP, project milestones that have been accomplished relative to what was planned.</u>
Information would be presented that shows if the assumptions about project completion are accurate. It would compare the forecast construction benchmarks to actual benchmarks met.

<u>Suggestions for how the 2022 land use and/or network should be modified based on what has happened over the past year.</u>
Try and summarize all of the findings above. Are the actual effects of what we're doing passing our standards? Has growth been where and as fast as we expected? Are we building the network

the way we thought we were? How should the short term and long term land use and project plans be modified?
Level of bicycle and pedestrian facilities that have been constructed relative to goals.
This is reported in order to provide a context for the level of funding that is provided to capacity projects versus that provided to non-motorized projects.

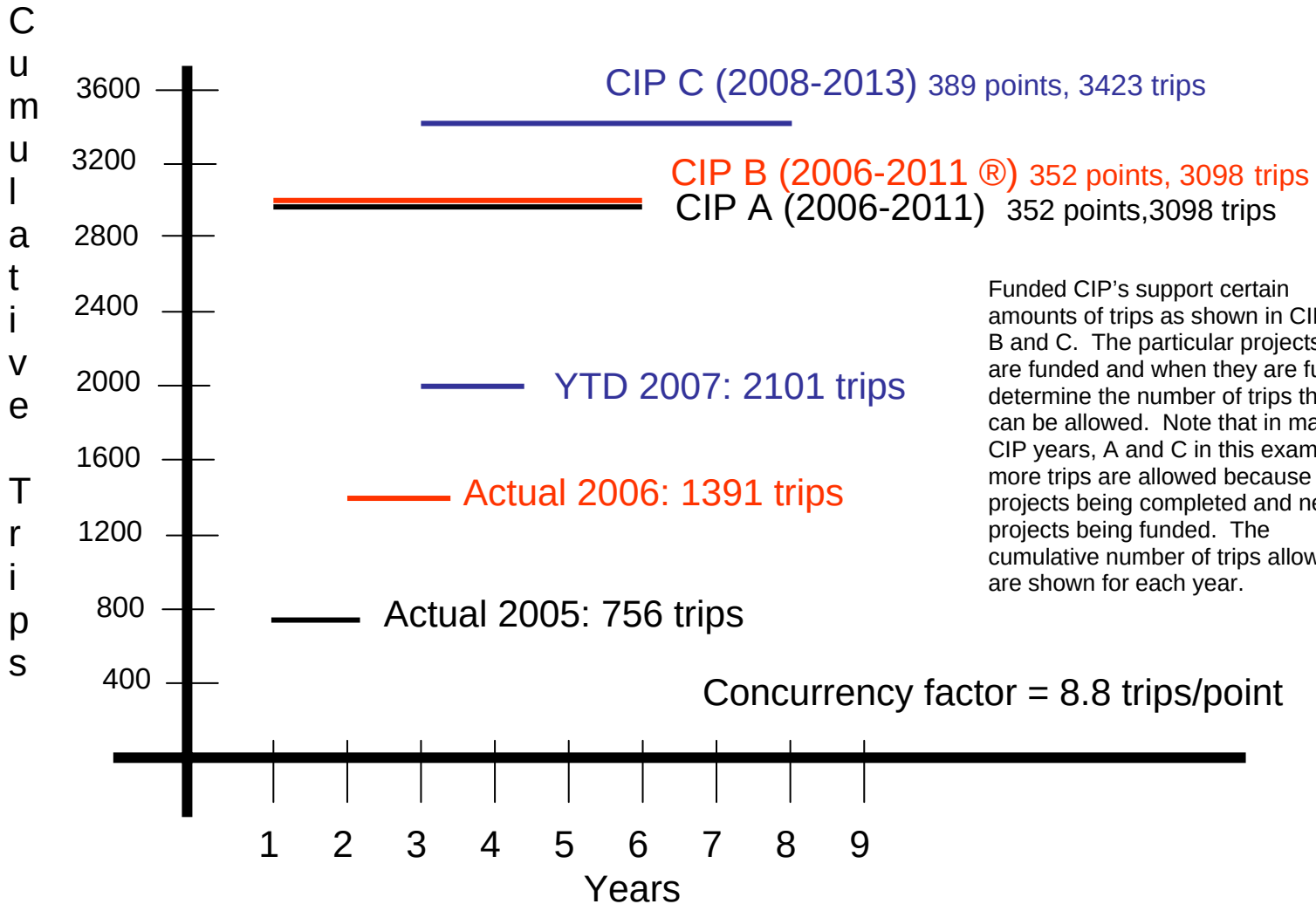
Timeline
As the new system is put into practice the steps that are completed each year will become better refined. The following table shows an initial estimate of how the new system would work over the course of a year.

Month	Action
February	TC reviews Report Card and makes recommendations such as whether or not a revision of future year land use and network is needed.
Spring	TC review of future year land use and network if needed
Summer	Development of CIP and optional Comp. Plan amendments
Fall	CIP public hearing and adoption
November	Comprehensive Plan adoption

Legal analysis
Now that our concept has been further refined, staff will be conferring with the City Attorney's office to see that it meets the requirements of the concurrency statue in the RCW.

Next steps
The Commission plans to incorporate Council's comments into a final version of the concurrency plan. There are also a few technical details to agree upon by the Commission. Once these two steps have been accomplished, language for the appropriate regulatory documents will be developed. Ultimately the Concurrency revision will be wrapped into adoption of the Comprehensive Plan scheduled for 2008. This will require a public hearing, presentations to the Planning Commission and the Houghton Community Council with final approval by Council.

Number of trips allowed by funded CIP and actual number of trips allowed 2005-2007



Funded CIP's support certain amounts of trips as shown in CIP A, B and C. The particular projects that are funded and when they are funded determine the number of trips that can be allowed. Note that in major CIP years, A and C in this example, more trips are allowed because of projects being completed and new projects being funded. The cumulative number of trips allowed are shown for each year.

CITY OF KIRKLAND
Department of Planning and Community Development
123 Fifth Avenue, Kirkland, WA 98033 425-587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: **David Ramsay, City Manager**

From: **Dawn Nelson, Planning Supervisor**
Arthur Sullivan, ARCH Program Manager
Eric Shields, Planning Director

Date: **December 18, 2007**

Subject: **Affordable Housing Update, File ZON07-00037**

RECOMMENDATION
Staff recommends that the City Council hear a presentation and give staff direction on the questions identified in sections 1.F. and 2.C., below.

BACKGROUND DISCUSSION
The purpose of this memo is to provide a status report to the City Council on staff work and get input on next steps for several of the housing issues that were identified as high priorities by the Council at your retreat in 2007.

1. Affordable Housing Regulations

1.A. Current Affordable Housing Incentives

The City of Kirkland adopted a package of incentives, including generous density bonuses, site development flexibility, tax exemptions, and fee waivers in May 2004 to encourage development of affordable housing as part of market rate housing developments in multifamily zones. (See Zoning Code Chapter 112) The program is entirely voluntary and was set up so that the value of the available incentives would exceed the cost to the developer of providing the affordable housing units. The affordability requirements are stringent, with rental units required to be affordable to households earning no more than 50% of King County median income and for sale units required to be affordable to households earning no more than 70% of King County median income. The density bonus and development flexibility incentives apply only in zones that have an established maximum density, such as the RM and PR zones. For example, in the RM 3.6 zone, 3,600 square

feet of land area is required for every residential unit and a property that is 36,000 square feet in size could be developed with 10 units. If one affordable housing unit is provided in the 10 units, then two additional market rate units could be built for a total of 12 units (one affordable and 11 market rate). These incentives have not yet been utilized.

As major rezoning has occurred in the Totem Lake and Rose Hill business districts, the City has offered the option of significant height increases in some areas in exchange for 10% of residential units being affordable. Attachment 1 is a chart showing the incentives available in the TL and RH zones. For example, in the TL6A zone, the basic height limit is 35 feet but residential development is allowed to build to 65 feet if at least 10% of the units are affordable housing units. An Administrative Design Review application is currently being reviewed for a 170 unit apartment development that would take advantage of the height increase. They are also relying on a potential tax exemption to make the project economically viable.

Why haven't the incentives been used? The majority of residential development since mid-2004 has been in the Central (CBD) and North Rose Hill business districts where land use incentives have not been developed. Permits for a total of 574 multifamily residential units have been issued by the City since the affordable housing incentives were adopted three and a half years ago. Of those, only seven projects and a total of 45 units (8% of the total number of permitted multifamily units) are in zones where the land use incentives are available. In addition, only one of those projects was larger than eight units. This is significant because the density bonus is two additional market rate units for every affordable unit, but the maximum increase in density allowed without going through a zoning permit process is 25%. A minimum project size of eight units is needed in order to effectively use the bonus.

