C I T Y O F K I R K L A N D
CITY COUNCIL
Jim Lauinger, Mayor • Joan McBride, Deputy Mayor • Dave Asher • Mary-Alyce Burleigh
Jessica Greenway • Tom Hodgson • James Lauinger • 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

CITY OF KIRKLAND
2008 CITY COUNCIL RETREAT
MARCH 28 AND 29, 2008

LaConner Country Inn
Two Forks Conference Room
107 S. Second Street
La Conner, Washington

AGENDA

FRIDAY, MARCH 28

9:30 – 12:00 p.m.	Financial Update and Trends
	Community Survey
	Communicating and Engaging the Community About City Finances
12:00 – 1:00 p.m.	Lunch
	Continuation of morning discussion (if needed)
1:00 – 5:00 p.m.	Affordable Housing
	Human Services
6:30 p.m.	Social and Dinner Nell Thorn Restaurant 205 Washington Street

SATURDAY, MARCH 29

9:00 – 12:00 p.m.	City Council Goals
12:00	Lunch

Special Report: A supplement report on tolling is also included in the retreat packet for your information. This item is not included on formal agenda but can be added as a discussion topic at the retreat.

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: February 29, 2008

Subject: Council Retreat - Financial Update and Trends

The purpose of this memo is to provide a brief recap of 2007 year-end financial results, a discussion of pending 2008 budget issues, a budget trend discussion in advance of the upcoming 2009/10 budget process, and an update of the financial forecast. This information is intended to provide a basis to begin the discussion of budget policy issues and goals.

2007 Year-End Results

The year-end results for 2007 are summarized in the Financial Management Report (FMR), which is included as Attachment A. Since the 2007 financial position was discussed in some detail during the mid-biennial budget process, this section will highlight only those areas where actual results differed significantly from planned levels and that may impact the financial picture looking forward:

- The mid-biennium budget was developed in September 2007 and, at that time, **sales tax** growth was projected at 2.9% (down from over 9% in June). Sales tax continued to decline in the remaining months of 2007, resulting in overall sales tax growth of only 0.6%, which is a reduction in revenues to the General Fund of approximately $163,000. Sales taxes from new construction were the largest contributors to the monthly sales tax decline.
- **Property tax** collections fell short of budgeted levels by about 2%, a portion of which is due to an increase in delinquencies.
- Actual 2007 **development fee revenues** fell short of projections by $225,000, although reduced expenses offset this amount.
- In September, **Fire overtime** was estimated to exceed the budget by approximately $330,000, but by the end of 2007, it exceeded the budget by over $740,000. This situation is due to a number of factors, including disability hours, sick leave, and FMLA significantly higher than average and the impacts of the additional Kelly day implemented in the last collective bargaining agreement. A memorandum from Chief Blake providing further detail on this issue is included as Attachment B.
- In many departments, the 2007 **expenditures** were under budgeted levels. Since we are managing expenses on a biennial basis, no mid-biennium adjustments were funded with assumed expenditure savings. In some cases, costs budgeted in 2007 will take place in 2008 (for example, ARCH, outside agencies, and other contract payments) or 2007 expenditures were paid in 2008 (the expected accrual in the General Fund for these costs is $740,000). Vacancies in some departments have also contributed to the under-expenditures and delays in expending annexation service packages pending the go/no-go decision are a factor.

We are continuing to analyze the 2007 results to determine if specific actions are required to offset some of these events. If specific actions are recommended, they will be incorporated into the mid-year budget update in June.

2008 Outlook

As we proceed into 2008, the negative trends continue. One positive development is that **new construction property tax** came in strong at the end of 2007. The 2008 budget assumes that property tax will increase by the 1% optional levy and 2% from new construction. Actual new construction came in at 4%, resulting in additional revenue of approximately $269,000 ($192,000 to General Fund, $61,000 to Streets, and $16,000 to Parks Maintenance). These figures became available after the mid-biennium budget recommendations had been developed, so they will be factored into the 2008 budget adjustments. Given the downward trends in development fees and sales taxes related to new development, this rate of increase may be unlikely to continue.

Since **sales tax** ended 2007 with virtually no growth over 2006 and there are one-time service packages that have been funded with sales tax, we begin 2008 with the General Fund budgeted sales tax over the prior year actual by $348,000. In addition, the sales tax declined in January over 2007 levels, producing the possibility that 2008 receipts could come in below the prior year actual. This potential decline would more than offset the additional property tax receipts anticipated.

There continues to be uncertainty related to **development activity**. It is difficult to determine whether the slowing trend is continuing based on permit revenues because the January results are likely skewed by applications coming in before the February 1, 2008 increase in impact fees and other development services fees. We will continue to monitor this trend closely and provide an update as more information becomes available. If revenues fall short of projections, we will evaluate whether a portion of the development services reserve may be needed to offset the shortfall.

At this writing, **Fire overtime** has exceeded the biennial budget, due to the factors described earlier. While the Fire Department expects peak levels to subside, additional funding will be required to offset this expense. At the same time, the new EMS levy takes effect in 2008. Finance and Fire are working closely to develop a strategy to fund the overtime and to program in the additional EMS revenues (approximately $274,000) consistent with the terms of the levy.

We continue to monitor **Police overtime** as well, particularly in the areas of corrections and dispatch, where there have been a number of vacancies. As the new corrections positions funded in the 07/08 budget are filled, corrections overtime should subside. At this stage, NORCOM is still in the transition stage and the ultimate impacts as dispatch is consolidated by NORCOM (expected sometime in 2009) continue to be evaluated.

The City Council is scheduled to discuss whether to proceed toward **annexation** in April. If the decision is made to proceed, we expect increases in the rate of expenditures associated with the approved service packages and there may be additional funding requests as we move toward placing the question on the ballot. If annexation does not proceed, we expect there will be de-mobilization costs, although there will likely be some funding remaining from those service packages.

The 2007/08 budget has programmed additions to **reserves** totaling $2.76 million as follows:

- Contingency: $986,000
- General Capital Contingency: $394,000
- Revenue Stabilization Reserve: $582,000
- Facilities Expansion Reserve: $795,000

Based on developments over the next several months, we may recommend adjustments to those reserve additions, although the reserves could play an important role as we move into the 2009/10 budget process. The mid-year budget adjustments are scheduled to be brought forward on June 5. We will be carefully monitoring these trends as we development recommended actions at that time.

2009/10 Budget Process

Budget Trends

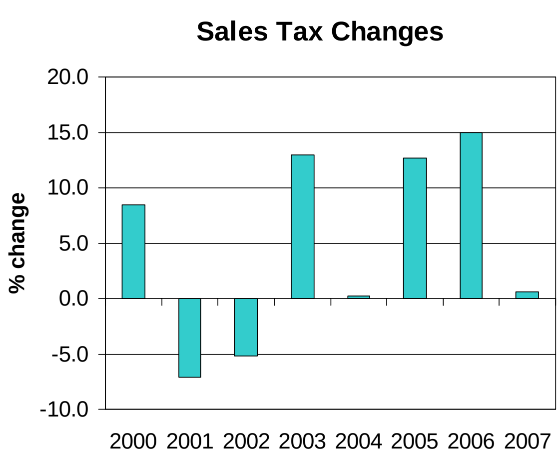
The weakness in the economy continues to fuel concerns looking forward into 2009/10. While there are some opportunities, there are also events occurring in Kirkland that magnify those concerns.

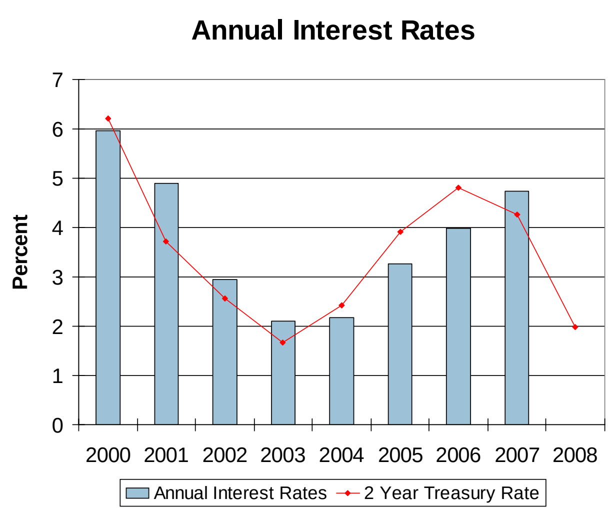
Concerns – Revenues

- Further reductions in **sales tax** revenues are likely looking forward due to several anticipated events:
    - As described earlier, 2007 actual results fell short of projections and the 2008 budgeted revenues include growth of about 2.2% over the 2007 actual results. In the past, we have forecasted sales tax revenue growth based on the historical 6% average. Given the current economic conditions, we are recommending that we assume a reduced level of growth for 2009 of 2%. If sales tax receipts in 2008 actually decline from 2007, even this reduced growth rate could prove optimistic.
    - One of the major auto dealerships in the City is anticipated to relocate its sales operation outside the current City boundaries (into the potential annexation area) by the end of 2008, while maintaining its service operation in the City. This move is estimated to result in a reduction to on-going sales tax revenues of approximately $500,000.
    - Additional one-time events further jeopardize the baseline sales tax revenues. Costco has announced the opening of new stores in Redmond and Bellevue by the end of 2008. By their estimates, the opening of these stores could impact the Kirkland store sales by one third. The forecast that is included later in this report assumes that this reduction would be recovered over a five year period, consistent with the City's experience with the opening of the Issaquah store back in 1995.

- **Interest earnings** returned to more robust levels in 2007/08, however, recent economic events have resulted in a reduction in interest rates due to the sub-prime mortgage collapse and recession fears. While our investment strategy helps to protect the 2008 interest earnings from the decline due to rate reductions, it is likely that our 2009/10 interest earnings will fall substantially from current levels.

  To illustrate the continued volatility of sales tax and interest earnings, we updated the trend graphs presented at last year's retreat for reference.





Concerns – Expenditures

- Since on-going revenue growth has not kept pace with expenditure growth, the City has continued to fund positions and programs using one-time revenues. There are currently 19.45 **one-time funded positions** in the 2008 budget, including 3.75 associated with annexation. In addition, a number of recurring programs have been funded using one-time resources, including ARCH, Human Services, and Outside Agencies. The total 2008 cost of the one-time positions and recurring programs is $2.8 million. Given that we are expecting reductions to both one-time and on-going revenue streams, the ability to continue to fund all of these programs may be very limited. A list of the one-time funded positions and programs is contained in Attachment C.