1.B. Affordable Housing Incentives in Mixed Use Zones

Preliminary discussions were begun in late 2004 with the Planning Commission about a second phase of the program to apply in zones that do not have established density limits expressed in units per acre, such as the CBD. During that process, staff analyzed the possibility of developing maximum Floor Area Ratios (FARs) in order to have a base to which a bonus could be added. However, a review of a variety of projects in different mixed use zones showed that there are too many variables, such as property size, shape and location and land values to develop FAR limitations that would be straight forward and easy to administer.

The difficulty with developing a program in these zones is determining meaningful incentives to offer in exchange for affordable housing. Development in these zones is limited by height, setbacks, impervious coverage and design standards and fairly intense development is already allowed by these regulations. This is significant because legislation adopted by the state in 2006 requires that affordable housing incentive programs provide an increase in residential capacity, as is discussed in the next section.

1.C. New State Legislation for Affordable Housing

The State Legislature adopted Engrossed Substitute House Bill 2984 in 2006, creating RCW 36.70A.540 which specifically allows cities planning under the Growth Management Act to enact or expand affordable housing incentive programs. Incentive programs must provide an increase in residential capacity and the legislation identifies the following elements that may, but are not required to, be included.

- Density bonuses
- Height and bulk bonuses
- Fee waivers or exemptions
- Parking reductions
- Expedited permitting
- Mixed use projects

This statute removes much of the legal uncertainty that previously surrounded mandatory affordable housing regulations. Subsection 3 of the statute authorizes cities to adopt mandatory affordable housing requirements to address the need for increased residential development when certain requirements have been met. It reads as follows:

(3) Affordable housing incentive programs enacted or expanded under this section may be applied within the jurisdiction to address the need for increased residential development, consistent with local growth management and housing policies, as follows:

(a) The jurisdiction shall identify certain land use designations within a geographic area where increased residential development will assist in achieving local growth management and housing policies;
(b) The jurisdiction shall provide increased residential development capacity through zoning changes, bonus densities, height and bulk increases, parking reductions, or other regulatory changes or other incentives;
(c) The jurisdiction shall determine that increased residential development capacity or other incentives can be achieved within the identified area, subject to consideration of other regulatory controls on development; and
(d) The jurisdiction may establish a minimum amount of affordable housing that must be provided by all residential developments being built under the revised regulations, consistent with the requirements of this section.

Under the framework of this legislation, cities have the authority to take the following approaches with the goal that affordable housing will be incorporated into market-rate housing developments:

- Provide a purely voluntary incentive based program, as the City of Kirkland has done in the RM and other zones that have a specific density limit where extra density and other incentives are available in exchange for affordable housing;

- Provide a voluntary incentive based program associated with rezones, as the City of Kirkland has done in the Totem Lake and Rose Hill business districts where significant extra height and other incentives are available in exchange for affordable housing;

- Provide a mandatory inclusionary housing program associated with rezones where increased development potential is provided and affordable housing is required regardless of whether the developer chooses to take advantage of the added development potential, which the City of Kirkland has not done.

The legislation does not address mandatory inclusionary housing where affordable housing would be required without the City providing an option to increase residential development capacity. Such an approach would raise legal issues. In the 1980s and 1990s, Washington courts struck down several attempts by the City of Seattle to require residential developments to provide affordable housing. RCW 36.70A.540 is, in part, a response to the previous court decisions that precluded local jurisdictions from requiring developers to provide affordable housing.

The Housing Partnership paper "The Ins and Outs – A Policy Guide to Inclusionary and Bonus Housing Programs in Washington" is included as Attachment 2. It provides a good summary of the legal, economic and practical issues that surround inclusionary and incentive programs.

1.D. Inclusionary and Incentive Programs in Washington State

Federal Way and Redmond are the only two cities in Washington State that currently have inclusionary housing requirements in place. Federal Way has a mandatory affordable housing requirement in multifamily and mixed use developments of 25 or more units. It requires a minimum of two affordable units or five percent of the unit total (whichever is greater). One bonus unit may be constructed for each affordable unit, with a maximum 10% increase above the underlying density. (For example, if 40 units could be built on a property based on zoning regulations, the developer would be required to provide two affordable units. They could build an additional two units of market rate housing for a total of 42 units. If they provided four affordable units, they could build a maximum of 44 units on the property.)

Only one project has been large enough to be required to provide affordable units since the program was adopted in 1997, although an 800 unit multifamily project is currently under review. Federal Way also has a voluntary incentive program in single-family zones, where the minimum lot size can be reduced by a maximum of 20% if affordable housing is provided. The maximum income threshold for affordable ownership units is 80% of King County median income and the maximum income threshold for affordable rental units is 50% of King County median income.

Redmond adopted an inclusionary housing requirement in its City Center neighborhood when the neighborhood plan was updated in 1993. During that process, the maximum residential density limitations were removed and development capacity was increased. The program has phased in over time. It was voluntary for the first 250 units built in the neighborhood. The next 250 units were required to provide 10% of the units affordable to those earning no more than 90% of King

County median income. They are now in the third phase of the program and all developments over 10 units are required to provide 10% of the units affordable to those earning no more than 80% of King County median income. Approximately 100 affordable housing units have been developed in the City Center neighborhood through this program.

Redmond has also adopted inclusionary housing requirements in four of its single-family neighborhoods. The Willows/North Rose Hill, Grasslawn, North Redmond and Education Hill neighborhoods have all been updated since 2002 and now require that developments of 10 or more units provide at least 10% of the units as affordable housing. At least one bonus unit is allowed for each affordable unit provided, with a maximum density increase of 15% allowed. A variety of housing types such as cottages and duplexes are allowed to accommodate the affordable units. A few affordable units have resulted from this program.

Sixteen other jurisdictions in Washington State have voluntary incentive programs for affordable housing. Most of these programs provide somewhere between 0.75 and 1.5 bonus units for each unit of affordable housing provided. The definition of affordable varies from 50% to 80% of median income. The City of Seattle currently has a voluntary incentive program in several of its downtown zones. The City Council will be reviewing a proposal to expand the voluntary incentive program throughout the City when development regulations are changed to provide significant additional development capacity.

1.E. Inclusionary and Incentive Programs across the United States

Arthur Sullivan and Dawn Nelson attended the second National Inclusionary Housing Conference in San Francisco at the end of October. The conference provided a great overview of inclusionary programs across the country. There are currently over 200 jurisdictions nationwide that have inclusionary housing programs. Several cities that have recently adopted their programs, such as Chicago, New York and Baltimore, shared their experiences in getting programs approved, along with the details of their programs. There is a long history of inclusionary housing in California, where 170 out of 475 cities have adopted inclusionary programs which have resulted in 70,000 affordable units in the last 20 years. Many representatives from California jurisdictions and housing providers shared their knowledge in break-out sessions. Some of the primary messages from the conference were:

- Few incentive based affordable housing programs have proven to be successful and they are being replaced by mandatory programs.

- Inclusionary housing is not a panacea for the lack of affordable housing; it needs to be used as one tool in the range of options available to jurisdictions. Public funding of affordable housing is the most effective way to ensure that it is created.

- Inclusionary housing programs are more legally defensible if they have:
  - Broad applicability
  - Options for compliance

- Tightly drafted appeal or waiver provisions
- Wide array of offsets and incentives
- Supporting findings and justifications

- Inclusionary housing campaigns can be politically charged and divisive. It is important to work closely with the development community and other core partners in developing an inclusionary program, have a strong public advocacy and education strategy, and use data to make the case for the overall program and its specific elements.

- Jurisdictions need to have reasonable goals for inclusionary programs and be willing to review and modify them over time to ensure that they are providing real value to the community and to the developers that are subject to the regulations.

It also must be remembered that the Washington court rulings on affordable housing impose constraints on Washington cities that cities in other states do not have to face. From a legal standpoint, the City Attorney's Office has recommended that inclusionary programs should comply with the recently adopted state legislation (RCW 36.70A.540).

1.F. Next Steps for Affordable Housing Regulations

Staff needs input from the City Council in order to pursue further affordable housing regulations. Specific questions that need to be answered are:

Does the Council want staff to prepare options for changing the existing affordable housing incentives in multifamily zones and the Totem Lake and Rose Hill business districts to mandatory affordable housing requirements? For example, in multifamily zones a minimum percentage of units in developments over a certain size threshold would be required to be affordable and the existing density bonus and other incentives could be used.

Does the Council want staff to prepare options for creating mandatory affordable housing requirements in business districts that don't currently have affordable housing incentives? Examples of approaches include:

- Requiring affordable housing to achieve the extra story of residential in zones that currently allow an additional story for residential development.

- Expanding the area where an extra story of height is allowed for residential development, resulting in slight increases in height (from one to four feet) over the height allowed for office developments.

Are there specific types of increases to development potential, such as additional height, that should not be considered as part of these programs?

2. Preservation and Land Acquisition

2.A. Preservation of Existing Affordable Rental Housing

ARCH staff has compiled a database of all existing rental properties in Kirkland including the following information:

- Address
- Number of units
- Year built
- Average size of units
- Elevator present
- Site size (square feet)
- Zoning Designation
- Number of units allowed per zoning.
- Land value
- Improvement value
- Total value
- Date of last sale
- Amount of sale
- Taxpayer name
- Taxpayer address

The database includes 5,600 units in 190 rental properties, all with more than four units. The following table shows the distribution of units based on the number of units in a property:

# of Units in Property	# Properties
4- 10 Units	130 Properties
11- 20 Units	17 Properties
21- 50 Units	14 Properties
51 – 100 Units	12 Properties
101+ Units	17 Properties
TOTAL: 5600 Units	190 Properties

Staff analyzed the data to determine if there are ways to sort the data to help identify properties that are good candidates for preservation. Two initial sorts have been done and field tested as described below.

Ratio of land value to improvement value. A sort by the ratio of land value to improvement value resulted in a very wide range of ratios. (A ratio greater than 1 means that land value is greater than the value of improvement and a ratio less than 1 means that land value is less than improvement value). There are roughly equal number of properties with a ratio greater than 1 and those with a ratio less than 1. Properties with a high ratio may give some indication of properties which are potentially ripe for redevelopment because their land value is significantly greater than

the value of improvement. These properties may also currently provide relatively affordable housing.

A field survey was done on about a dozen properties, revealing some potential trends. For example, several properties with ratios of 1 or 2, did not appear to be prime for redevelopment although they did show signs of needing some form of rehabilitation. Several properties with ratios over 4 showed signs of inattention. However, there were also enough exceptions to these trends to imply that universal conclusions are difficult to make. For example one property with a ratio over 4 was being well maintained by a long term owner.

Ratio of current units to units allowed by current zoning. A second sort was done on the ratio of allowed units to number of actual units. This would be another way to assess potential properties for redevelopment. One factor complicating this analysis is that a number of zones that allow housing do not have any explicit density cap. Most of the 'underdeveloped' properties (ratio less than 1), would only allow one or two additional units. There were a handful of developments (not in zones with no density cap), which would allow increases of 1/3 or more additional units. These ranged in size from 6 units to 248 units.

2.B. Land Acquisition for Affordable Housing

ARCH staff has compiled a database of tax exempt properties, including properties that are in public ownership (city, county, housing authority, schools), churches and properties owned by non profits agencies. This database contains the following information:

- Parcel number
- Owner
- Address
- Land value
- Improvement value
- Lot size (square feet)
- Zoning designation
- Name of school (school properties only)

There are almost 350 parcels in this database (some sites have several contiguous parcels), of which approximately one half are owned by the City. Other public land owners include the State of Washington, Lake Washington School District, Lake Washington Technical College, Evergreen Hospital, Seattle City Light, and King County. No explicit field testing has been done at this point with this data base. The intent would be to see if any of these properties are under-used or underdeveloped, whereby some portion of the property could be used for housing development.

2.C. Next Steps for Preservation and Land Acquisition Strategies

The ultimate objective of these two strategies is to secure property or buildings and make them available for affordable housing. To achieve this objective, tasks can be broken down into three areas:

- Identifying potential sites or properties.
- Working with owners to secure the right to create affordable housing.
- Creating financing strategy(ies) to purchase land and/or existing properties.

i. Identifying potential sites or properties

Further Evaluation of Data. The data collection described above is a first step in this area. The evaluation of the data collected indicates that using the data may not be as simple as picking one or two factors for identifying properties. Instead it may be a matter of cross evaluating several factors: property age, size of property, ratio of allowed to permitted number of units, ratio of land to improvement value, date of last sale. While this may not lead to a clear priority list of properties or land sites, it does appear this could be a helpful step toward better understanding potential opportunities, and helping to somewhat narrow down searches. (For example, a property with a high land to improvement value, and capacity to add more housing might be a good profile to target.) Staff will pursue this as a next step.

Should City Prioritize Type of Housing. **One question for the Council to consider is if there are certain types of affordable housing needs that should be prioritized for these strategies** (e.g. serve homeless or other special needs populations, permanent housing with larger units). If so, it would be useful to have that discussion prior to moving to the next two steps of these strategies. This discussion could be influenced by the priorities of other funders that would ultimately be sought to support the permanent financing. Another perspective is that there are enough challenges with identifying properties, and there are enough needs in the community that the City should pursue any property that is available at a reasonable price and be open to a broad range of funders.

Partnering with Community Agencies. Ultimately, if sites are identified, the City will need a community partner to develop, own and operate the housing. **To what extent should the City coordinate its efforts with these potential partners?** Arguments in favor of close coordination are:

- If the City prioritizes certain types of housing, then there are certain groups that are more logical partners.
- These groups are continuously looking for opportunities and the more efforts that are underway, the better.

Arguments against close coordination are:

- There are only so many financing resources available for affordable housing and presumably, any properties identified by a City would be an immediate priority for ARCH and potentially other funders.

- By working with certain groups, opportunities might be narrowed to those most consistent with their mission. (This could be an advantage if the City decides it wants to focus on certain types of opportunities.)

At a minimum, staff recommends that the City make potential community partners aware of the City's efforts and invite those partners to provide some level of input to the City as it plans its efforts.

ii. Working with owners to secure the right to create affordable housing

The primary constraint to these two strategies is that it requires the cooperation of private property owners to work with the City to secure either land and/or existing properties. Such relationships will be voluntary and must be forged in the realities of the open real estate market. In the current market environment, two primary constraints are being able to act in a timely manner and the value of real estate. In addition, private owners may need to be convinced that doing affordable housing does not mean that they have to sell their property below market value. Therefore, the City needs to establish a process for contacting property owners of sites. **Staff recommends convening a meeting to discuss strategies for approaching owners once properties are identified. This meeting should include persons from the private sector (realtors, owners, including church and other public land owners) and potential community partners.**

iii. Creating financing strategies to purchase land and/or existing properties

Assuming success with the first two steps, financing will be needed to secure properties. It takes time to apply for and receive public funding, which is needed to create affordable housing. The City experienced this with DASH's acquisition of Plum Court, where interim financing was needed prior to securing all the long term public financing. This issue isn't unique to East King County, and there has been some discussion about trying to have financing strategies to secure properties. There are some limited sources now, and there may be some additional funds in the future, but they are likely to still need local and/or private dollars as part of an overall financing package. ARCH has also discussed this issue and has, on several occasions in the past, made early commitments to projects prior to other funds being available. The key is that there is increasing discussion around this topic, and therefore there may be other resources that could partially help if needed. As with the previous topic, a key first step is to plan ahead. **Therefore, it is recommended that there be a series of meetings with various parties (other funders, agencies, private lender) to develop strategies for financing properties if they become available.**

3. South Kirkland Park and Ride

There is an opportunity to provide a considerable level of affordable housing at the South Kirkland Park and Ride lot. This property, owned by King County Metro is approximately 7 acres in size and

is divided between the City of Kirkland and the City of Bellevue. The property is currently not zoned for residential use within either city and would require zoning and Comprehensive Plan changes. Both cities would need to work cooperatively to make this a feasible affordable housing/transit oriented development project.

Staff from Kirkland, Bellevue and King County Metro have been meeting to explore the potential for this type of project. It is on Kirkland's Planning Work Program and staff is poised to move forward. Bellevue will likely brief their City Council in January. If the City of Bellevue is open to considering this, one of the first steps would be to develop some "principles of agreement" for all parties involved (Bellevue, Kirkland, King County and ARCH). Staff will report back to the Council probably in February after further discussions with King County and Bellevue.