- The Association of Washington Cities Benefit Trust has notified its members that there will be changes in the current **medical plan** selections, including phasing out of Plans A & B. Human Resources will begin evaluating alternatives this year, but we will likely need to recognize potential impacts in our planning for 2009/10. This uncertainty helps to reinforce the need to anticipate changes and increases in other benefit costs in our collective bargaining strategy.

- As mentioned in prior sections, **public safety overtime** represents a volatile element of the City's expenditures. If current levels do not drop back to historical norms, funding will need to be set aside to offset the higher expenditure level.

- **NORCOM** is expected to begin combined operations some time during 2009. This event will have two impacts on the City's 2009/10 budget. The first will be the funding of one-time costs associated with technology, asset transfer, and backup facilities. Kirkland's share of these estimated 2009 one-time costs is $990,000, although NORCOM recently received a federal appropriation that would offset approximately 35% of that cost. Kirkland's share of the estimated 2010 technology cost is $140,000. In addition to the one-time costs, Kirkland will retain certain records-related functions that will require staff support, which will need to be factored into the 2009/10 budget.

- The City continues to consider regional and local options related to **jail space**. Regardless of the option that is eventually pursued, it is almost certain that the costs of housing prisoners will increase during the 2009/10 budget period.

- While the annexation decision impacts what options the City will consider in terms of meeting its **facilities needs**, the cost of expanding facilities will begin to be felt during the next budget process. While the City has set aside some reserves toward these costs, and existing debt will be retiring that may help with the funding strategy, there will be new operating costs associated with the expanded facilities that will need to be funded.

- If the City decides to proceed with annexation, there will be **one-time and transition costs** that will need to be recognized during this budget process. While we should be able to recoup some of these costs from the state sales tax credit, the City will need to spend some of the money up front, before revenues from the potential annexation area or the state sales tax credit funds are available. While this may represent more of a cash flow challenge than an overall funding issue, it may prove challenging if economic conditions continue to be weak.

Opportunities
While there are many challenges in 2009/10, there may also be some opportunities to be considered:

- There are several **redevelopment projects** that are currently under discussion, including Park Place, Totem Lake, and projects in downtown. While most of these projects would not be complete during the next budget cycle, they could generate new construction sales tax revenues, which while one-time in nature, could be beneficial to the budget outlook. It is important to note that both Totem Lake and Park Place are seeking City participation in project elements that provide public benefit, so all of the revenues generated by the projects may not be available to meet the City's on-going costs.

- While development activity appears to be slowing, there are still projects underway that could add **new construction** assessed valuation for property tax purposes. If this added value exceeds the 2% growth assumed in the forecast, it represents additional on-going revenue for the City.

- While lower **interest rates** impact our earnings, they can also be beneficial if the City is planning to issue debt. If we proceed with our facilities projects during this period of low rates, it would allow us to lock in the favorable rates.

- There are some revenue categories that have shown signs of strength. In particular, **telecommunications tax revenues** came in strong in 2007. This segment has proven to be volatile over time and there are lobbying efforts underway in Congress to limit these taxes, but for the present, this is a bright spot in the revenue outlook.

- **Streamlined sales tax** goes into effect in Washington on July 1, 2008. While the City has already seen some benefits from voluntary compliance, it is possible that there will be positive impacts once it becomes mandatory. The state's estimates of the impact show Kirkland relatively neutral (a net gain of about $47,000), but actual results may vary from their projections.

Impact of Trends on the Financial Forecast

To illustrate the impact of the revenue events, we have produced two versions of the financial forecast:

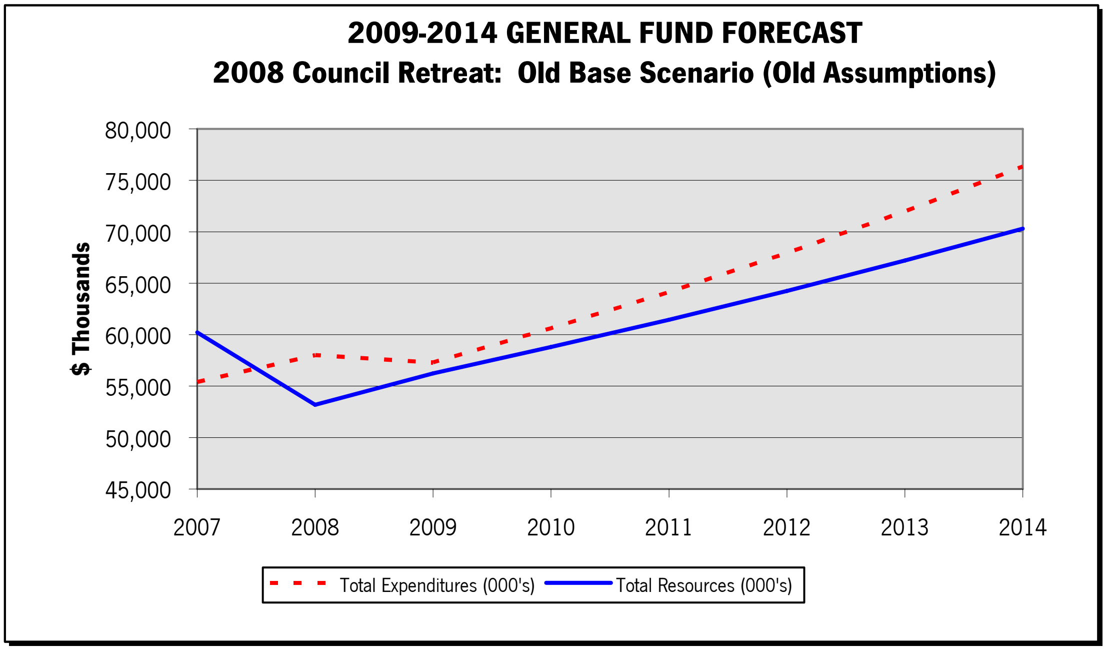
The first shows the forecast under the "prior" baseline assumptions, assuming 6% growth in sales tax revenues. The 2009/10 shortfall totals $2.9 million.