Attachments

1. Affordable Housing Incentives in TL and RH Zones
2. "The Ins and Outs – A Policy Guide to Inclusionary and Bonus Housing Programs in Washington" prepared by The Housing Partnership

Affordable Housing Incentives in Totem Lake and Rose Hill Business District Zones

Zone	Zone Type	Base Height Limit*	Incentive
TL 1A	Office	30’	Height increase from 30’ to 80’ with 10% affordable housing (when new right-of-way dedication and improvement are not required)
TL 1B	Multifamily	30’	Height increase from 30’ to 80’ with 10% affordable housing (when new right-of-way dedication and improvement are not required)
TL 5	Commercial	35’	Height increase from 35’ to 45’ with two stories of residential and 10% affordable housing
TL 6A & 6B	Commercial	35’	Height increase from 35’ to 65’ with 10% affordable housing
TL 10B	Office	40’	Height increase from 35’ to 60’ with 10% affordable housing
TL 10C	Office	40’	Height increase from 40’ to 55’ and freestanding residential development allowed in some areas with 10% affordable housing
TL 10D	Office	80’	Height increase from 45’ to 65’ with 10% affordable housing
RH 1A	Commercial	67’	Height increase from 35’ to 67’ with 10% affordable housing
RH 2A	Commercial	67’	Height increase from 35’ to 67’ with 10% affordable housing
RH 2B	Commercial	55’	Height increase from 35’ to 55’ with 10% affordable housing
RH 3	Commercial	45’	Height increase from 45’ to 67’ with mixed use development and 10% affordable housing
RH 7	Commercial	30’	Height increase from 30’ to 45’ with mixed use development and 10% affordable housing

* The Base Height Limit is the listed height limit for the primary use allowed in the zone. Some zones limit residential development to a lower height unless affordable housing is provided.

The Ins and the Outs

A Policy Guide to Inclusionary and Bonus Housing Programs in Washington

August, 2007

The Housing Partnership
1301 Fifth Avenue, Suite 2500
Seattle, Washington 98101
425-453-5123
www.thehousingpartnership.org
www.rightsizehome.org

This paper originated at a Housing Partnership Workshop held June 6, 2007. Thanks to the presenters whose ideas are reflected throughout this paper: Patrick Schneider, Foster Pepper, PLLC; Arthur Sullivan, A Regional Coalition for Housing; Tony To, Seattle Planning Commission; Elliott Eisenberg, National Association of Homebuilders.

The Ins and the Outs

A Policy Guide to Inclusionary and Bonus Housing Programs in Washington

August, 2007

Introduction

Programs that result in the addition of low cost housing into projects that are otherwise market rate have been in existence across the U.S. for decades, but have been used in only limited ways in Washington. With authority for incentive and inclusionary programs clarified through legislation adopted in 2006, cities and counties across the state are considering such programs.

This paper provides an overview of the legal, economic and practical issues that arise when structuring inclusionary or incentive housing programs. The efficacy and fairness of inclusionary programs is a function of program structures that are not very difficult to figure out. If communities pursuing inclusionary and incentive programs pay attention to the issues raised below, they can structure programs that will produce some amount of new affordable housing while not penalizing the building industry and its market rate customers, or worse, inhibiting development in areas that need more housing.

In any case, no one should have any illusions that inclusionary or incentive programs will, by themselves, make a huge dent in the problem of housing affordability in Washington. This problem has always resisted simple solutions, and these programs are but one tool to supplement the efforts of housing authorities and non-profit builders. Cities and counties must continue to address the root causes of the high cost of market rate housing, recognizing that we cannot subsidize our way out of this problem.

Prices too high and subsidy dollars too low

The range of bonus and inclusionary programs discussed in this paper are the result of two trends.

High land prices drive housing prices up. In a healthy housing market, the for-profit housing industry is able to provide housing to all but the lowest income households. In such an area, the "affordable" housing stock consists of a combination of newer, low-amenity housing built in less desirable areas, and older, deteriorated housing throughout the market. In such areas, underlying land values are low, and therefore the buyer or

renter is paying for the quality of the structure. If the structure is small, plain, or in poor condition, the price will be low.

All that changes when underlying land values rise substantially. In areas like Central Puget Sound, the value of a the underlying building lots in relatively conventional neighborhoods ranges from $200,000 to over $300,000, so even the least valuable home will come with a sales price of at least $275,000, which is out of reach of many households. And in high demand areas like East King County, prices start at $400,000, which requires 150 percent of the area median income to afford.

With these kinds of land values it is impossible to provide housing affordable to people of even median income, let alone lower income. Absent a massive increase in the supply of land available for homebuilding, land prices will not fall, and this affordability situation will not correct itself. And as land supplies become constricted in other areas of the state, communities outside of Puget Sound find themselves in a similar affordability crunch.

Subsidies inadequate to meet need Even in the healthiest housing markets there will be people who cannot afford a place to live. To ensure public health and safety, there is a floor below which housing providers cannot go in pursuit of tenants, and many people do not have enough money to rent even the lowest price housing that can legally be offered. For these people we have subsidies, either through projects that charge lower rent, or through vouchers that pay part of market rents.

As land and housing prices rise, more and more people cannot afford the minimum priced housing, but subsidy dollars cannot grow with the growing need. This gives rise to long waiting lists for subsidized housing and vouchers.

In the Puget Sound region and the rest of the state it is quite clear that we have a major housing affordability problem and that direct subsidies fall far short of solving it. The supply of housing affordable to moderate and low income households is already small, and continues to shrink rapidly, and with land prices as high as they are, market rate builders cannot afford to provide new housing at low price points. The result is that too many households must spend an unreasonably high percentage of their income on housing, and/or commute great distances to their jobs from more affordable areas.

The inclusionary/incentive option

One of the ways to address this problem is to have developers include subsidized units in their market-rate projects. This can be done in a variety of ways that will be discussed below, most of which do not cost governments much money directly, and which may or may not cost developers and their customers money.

As the debate over these programs has sharpened, it mostly boils down to two questions:

Are these programs effective? Critics point to data suggesting that even the most well-established programs have never produced housing units in great numbers. Proponents will admit that these programs are not a panacea, but argue that any new affordable housing is better than none.

Who pays? If the buyer or renter is paying less than the market rate, where is the rest of the money coming from? In the most draconian programs, where no incentives are offered, the builder pays the subsidy and passes as much on to the customer as price elasticity allows. Most programs involve some incentives to builders, such as density bonuses, but if these incentives do not fully cover the cost of the affordable units, the builder and buyers will pay the difference. And bonuses may be viewed as an imposition on the surrounding community: the neighborhood that must accept more density will feel it has paid the price.

For purposes of this paper, the broadest definition of the programs that fall under the rubric of "inclusionary" or "incentive" is:

> *A local government program that requires or incetivizes the inclusion of below-market-rate units in a development that is otherwise a market rate development.*

This definition requires that the affordable units in a development sell or rent for less than they are worth on the market and therefore receive some sort of subsidy that is generated within the context of the project development budget. That subsidy may be provided by the developer (with the cost passed on to the customers of the market rate units), or it may come through an offsetting benefit the developer receives through an incentive such as a density bonus, fee waiver or tax abatement.

Legal Framework

Inclusionary programs have their roots in two policy concerns. First, as noted above, they are a response to persistent high housing costs and the difficulty, because of land values, of building lower cost market-rate housing in many areas. Second, inclusionary programs have been mandated as a remedy for deliberately "exclusionary" zoning. In the famous Mount Laurel case in New Jersey, courts required communities that had previously had only very large lot zoning to make provision for affordable projects.

Few areas of Washington have ever had the kind of exclusive, large-lot zoning that is common in East Coast suburbs, and until the 1990s, affordable market-rate housing could be found within reasonable commute distances of major job centers. As that housing has evaporated, however, communities have felt a need to provide housing at below market rates. Some communities, most notably Bellevue and Redmond, experimented with inclusionary programs beginning in the 1980s, but these programs were not common.

The specter of RCW 82.02.020

Many jurisdictions felt they did not have the legal authority to require inclusion of affordable housing, and with good reason. Requiring developers to take actions for a public purpose that cost them money skirts dangerously close to the definition of a regulatory "taking" that is prohibited under the U.S. Constitution.

More specifically in Washington, the provision in state law that governs taxes on construction – RCW 82.02.020 – expressly prohibits "any tax, fee or charge, direct or indirect" on construction, except as expressly named. The law then goes on to name quite a number of ways that governments can tax construction, but prior to 2006, this did not include permission to require the inclusion of affordable housing. (A requirement to build affordable housing has been considered by courts as equivalent to a tax.)