The second version reflects the "new" baseline assumptions:

- Reduction in sales tax due to the reduced 2007 actual collections and a more moderate 2% growth assumed for 2009,
- Departure of major auto sales center, and
- Opening of the new Redmond/Bellevue Costco stores (a one third decrease at the Kirkland location assumed to recover over forecast period (Yr 1 – 10%, Yrs 2-3 – 20% each, Yrs 4-5 – 25% each).

This scenario increases the 2009/10 gap to $5.9 million. It is important to note that both versions of the forecast reflect on-going revenues and expenditures only, so they do not include the programs and positions funded with one-time resources.

The two pages that follow contain the forecast with the "prior" baseline assumptions and the "new" baseline assumptions. The policy option impacts described later in this document will be presented in relationship to the "new" baseline assumptions.



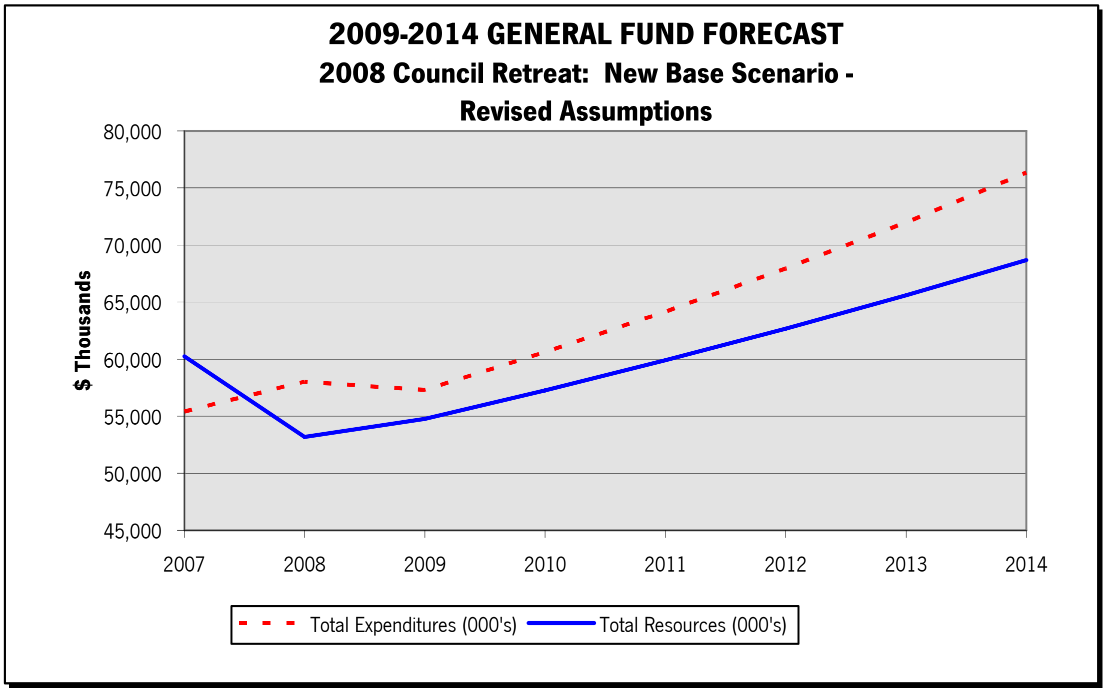
	2007	*2008*	2009	2010	2011	2012	2013	2014
Total Resources (000's)	*60,233*	*53,188*	56,251	58,794	61,463	64,267	67,212	70,306
Total Expenditures (000's)	*55,405*	*58,015*	57,298	60,608	64,143	67,928	71,986	76,335
Net Resources (000's)	***4,828***	***(4,828)***	**(1,047)**	**(1,814)**	**(2,679)**	**(3,660)**	**(4,774)**	**(6,029)**
Biennium Total (000's)	***0***		**(2,861)**		**(6,340)**		**(10,803)**	

Key Revenue Assumptions:

- No additional diversion of current revenue sources to CIP
- No use of reserves in 2009-2014
- 1% optional property tax in 2009-2014
- 2% annual growth in new construction property tax
- 6% annual growth in sales tax reflected in 2010-2014 projections
- 4% annual growth in utility tax in 2009-2014
- 2% annual growth in other taxes (RGRL fee, gambling & leasehold excise) in 2009-2014
- EMS levy maintained
- 5% annual growth in other revenue in 2009-2014
- Excludes one-time outside agency funding and one-time service package funding beginning in 2009 (including overtime staffing at North Finn Hill Fire Station assuming the station consolidation)

Key Expenditure Assumptions:

- Based on 2007-2008 Working Budget
- 6% annual growth in wages in 2009-2014
- 10% annual increase in total benefits in 2009-2014
- 2% annual growth in supplies, services & capital in 2009-2014
- Excludes all one-time funded positions and adjustments beginning in 2009



	2007	*2008*	2009	2010	2011	2012	2013	2014
Total Resources (000's)	*60,233*	*53,188*	54,761	57,248	59,895	62,675	65,595	68,679
Total Expenditures (000's)	*55,405*	*58,015*	57,298	60,608	64,143	67,928	71,986	76,335
Net Resources (000's)	***4,828***	***(4,828)***	**(2,538)**	**(3,359)**	**(4,248)**	**(5,252)**	**(6,392)**	**(7,656)**
Biennium Total (000's)	***0***		**(5,897)**		**(9,500)**		**(14,048)**	

Key Revenue Assumptions:

- No additional diversion of current revenue sources to CIP
- No use of reserves in 2009-2014
- 1% optional property tax in 2009-2014
- 2% annual growth in new construction property tax
- 2% growth in sales tax over 2008 reflected in 2009
- Includes anticipated sales tax loss in 2009 from auto dealership sales office move and Redmond and Bellevue Costco stores opening in 2008. Costco loss recovered during 2010 through 2014
- 6% annual growth in sales tax reflected in 2010-2014 projections
- 4% annual growth in utility tax in 2009-2014
- 2% annual growth in other taxes (RGRL fee, gambling & leasehold excise) in 2009-2014
- EMS levy maintained
- 5% annual growth in other revenue in 2009-2014
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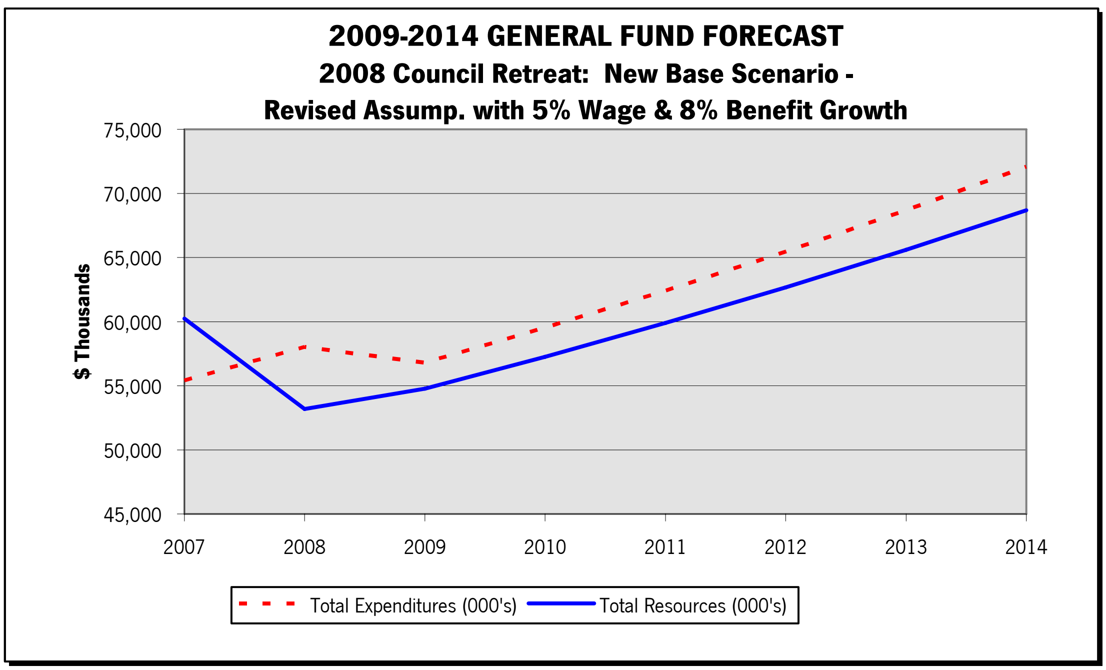
- 6% annual growth in wages in 2009-2014
- 10% annual increase in total benefits in 2009-2014
- 2% annual growth in supplies, services & capital in 2009-2014
- Excludes all one-time funded positions and adjustments beginning in 2009

Policy Challenges

Given that many of the challenges described above are driven by changes in the economy, the Council has three sets of tools to work with to balance the budget: cost control, use of reserves/policy changes, and revenue increases.