In several high profile court cases in the 1980s the state Supreme Court invoked RCW 82.02.020 to disallow local government programs that required developers to preserve or replace low income housing. These cases asserted that governments could not impose on developers the burden of achieving a social goal, such as affordable housing. Because several Seattle officials continued to enforce these laws even after the court's decision, they were held personally liable for damages, producing a chilling effect on local governments around the state.

The law does, however, allow governments to require developers to mitigate the impacts of their developments on local infrastructure, such as roads and schools. This authority can extend to housing if the government can demonstrate a clear connection, or nexus, between a development and the supply of affordable housing. In other words, do market rate developments themselves generate demand for low wage service jobs, and therefore for affordable housing? If so, governments could require developers to mitigate a shortage of affordable housing. Some cities have undertaken "nexus studies" to show that market rate developments should include or pay fees for affordable housing.

So, prior to 2006, local government had three options with respect to connecting affordable housing to market rate housing. First, they could impose a mandatory inclusionary requirement and take their chances with the courts. Second, they could perform a nexus study to justify an inclusionary requirement. Third, they could have strictly voluntary incentive programs.

HB 2984 provides explicit authority

This murkiness of authority for inclusionary or incentive programs was cleared up by the 2006 Legislature in the form of Housing Bill 2984 (now RCW 36.70A.540, but referred to hereafter as HB 2984) which allows cities and counties to "enact or expand affordable housing incentive programs providing for the development of low-income housing units through development regulations." Importantly, the bill explicitly states that an inclusionary or incentive program that complies with the new law will not be in violation of RCW 82.02.020.

So after a couple of decades of uncertainty, court challenges, complex nexus studies and other work-arounds, HB 2984 clears the deck for cities and counties that want to enact programs. The law provides the basic parameters, but as will be shown below, successful programs must also take into account the market and economic realities of the local area.

Following are some of the key features and definitions provided in the law:

Voluntary or mandatory. The law provides for two basic types of programs: voluntary and mandatory. Under a voluntary program, a developer can decide to seek various incentives (options described below) in exchange for inclusion of a prescribed number of affordable units. Or, the developer can decide not to seek the incentives, and simply develop the property according to current zoning and regulations. The law explicitly prohibits the city or county from penalizing any developer who chooses not to participate in a voluntary program.

A mandatory program must be tied to a change in zoning or other regulations that increase the development capacity of an area. Thus, if a city decides to upzone a neighborhood, it can require that anyone building in that area include a certain number of affordable units regardless of whether they actually build up to the new zoning. The justification of this requirement is that the property owner has been given increased land value by virtue of the upzone, and that increased value is the equivalent of an incentive under a voluntary program. Court cases have made it clear, however, than jurisdictions cannot unreasonably downzone property and then upzone it again with an affordability requirement attached.

Location and features of affordable units. Although the law encourages affordable units to be dispersed within the market rate development, it allows alternatives. The affordable units can be included in an adjacent building. The developer also has the option of providing cash or land in lieu of building the units, with that cash or land being used to build an equivalent number of affordable units somewhere else.

In any case, the units themselves must be of a similar mix of sizes to the market rate units and have a similar array of bedrooms and bathrooms. Similarly, the affordable units must have the same functionality as the market rate units in terms of layout, appliances and fixtures. The affordable units can, however, be smaller and use a lower grade of appliances, fixtures and finishes. The importance of this provision will be shown below, as unit construction costs are compared.

Income levels: who is eligible? The law establishes guidelines for income eligibility, but also provides a substantial amount of flexibility to address local conditions.

For rental housing, the basic ceiling of eligibility is 50 percent of area median income (AMI), adjusted for household size. This can be raised to 80 percent of AMI if the city or county determines there is a need for rental housing at this level. Once a jurisdiction establishes its income level (which can be lower than the ceiling), it sets a rent level such

that the target household will not spend more than 30 percent of its income for rent and utilities.

For ownership housing, the basic ceiling is 80 percent of AMI, adjusted for household size. This can be raised to 100 percent of AMI in high cost areas. Once a ceiling is established, the jurisdiction sets a maximum purchase price, although the law does not give specific guidance for setting this price.

The affordability restrictions on both rental and ownership units remain in effect for 50 years, with enforcement through covenants or other recorded documents. Prior to the 50-year timeframe a jurisdiction is permitted to accept a cash payment in lieu of continued restriction on rental or resale.

Incentives and bonuses. The law provides some suggestions for developer incentives, but leaves the door open for additional incentives. It is important to distinguish between two types of incentives: those that cost governments money and those that do not. This distinction comes into play when income eligibility moves above 80 percent of AMI, since state law only allows government subsidies for people below 80 percent AMI. HB 2984 allows ownership projects to target up to 100 percent of AMI, but these must not use any government subsidies.

The following incentives are named in HB 2984:

Density bonus. This is the most common type of incentive, and also the most powerful. By allowing the developer to build more units than the underlying zoning would allow, there is the opportunity to build new market rate units on what amounts to "free" land. An example of a density bonus program would be that for every 15 market rate units, one affordable unit is required, and one bonus unit is allowed. Thus, for a parcel that would accommodate 30 units under current zoning, the result under the bonus program would be 32 units, with two offered at below-market rate. The impact of these programs on the financial performance of projects will be discussed below.

Height and bulk bonus. Most zoning codes govern the building envelope and a bonus of height or bulk can add saleable floor area. If unit count is not governed, this can translate into more units. If unit count is still restricted on the site, this bonus would allow larger and, therefore, higher priced units. Building envelope bonuses usually work in conjunction with density bonuses to ensure that the affordable and bonus units can actually fit on the site.

Parking reductions. Parking can be a very expensive part of a project, especially when it is structured. A reduction in parking requirements can be a cost saving. This will be effective mostly in areas within walking distance to job centers and/or with good transit service, since developers may not want to risk the marketability of their project by having inadequate parking.

Fee waivers or exemptions. Although a waiver of permit fees is always welcome, this incentive will have the most impact in areas with significant impact fees. In single family neighborhoods with large school or infrastructure impact fees, a waiver of those fees will have a positive impact on lot development costs, and therefore on housing costs. Many areas do not impose high impact fees on multi-family housing, so this will be less of an incentive there.

Expedited permitting. Expedited permitting lowers the financing costs of projects by reducing the interest paid on money borrowed for land acquisition and up-front soft costs and by reducing the overhead charged against the project.

Also included as an incentive in HB 2984 is the authority to undertake mixed use development. Since mixed use development is already allowed in most areas where it is financially feasible, it is difficult to see the incentive value of this provision.

Other incentives that a jurisdiction might offer would include assistance with infrastructure, adjustment of lot coverage, open space or street standards, or adjustment of design standards. Jurisdictions could also rebate the local sales tax paid on construction of affordable and bonus units.

Will it work?

On its face, HB 2984 does not contain any provisions that make it impossible for a jurisdictions to structure an inclusionary/incentive program that would be both productive and fair. It gives local governments a high degree of leeway to draft a set of requirements and incentives that meet local market conditions. As with most provisions of the Growth Management Act, the devil is in the details, and those are decided at the local level.

One safeguard that is conspicuously missing from HB 2984, however, is any requirement to demonstrate that an incentive package will fully offset the cost of including affordable units. If the incentives do not cover costs of the affordable units, one of the two key criteria for a successful program will suffer. In a voluntary program, effectiveness will suffer, since few developers will undertake a program that costs them money (as seems to be the case currently with the many underused programs in the state). In a mandatory situation, fairness will suffer, since developers will be compelled to pay more in costs then they get back in incentives, thereby leading developers and their market-rate customers to subsidize the affordable units.

We can safely conclude that, since it gets around the strict provisions of RCW 82.02.020, the new law passed under HB 2984 will provide the parameters within which inclusionary and incentive housing program around the state will be structured going forward. We can expect to see efforts to adopt both mandatory programs tied to the rezone of multiple parcels, and voluntary programs applying to specific projects.

Economics

As noted above, the key to the fairness of mandatory programs is to ensure that the value of incentives fully offsets the cost of the subsidy to the included units. In the case of voluntary programs, the incentives need to more than offset the costs of included units in order to cover the added risk and complexity of participating in an affordable housing program. So, it is worth looking at how incentives interact with project budgets.

The easiest way to look at the economics of incentives is to determine the cost to the project of not getting full sales prices or rents, and then assembling a package of incentives to offset that cost.