- Cost Control

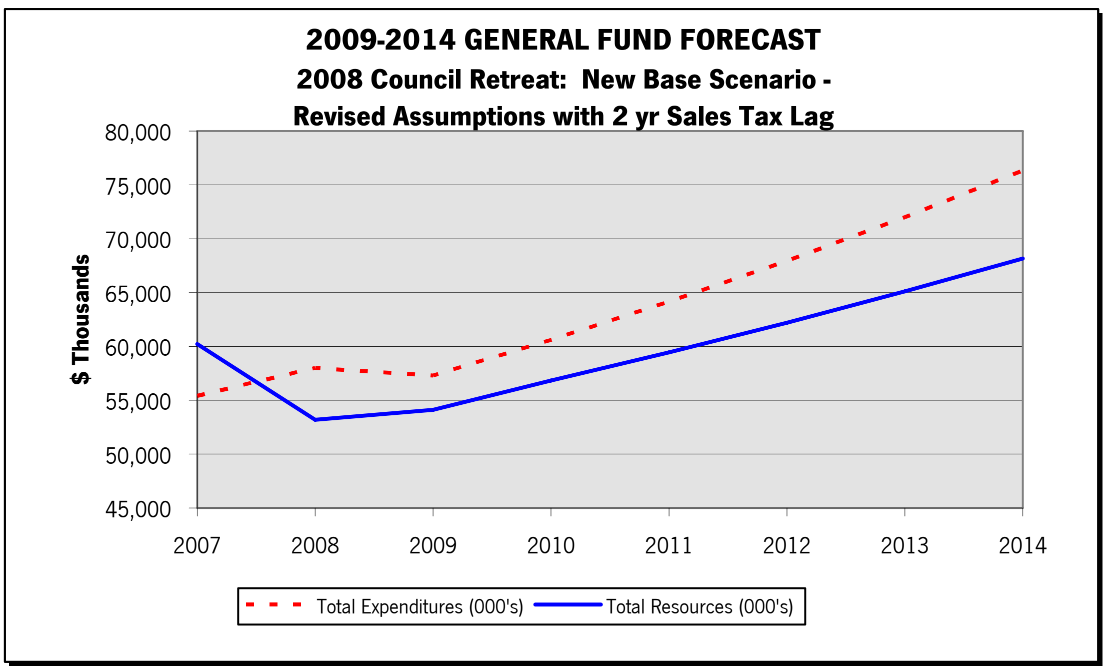
  - Given the revenue outlook, there may not be one-time resources available to continue the funding for **one-time service packages**. Each department is evaluating funding strategies for their one-time programs and positions and the impacts on service levels if funding is not available.
  - Closing the gap related to the on-going portion of the sales tax revenues may require additional reductions that may **lower service levels** in some areas.
  - One of the driving factors in the "diverging lines" in the forecast is the assumption that annual wage growth will average 6% and benefit costs will grow at 10%. These growth rates are not sustainable with current revenues over the long term, which may necessitate development of specific strategies to control the **growth of wage and benefit costs** (which represent almost 70% of the general fund budget). To illustrate the impact, the forecast below shows the 2009/10 shortfall if wage growth can be contained to 5% and benefit growth to 8%.



	2007	*2008*	2009	2010	2011	2012	2013	2014
Total Resources (000's)	*60,233*	*53,188*	54,761	57,248	59,895	62,675	65,595	68,679
Total Expenditures (000's)	*55,405*	*58,015*	56,791	59,523	62,404	65,448	68,671	72,078
Net Resources (000's)	***4,828***	***(4,828)***	**(2,030)**	**(2,275)**	**(2,509)**	**(2,773)**	**(3,076)**	**(3,399)**
Biennium Total (000's)	***0***		**(4,305)**		**(5,282)**		**(6,475)**	

- Use of Reserves/Policy Changes

  - The **revenue stabilization reserve** was established to "address temporary revenue losses due to economic cycles or other time-limited causes". If scheduled replenishments take place and no uses of the reserve are required in 2008, the balance in this reserve for consideration in 2009/10 is estimated to be over $2 million.
  - The City's current policy is to budget sales tax revenues on a one-year lag, as a hedge against possible future economic events. At one time, the policy was to budget the sales tax revenue on a **two-year lag**, which provided an even greater hedge. The forecast below illustrates that it would be difficult to return to a two-year lag if events unfold as expected, because the transition would widen the 2009/10 shortfall to almost $7 million. However, a return to a two-year lag may be worth considering if conditions develop more favorably. Such a change could also be accompanied by a policy of placing surplus receipts over the budgeted amounts into the CIP rather than using the growth to fund operating costs on a one-time basis, which can contribute to volatility in the operating budget.
  - The Finance Committee has reviewed and supports a proposal by staff to move the **CIP budget process** into the biennial budget year, rather than doing the CIP budget in the off budget year. Such a change should result in a variety of benefits, including better alignment of the operating and capital assumptions, efficiencies due to the current need to update the CIP within 6 months of its adoption, and the capability of evaluating options and trade-offs between operating and capital funding levels. Attachment D provides a more detailed description of the recommended change and the draft timeline to accomplish it in 2008.



	2007	*2008*	2009	2010	2011	2012	2013	2014
Total Resources (000's)	*60,233*	*53,188*	54,107	56,836	59,458	62,212	65,104	68,158
Total Expenditures (000's)	*55,405*	*58,015*	57,298	60,608	64,143	67,928	71,986	76,335
Net Resources (000's)	***4,828***	***(4,828)***	**(3,191)**	**(3,771)**	**(4,685)**	**(5,716)**	**(6,883)**	**(8,177)**
Biennium Total (000's)	***0***		**(6,963)**		**(10,400)**		**(15,059)**	

- Revenue Increases

  - The City's options to increase revenues without a vote include the following:
    - As of year end 2007, the City has approximately $145,000 in remaining **banked capacity**, which is an on-going revenue source. Note that this amount can fluctuate based on prior year refunds, for example, the year end 2006 figure was $190,000, but a large refund was issued due to a lawsuit settlement, resulting in the majority of the reduction to $145,000.
    - The City can increase **utility taxes** on City utilities, which are currently set at 7.5%. Attachment E shows the utility taxes currently charged by neighboring jurisdictions. Each 1% increase in the tax on City utilities would generate $280,000.
    - The City's current **business license** surcharge generates approximately $1 million in revenue to the general fund. There are a variety of approaches to establishing business taxes, some of which could produce significant additional revenue to the City. An updated comparison of the business taxes charged in other cities is contained in Attachment F, including the portion of General Fund revenues that those taxes represent.

  - There are also revenue options that require voter approval:
    - The property tax limit can be increased by a vote of the people using a **levy lid lift**, a measure taken by Redmond for 2008 and Des Moines for 2007. Attachment G contains an overview of levy lid lifts. Also included in the attachment is the 2007 King County Assessor's comparison of assessed value and tax rates (2008 data has not been published at this time).
    - **Utility taxes on private utilities** are limited to 6% (the City's current rate) without a vote of the electorate. Federal Way and Olympia have both passed measures to raise the tax on private utilities to 7.5%. Each 1% increase would generate $1.2 million for the City of Kirkland. The taxes levied on private utilities are also summarized in Attachment E.

Recommended Process

We are actively working to develop strategies for dealing with the economic downturn and the City's conservative fiscal policies buy us some time to consider our options. We presented an overview of much of this information at the all-employee meetings held in late February and we invited everyone's help and ideas. We will be offering some one hour sessions on budget basics in the next month or two to all employees to help them understand what is going on.

The Finance Committee will be reviewing fiscal policies and follow up items from the 2007/08 budget process during the next several months. At the June 5 special study session, we will have the mid-year budget review, which will include:

- 2008 budget adjustments,
- Update on 2009/10 concerns/opportunities, and
- Review of recommended budget guidance.

The Budget Kickoff is scheduled for July 2, with the budget study sessions beginning in late October. The revised CIP budget process will begin in April and results will be brought forward for City Council consideration in August.

AT A GLANCE:

General Fund revenues ahead of last year by 4.4 percent, but fall short of budget.Sales tax revenue performance continues negative trend for most of the second half of 2007 (see page 5)

Development revenue down overall (see page 3)

Will the Puget Sound region dodge the recession bullet? (see page 7)

Kirkland home sales fall 27.7 percent; however prices rise 5.7 percent (see page 8)

INSIDE THIS ISSUE:

Financial Management Report

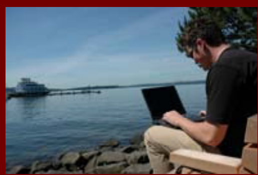
AS OF DECEMBER 31, 2007

Summary of All Operating Funds: *Revenue*

- **General Fund** revenue was budgeted to increase in 2007 over 2006, largely from expectations of higher sales and utility tax revenue and property tax dedicated to public safety staffing. Actual revenues are slightly below budget by 0.6 percent due to a dip in development-related permit and fee revenues and weakening sales tax revenue A more detailed analysis of sales tax revenue performance can be found beginning on page 5.
- **Other General Government Funds** revenues were budgeted to increase in 2007 over 2006 primarily due to increased internal charges and the move of Multi-media Services from the General Fund to the Information Technology Fund. Actual collections are tracking slightly over budget at 1.9 percent largely due to the receipt of 2006 cable tax revenue in 2007 and higher than expected lodging tax receipts.
- **Water Sewer Operating Fund** revenue was budgeted higher in 2007 than 2006 due to water and sewer rate increases and normal growth. Actual revenue is tracking higher than expected, at 4.5 percent over budget, due to strong water sales and despite lower than expected connection charges.
- **Surface Water Management Fund** revenue collection was budgeted higher in 2007 than 2006 due to rate increases and normal growth. Actual revenue is slightly lower than budget at 0.7 percent. Surface Water fees are paid through property tax collection, which are primarily received in April and October.
- **Solid Waste Fund** revenue collection was budgeted to increase in 2007 over 2006 due to higher rates and normal growth. Actual revenue is 0.4 percent under budget.

	Year-to-Date Actual			Budget			Actual Percent of Budget	
Resources by Fund	**12/31/2006**	**12/31/2007**	**Percent Change**	**2006**	**2007**	**Percent Change**	**2006**	**2007**
General Gov't Operating:								
General Fund	51,791,872	54,078,238	4.4%	49,091,816	54,384,669	10.8%	105.5%	99.4%
Other General Gov't Operating Funds	15,773,347	17,034,604	8.0%	15,170,554	16,721,577	10.2%	104.0%	101.9%
Total General Gov't Operating	**67,565,219**	**71,112,842**	**5.3%**	**64,262,370**	**71,106,246**	**10.6%**	**105.1%**	**100.0%**
Utilities:								
Water/Sewer Operating Fund	15,534,787	17,229,776	10.9%	15,802,180	16,494,804	4.4%	98.3%	104.5%
Surface Water Management Fund	5,119,064	5,142,167	0.5%	4,977,108	5,233,189	5.1%	102.9%	98.3%
Solid Waste Fund	7,467,634	7,875,356	5.5%	7,449,930	7,909,347	6.2%	100.2%	99.6%
Total Utilities	**28,121,485**	**30,247,299**	**7.6%**	**28,229,218**	**29,637,340**	**5.0%**	**99.6%**	**102.1%**
Total All Operating Funds	**95,686,704**	**101,360,141**	**5.9%**	**92,491,588**	**100,743,586**	**8.9%**	**103.5%**	**100.6%**

* Budgeted and actual revenues exclude resources forward and include interfund transfers.