Figure 1, adapted from a methodology developed by A Regional Coalition for Housing (ARCH) shows the cost of providing apartments in a typical urban center building at 50 percent AMI. (Rents in stacked flat apartments with underground parking generally start at about $1.75/foot.) When the lost rent is capitalized at a cap rate of six percent, the value of the units drops by $94,400 for the one-bedroom and by $160,400 for the two-bedroom. Those figures provide the goal for the value of the offsetting incentives.

Figure 1

Apartments Affordable at 50 % AMI

	One Bedroom	Two Bedroom
Market rent/month	$1,200	$1,600
Affordable rent/month	$728	$798
Monthly gap	$472	$802
Annual gap	$5,664	$9,624
Cap Rate	6%	6%
Value of gap	**$94,400**	**$160,400**

Source: A Regional Coalition for Housing (ARCH)

The following analysis will focus on the one-bedroom example, and the various places to look for the $94,400 that needs to be recovered. The first place to look is the features of the affordable unit itself that can be adjusted.

1. Smaller unit. As noted above, as long as an included unit is functionally the same as the market rate units, it can be smaller. A typical one-bedroom apartment in a stacked flat building might be 700 square feet, and this could be squeezed down to 625 square feet.

2. Lower construction cost. The law also allows included units to be less elaborate. So, if a typical stacked flat apartment costs in the neighborhood of $120 per square foot to

build, it might be reasonable to whittle that down to $105 for the affordable unit. This means no granite counters, hardwood floors or jet tubs.

Combining the smaller unit size with the lower construction cost yields a savings of about $18,000, which is $76,400 short of the gap. That is where the incentives come in. If the developer were offered a bonus of two extra one-bedroom apartments, that provides two new sources of money.

3. Free land. If the parcel of land under this project was priced according to the underlying zoning, the bonus units can be thought of as having no land cost at all. Typical urban center buildings have a net floor area ratio of about 2.0, so a 700-square-foot apartment would have 350 square feet of land attributed to it. The going rate for urban center land varies widely, but stacked flat buildings are usually not built on land selling for less than $80 per square foot, so at that price, the value of the "free" land for the affordable unit is $56,000.

4. Profit from bonus units. If the building has a operating cost ratio of 30 percent, the bonus market rate units would each receive a net monthly rent of $840. With a cap rate of .06, this translates into a unit value of $168,000. If the builder is able to generate a 10 percent profit margin, the profit on the two bonus units would be $33,600.

Figure 2

Offsetting loss from rent affordable at 50 % AMI

Value of Rent gap	-$94,000
Smaller unit, lower grade	$18,000
Land for bonus units	$56,000
Profit from bonus units	$33,600
Net profit change	**$13,600**

Figure 2 shows the results of tapping into four sources of money to offset the loss of rental income from the included unit. After building both the affordable and bonus units, the project would have an additional $13,600 in profit. It is doubtful that, if the program were voluntary, a builder would find this extra revenue sufficient to offset the risk of adding a few hundred thousands of dollars to the project. If it is not, the city and builder would need to go back to the menu of incentives to look for other benefits such as fee waivers or a reduced parking requirement.

The thin incentive outcome of this example shows how difficult it can be to structure a bonus program that will be attractive, especially with the size of the rent gap shown here. Most existing voluntary programs are less generous than this example, offering only one bonus unit for each affordable unit. It is not surprising that they are seldom used. This is, of course, a hypothetical and highly simplified example, but shows the kind of

thinking that needs to go into understanding the economics of inclusionary and incentive programs.

Program Questions

In working through the requirements of HB 2984 local governments will encounter a long list of policy decisions, most of which are described above. In addition, HB 2984 is silent on a number of other policy issues that will inevitably arise. Following are some of the key questions that will need to be resolved as each jurisdiction evaluates its particular needs and market conditions.

Program threshold. Small projects do not have the flexibility to include affordable units, and adding units to a small project will increase its density beyond what neighbors might consider acceptable. It is impractical to incentivize small projects and burdensome to require them to participate in a program. So, at what size project does it make sense to start?

There is no easy answer to this question, but a good way to look at it is the impact that a bonus would have on density. For example, a two-for-one bonus (such as the example above) on an eight unit project would increase the density by 25 percent and probably be quite noticeable. The same bonus on a 12 unit project increases density by 17 percent.

On-site versus off-site. While it may be good social policy to include affordable housing intermixed with market rate housing, the economics can be difficult when the market rate project is at the expensive end. Even if the bonus results in "free land" for the extra units, the cost of framing in concrete or steel, and provision of underground parking make the affordable units expensive to build, no matter how skimpy the interiors. The argument for doing affordable housing off-site is that the money is better spent on more units rather than on expensive shells and parking.

Having inclusionary units within a luxury building also raises a fairness question: should a lucky handful of people get access to luxury locations at the expense of fewer housing units being available for everyone. This is an accentuation of the "lottery" problem described below.

Voluntary versus mandatory. The programs authorized under HB 2984 would be, at their simplest, purely voluntary: a developer would decide whether the incentive package was sufficient to offset the costs of the included affordable units and to compensate for the added capital risk and headaches. Many such programs already exist, but are often criticized for offering too little in the way of incentives and, therefore, resulting in too few projects with included units.

HB 2984 allows mandatory programs in cases where a jurisdiction has upzoned an area. With these programs the jurisdiction can mandate a minimum amount of affordable housing in the upzoned area, with or without additional incentives. This approach is

roughly analogous to the requirements for affordable units in masterplanned communities where a formerly rural area is allowed to be developed intensively.

The uncertainty in such an approach concerns land prices. Land for development is typically priced according to the number of housing units that can be built on it. This is particularly the case with lower density zones where the unit count is easy to estimate and the land cost is a higher percentage of overall project cost. Once land is upzoned, the owners of that land will attempt to reprice it to reflect the higher allowable unit count. During purchase negotiations the prospective buyer may be able to make the argument that they cannot pay for the land needed for the affordable units, but they will likely have to pay for the land for market rate units beyond those allowed under the original zoning. Thus, the "free land" for bonus units assumed in Figure 2 may not be free after all. The builder will certainly benefit from the profitability of the extra units added under the rezone, but will not get the benefit of the free land they might be able to get under a voluntary program.

An argument frequently heard against mandatory inclusionary requirements tied to upzones is one of fairness. Local governments rarely compensate land owners when the capacity of land is diminished due to environmental or zoning regulations, so why should they exact a price when the capacity is increased?

Unit types. Cities and counties need an accurate assessment of the housing needs of their community in order to determine the types of units to be encouraged through inclusionary or incentive programs. In most areas there is a reasonable supply of affordable one-bedroom apartments, so adding more of those may not be meeting a need. Similarly, there is a good choice of one and two bedroom condominiums in the urbanized areas of the state.

What is missing in many urbanized areas is affordable detached or semi-detached housing for first-time buyers and larger apartment and condominium units. Thus, a program might target three bedroom apartments or condominiums, or affordable townhouses. Also missing in many areas are small studio condominiums, and these can be encouraged as carriage houses over garages.

Accommodating higher density. If the incentive offered is a density bonus – more units than the property would accommodate under current zoning – it is likely that some other zoning regulations will have to budge in order to accommodate those new units. After all, it does no good to offer a bonus only to find out that other regulations preclude taking the bonus. Market considerations tend to dictate unit size, so developers may be leery of just squeezing more units into the same envelope.

Options for accommodating more units will vary depending on the building type. For example, in a detached fee simple development, some units could be attached as duplexes or triplexes or simply have the separation between units narrowed. Street widths can also be narrowed. Programs for multifamily buildings can adjust setbacks, expand lot coverage or increase height.

Fitting in the neighborhood. When affordable units are integrated into a market rate development, it is crucial that they do not stand out as obviously different. This is important for community character, as well as marketability of the rest of the project. One approach is to use design standards to require that the affordable units look the same as the market units on the exterior, while using lower grade fixtures and finishes on the interior.

Figure 3 shows an example of the per-square-foot construction costs of a 1,600 square foot 1 ½ story house. The R.S. Means Company provides cost estimates for four grades of home: economy, average, custom and luxury. Figure 3 shows the per square foot cost of elements of the house for the economy and custom grades, and then a hybrid that uses the custom grade for the exterior and the economy for the interior.

Figure 3

Per-square-foot construction cost
1,600 square foot house

	Economy grade	Custom grade	Hybrid economy/ custom
Foundation	$7.60	$9.98	$9.98
Framing	$10.16	$13.15	$13.15
Exterior walls	$12.60	$13.06	$13.06
Roofing	$2.04	$4.67	$4.67
Subtotal - exterior	$32.40	$40.86	$40.86
Interiors	$20.15	$32.93	$20.15
Specialties	$1.86	$5.60	$1.86
Mechanical	$5.62	$8.82	$5.62
Electrical	$1.99	$3.26	$1.99
Subtotal - interior	$29.62	$50.60	$29.62
Overhead	$9.58	$18.44	$12.49
Total	$71.60	$109.90	$82.97

Source: R.S. Means Per Square Foot Cost Data 2007

The exterior of the custom grade is somewhat more costly than the economy, since the custom home will have more articulation and expensive framing elements like dormers. But the real savings is found in the interiors, where the custom home will have much higher spending for finishes, plumbing and lighting fixtures and kitchen appliances. The

hybrid version of this home could be included in a subdivision with little notice, until one goes inside.

Implications for home ownership. Subsidized rental housing is straightforward to manage over time, as new tenants can easily be found who fit the income and other criteria. Ownership housing is another matter. Buyers who pay less than the market price for a home are receiving a public benefit and should not be able to cash that benefit in by selling their home at market prices. At the same time, a major benefit of home ownership is the opportunity to realize the appreciation of the local real estate market. The subsidized buyers are paying less, but they are still investing their money and should expect some return.

Thus, below-market ownership units need some reasonable controls on resales that ensure that the units continue to be owned by households that qualify for the public benefit but that also offer the seller some fair return on investment. Furthermore, the opportunity for a return on investment must be enough to ensure that owners maintain their homes in good condition. If the resale price does not reflect the physical condition of the home, owners have a perverse incentive to defer maintenance.

Long term program management. This leads to the question of management of the affordable units over the long term. By requiring units to remain affordable for at least 50 years, HB 2984 presents a challenge of continuity. Few individuals remain in place for 50 years, and public and private organizations can change significantly during that time. So, with units dispersed across the community it maybe easy to lose track of restricted properties. Title restrictions may prevent outright sales of restricted units, but owners may rent or sublet them inappropriately with no one knowing.

In a time of perpetually underfunded and understaffed local governments, enforcement of housing affordability requirements may fall very low on the priority list. Smaller jurisdictions, where programs may result in a small number of dispersed units, need to think carefully about creating a management problem for future generations.

Political Questions

As communities consider inclusionary or incentive programs they will face some challenging political questions.

The easy way out? Even the most ardent proponents of inclusionary and incentive programs will admit that the programs are only a part of the solution to the state's housing affordability problems. But there is still a danger that these programs can be misrepresented as more productive than they can realistically be. The state has a need for tens of thousands of new units of affordable housing, and that need is growing daily, as prices increase faster than incomes. But because inclusionary and incentive programs cost little if any public money, they can be an easy way for governments to appear to be aggressively addressing the problem of housing affordability, while not making much of

an actual dent. Local officials need to be clear to their constituents that these programs are part of larger efforts to increase the supply of affordable housing.

The "lottery" effect. In a market, when demand exceeds supply, prices rise to shake out excess demand. But when prices are fixed, as with affordable housing programs, there needs to be another method to allocate the scarce resource. In the case of inclusionary housing, many people who might decline to live in public housing would jump at the chance to get a brand new unit in a brand new community surrounded by stable middle class residents. Yet, these opportunities will be few, with governments and non-profit program managers in the position of determining which lucky people get the new home and which come away empty-handed. Such a decision process, no matter how well steeped in objective criteria, becomes a sort of lottery with a few winners and mostly losers.

How rich can incentives be? Mandatory programs are only possible in areas slated for general upzones, so most programs will be voluntary. This leaves the developer in the position of deciding whether the incentive package is worth the added effort and financial risk of inclusing affordable housing. Since many builders will take the view that they should be rewarded for helping achieve a public purpose, and not just reimbursed, incentive packages will need to result in increased profit margins across the entire project. But this may be politically difficult, and cities and counties may be accused to giving away too much, especially if bonuses result in higher densities or a larger building envelope.

Conclusion

Cities and counties now have a clear idea of what sorts of incentives and requirements they can adopt to try to increase the supply of affordable housing through bonus or inclusionary programs. The challenging part is that these programs cannot generate nearly enough affordable housing to meet present needs, and therefore must be packaged with other, more politically difficult actions. The worst outcome of HB 2984 would be to have cities and counties put weak incentive programs in place and then claim they have addressed their housing problems.

Like most areas of land use law in the state, HB 2984 provides a neutral framework within which local governments can build programs. The choices made by local governments with respect to the balance of incentives and requirements will determine whether these programs produce useful amounts of affordable housing or whether they are merely window dressing. The economics are not difficult to figure out, and a strong partnership between local governments and their housing industry can easily result in effective programs. But unfortunately, even the most effective program will benefit just a small fraction of the households priced out of today's blistering housing market.

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

MEMORANDUM

To: David Ramsay, City Manager

From: Tracy Burrows, Sr. Management Analyst

Date: December 13, 2007

Subject: 2008 City of Kirkland Legislative Agenda

Recommendation:

It is recommended that the City Councilmembers review the draft proposal and provide comments back to staff. Based on Council's input, the proposed Legislative Agenda will be revised for Council consideration at the January 15th Council meeting.

Background:

The Legislative Committee of the Kirkland City Council has developed a draft Legislative Agenda in preparation for the 2008 Legislative Session, which convenes on January 14th, 2008. This draft legislative agenda focuses on issues related to municipal courts, housing, environmental stewardship, and annexation. We are anticipating that the State Legislators will pursue relatively modest legislative initiatives during this short legislative session. However, we are hopeful that there will be progress made on funding for affordable housing, achieving greenhouse gas emission reduction goals, and recognizing the status of municipal courts and appointed judges as an integral part of the State's overall judicial system.

There are several new additions to the proposed legislative agenda, including support for legislation that provides incentives for urban reforestation and that encourages schools to choose healthy, locally grown produce for their school menus.

City of Kirkland
Draft 2008 Legislative Agenda

LAW AND JUSTICE

Municipal Courts

Kirkland supports cities' ability to form municipal courts and is working to preserve all options for providing municipal court services in the future.

Local governments should have the authority to choose the court structure that best meets local needs, including municipal courts that feature cities contracting with neighboring cities to provide court services. The authority for these courts has recently been affirmed in the King County Superior Court decision in *City of Medina v. Melody Primm*. The community court structure allows the contracting cities to keep the court local, while realizing cost efficiencies that would not be possible if each city were required to have its own court. It also increases citizen access to court services by having the courts located closer to home. By reducing law enforcement travel time to and from court, it allows law enforcement personnel to spend more time ensuring public safety.

To maintain the efficiency and independence of these courts, cities should retain the ability to appoint municipal judges who work less than full time. In addition, State law should continue to allow cities to retain and direct municipal court revenues at the local level.

Municipal Courts should retain their current authority to determine whether or not to extend their jurisdiction to anti-harassment and domestic violence protection orders. The City of Kirkland opposes any requirements to take on these additional responsibilities without adequate funding for staffing and training.

PUBLIC SAFETY

Kirkland supports legislation that provides additional funding options for public safety purposes, including public safety facilities.

Cities expend substantial resources on fire protection, emergency medical services, law enforcement, and jail services. Homeland security responsibilities, including planning, training, mitigation, and emergency response increasingly fall on local governments as first responders. Kirkland considers the state a partner in local government efforts to create safe communities.

ANNEXATION

Kirkland supports legislation that extends the deadline for eligibility for the State annexation sales tax credit and that provides additional funding for annexation-related expenses.

Annexation of Kirkland's PAA presents complex service delivery and financial challenges. The Kirkland Council is committed to taking the time that is required to make informed and prudent decisions about whether annexation fits into Kirkland's future. To support this decision-making process, the City requests an extension of the 2010 deadline to commence annexation and retain eligibility for the State's annexation incentive funding. The City also

supports additional funding to support capital facilities needs and level of service standards for annexing cities.

ECONOMIC DEVELOPMENT/INFRASTRUCTURE

Local Infrastructure

Kirkland supports legislation that provides a new permanent source of funding for infrastructure.

Infrastructure is critical to the health, safety, and welfare of local communities and the citizens of the state. Infrastructure lays the foundation for economic well-being, growth, and quality of life of a community. Adequate infrastructure is required to accommodate Growth Management Act requirements, other state requirements, and a series of federal requirements administered by the state. Enhanced infrastructure funding is required to meet these requirements and ensure our communities excel.

The City of Kirkland supports new funding to address growth for economic development purposes, to repair an aging utility system and to upgrade streets and roads. The current state loan and grant programs are significantly under-funded and the need for an increase is great.

Kirkland supports local economic development incentives that help to attract, retain, expand and support economic activity that promotes prosperity and improves the quality of life in the community.

Condemnation Authority and Water Law

The City of Kirkland supports clear condemnation authority to Cascade Water Alliance. Clarification of the current statues and granting of this authority is necessary as Cascade begins construction on the Tacoma/Cascade Regional Pipeline.

The City of Kirkland opposes changes to the municipal water law statutes that would jeopardize the ability of Cascade Water Alliance to be a regional water agency and meet obligations to Members. Cascade's status as a municipal and regional water provider must be protected.

Redistribution of Gas Tax

Kirkland supports legislation to implement a more equitable distribution of the state gas tax, with an increased share allocated to cities. Since 1991, the per capita gas tax distribution has declined significantly because the tax is not distributed equitably to growing municipal areas.

City population has grown 43% since 1990, compared to 3.5% in unincorporated areas. Washington's cities are home to nearly two-thirds of the state's population. Despite this, transportation funding is increasingly focused on state needs, while neglecting city streets. Nearly 90% of the state GDP is generated in the state's top nine metropolitan areas, yet funding to support transportation in these employment centers continues to decline. Future

gas tax distributions should ensure a fairer return to cities, which handle a disproportionate amount of the state's employment and commuter traffic. Cities that are meeting their Growth Management growth and density targets face significant transportation needs and should receive a proportionately higher percentage of the gas tax distribution.

HOUSING

Homelessness

Kirkland supports legislative action aimed at preventing homelessness and moving the homeless to stable, supported housing as quickly as possible. To accomplish these goals, the City supports the appropriation of funding for temporary rental assistance and supportive services, increased resources for mental health and substance abuse treatment services, and support services to young people who age out of the foster care system.

East King County lacks an adequate supply of shelter beds and transitional housing. From 2001-2002, there was a 42% increase in the number of families and individuals turned away from the Hopelink Family Shelter in Kenmore. The largest multi-service center in East County reports an average turn-away rate of 6 families for every family served in transitional housing.

Funding for Affordable Housing

Kirkland supports increasing the Housing Trust Fund to $363 million through significant contributions to the Fund to support statewide public-private investment in low-income housing..

Lack of affordable housing is a significant problem throughout King County, including the City of Kirkland. About one third of the City's residents earn less than 80 percent of median income and face considerable difficulty in affording housing. According to the 2003 Kirkland Housing Needs Analysis, prepared by A Regional Coalition for Housing (ARCH), Kirkland's current housing market is most lacking in providing rental housing units priced appropriately for low-income households (those earning zero to 50 percent of median income) and ownership housing priced appropriately for median-income households (earning 80 – 120 percent of median income).

Washington State provides funding for low-income housing needs through the Housing Trust Fund (HTF). These monies help local housing providers to develop much needed affordable housing throughout the state. The state has increased funding for the Housing Trust Fund in recent years and should continue its investment in this vital fund.

In addition, the City of Kirkland supports a percent of the Housing Trust Fund being dedicated for emergency bridge funding and earnest money deposits. Properties are placed on the market in affluent real estate markets and due to quick sales and funding restrictions they are unattainable as affordable housing. To create diverse housing markets it is important to provide the tools and resources necessary to save potential affordable housing sites. One of the tools needed is bridge funding to ensure non-profits and local governments can enter into purchase options quickly

Inclusionary Zoning

Kirkland supports legislation that provides jurisdictions clear authority to require the inclusion of affordable housing in permitted housing developments.

Inclusionary zoning, also known as inclusionary housing, refers to city planning ordinances that require that a given share of new construction be affordable to people with low to moderate incomes. The term inclusionary zoning is derived from the fact that these ordinances seek to counter exclusionary zoning practices which aim to exclude affordable housing from a municipality through the zoning code. In practice, these policies involve placing deed restrictions on 10%-30% of new houses or apartments in order to make the costs of the housing affordable to lower income households. The mix of "affordable" and "market-rate" housing in the same neighborhood is seen as beneficial by many, especially in jurisdictions where housing shortages have become acute. Inclusionary zoning is becoming a common tool for local municipalities in the United States to help provide a wider range of housing options than the market provides on its own.

The City of Kirkland supports legislation that provides jurisdictions the authority to require inclusionary zoning. The City does not support legislation mandating inclusionary zoning be implemented.

TELECOMMUNICATIONS

Kirkland supports maintaining local franchising and opposes any legislation that would create a statewide franchise. Kirkland recognizes the importance and need for local governments to manage their rights-of-ways and be able to deliver local programming. We support telecommunications legislation that is balanced and addresses the concerns and interest of local government and telecommunication/ broadband providers.

Kirkland supports competition in video, telephone and broadband services and their social obligation to support public, education and government channels. Kirkland supports protecting consumers from monopoly pricing and providers.

Kirkland supports like services being treated alike with clear definitions and requirements. For example, in today's environment, cable and telephone companies are regulated differently even though they provide very similar services in today's marketplace.

Kirkland supports leasing of public rights-of-ways by telecommunication providers and the payments of video franchise fees.

GAMBLING

Kirkland supports legislation that would clarify that local governments have the ability to ban and zone gambling activities.

Local jurisdictions should have binding authority to determine the land use and zoning regulations that apply to gambling establishments. This is particularly important given the potential negative impacts of gambling establishments on the surrounding community.

ENVIRONMENT

Green House Gas Emissions

Kirkland supports legislation that builds on the land use and transportation planning that is already required of state and local governments to help accomplish the State's adopted greenhouse gas emissions reduction goals. This approach should be targeted at the more populous cities, counties and regions and mandated climate change planning should be fully funded by the State. Kirkland also supports legislation that provides monetary incentives for reducing vehicle miles traveled and increasing fuel efficiency through annual motor vehicle license fees.

The State of Washington has adopted the following goals for reduction in greenhouse gas emissions:

a. By 2020, reduce emissions to 1990 levels;
b. By 2035, reduce emissions to 25 percent below 1990 levels; and
c. By 2050, reduce emissions to 50 percent below 1990 levels, or 70 percent below the state's expected emissions that year.

At the local level, progress towards these goals depends on reducing land use patterns that increase vehicle usage and maximizing land use patterns that encourage compact communities, in-filling, denser development, linkages with transit options, and projects that reduce vehicle miles traveled (VMT).

Local Farms - Healthy Kids

Kirkland supports legislation that will address:(1) establishing a state Farm to School Program, (2) improving state procurement policies to increase institutional purchasing from local farms, and (3) dedicating state funds to jump start school, food bank and other institutional purchases from local sources.

The local farms-healthy kids effort addresses two major challenges facing our state: concerns about the diet and health of our children, and the well-being of our small and mid-sized farms. By getting more locally grown produce into our schools and food banks, we can improve children's health and create new and thriving markets for our farmers.

Evergreen Cities

Kirkland supports the development of a statewide performance standards and grants program to enable cities and counties to restore their urban forests.

Kirkland supports local government efforts to retain urban forests through local ordinances, urban forest management plans, statewide grants and funding for local governments, and partnerships with volunteers to restore and maintain urban forests. Keeping existing trees and planting new ones enhances quality of life for people, increases property values and gives us cleaner water and habitat for birds and wildlife.

Capital Funding Requests:

Kirkland Public Safety Campus

Kirkland has a critical need for a new public safety campus that provides a wide range of services to citizens that are engaged in the criminal justice system. A recent space study undertaken by the City identified both severe overcrowding in the Police Department and a lack of key functional operational spaces in our current facilities. The campus will include a police station, municipal court, municipal jail, probation services, and crime lab. The Kirkland Public Safety Campus consolidates key services to manage transportation demand, decrease congestion, and reduce the cost and critical staff resources devoted to jail transport. The City is seeking an additional $500,000 to help fund phase II activities related to land acquisition and site planning.

NORCOM

Kirkland, in partnership with 13 other eastside jurisdictions, formed a consolidated police, fire, and emergency medical services call-taking and dispatch agency in November of 2007 to consolidate and strengthen the interoperable communications and information sharing capabilities of these agencies. Kirkland supports NORCOM's efforts to seek additional funds to support implementation of new Computer Assisted Dispatch and Records Management Technology needed to consolidate the centers.