Wireless Internet access at Marina Park

Kirkland's Information Technology Department provides technology support to City departments and maintains the City's internal technology infrastructure. It also pioneers revolutionary services to citizens and visitors, such as free wireless Internet access in the downtown area (as pictured above). Additionally, this department supports two public access television channels (including the production of original programming). KGOV, channel 21, is the legislative channel broadcasting programs such as City Council meetings and legislative updates from Olympia. Channel 75, K-Life, has a community focus. In addition to monthly news magazines, K-Life airs videos generated by the Youth and Senior Councils. Other programs include public safety, fire safety, art and a series titled Wild about Washington.

Summary of All Operating Funds: *Expenditures*

- **General Fund** expenditures were budgeted to increase in 2007 over 2006 largely due to increased personnel costs and additional staffing, as well as budgets for unfinished projects "carried over" from the prior year. Actual expenditures are 6.1 percent under budget due to uncompleted projects, lower personnel costs from position vacancies and delayed hiring of new positions, and 2007 budgeted payments that will occur in 2008. Expenditures were under budget despite higher than expected firefighter overtime and jail costs.
- **Other Operating Funds** expenditures were budgeted to increase in 2007 over 2006 primarily due to increased personnel, operating and fuel costs, and the shift of Multi-media Services from the General Fund. Actual expenditures are 11.6 percent under budget due to timing of vehicle and computer purchases, and lower than expected fuel and repairs and maintenance costs.
- **Water/Sewer Operating Fund** expenditures were budgeted to increase in 2007 over 2006 due to higher water purchases and sewer treatment costs and increased regional connection charges paid to Cascade Water Alliance (covered by regional connection charge revenue). Actual expenditures are 3 percent under budget primarily due to position vacancies.
- **Surface Water Management Fund** expenditures were budgeted to increase in 2007 over 2006 primarily due to increased funding for capital projects and additional plans generated from the completed Surface Water Master Plan, and higher personnel costs. Actual expenditures are 4.7 percent under budget due to uncompleted projects and despite unplanned additional West Nile virus eradication costs and new Washington State Department of Ecology permit fees.
- **Solid Waste Fund** expenditures were budgeted to increase in 2007 over 2006 due to higher solid waste contract rates. Actual 2007 expenditures are 2 percent under budget due to normal variability in disposal contract billing payment amounts and position vacancies.

	Year-to-Date Actual			Budget			Actual Percent of Budget	
Expenditures by Fund	**12/31/2006**	**12/31/2007**	**% Change**	**2006**	**2007**	**% Change**	**2006**	**2007**
General Gov't Operating:								
General Fund	47,845,789	51,312,386	7.2%	49,962,235	54,627,886	9.3%	95.8%	93.9%
Other General Gov't Operating Funds	16,439,337	15,341,827	-6.7%	15,072,831	17,364,419	15.2%	109.1%	88.4%
Total General Gov't Operating	**64,285,126**	**66,654,213**	**3.7%**	**65,035,066**	**71,992,305**	**10.7%**	**98.8%**	**92.6%**
Utilities:								
Water/Sewer Operating Fund	15,485,432	16,411,972	6.0%	15,492,943	16,919,851	9.2%	100.0%	97.0%
Surface Water Management Fund	4,607,714	5,382,452	16.8%	4,939,600	5,646,029	14.3%	93.3%	95.3%
Solid Waste Fund	7,350,421	7,700,848	4.8%	7,247,024	7,860,184	8.5%	101.4%	98.0%
Total Utilities	**27,443,567**	**29,495,272**	**7.5%**	**27,679,567**	**30,426,064**	**9.9%**	**99.1%**	**96.9%**
Total All Operating Funds	**91,728,693**	**96,149,485**	**4.8%**	**92,714,633**	**102,418,369**	**10.5%**	**98.9%**	**93.9%**

* Budgeted and actual expenditures exclude working capital, operating reserves, capital reserves, and include interfund transfers.

Many significant General Fund revenue sources are economically sensitive, such as sales tax and development –related fees.

General Fund Revenue

General Fund revenue budgets were adjusted as part of the mid-biennial budget adjustment process to reflect revenue estimates. The following compares the adjusted budget to actual performance.

- **Sales tax** was budgeted to increase in 2007 over 2006 because of strong development-related activity. Actual revenue is 1 percent behind budget due to weakening of this activity as the year progressed. A detailed analysis of **sales tax** revenue can be found starting on page 5.
- **Utility tax** revenue was budgeted to increase from 2006 primarily due to higher utility rates. Actual revenue collection is 1.3 percent under budget due to slightly weaker growth than expected despite stronger than expected telecommunications taxes.
- **Business licenses and franchise fees** were budgeted to increase over 2006 primarily due to expected strong franchise fee performance. Actual revenue lagged behind budget for much of 2007, but ended 3.4 percent ahead of budget because of franchise and business license fees. The **revenue generating regulatory license** fee is 4.8 percent over budget. Timing of renewals from larger businesses at the end of the year was the primary factor for this trend.
- **Development-related** revenue budget was adjusted to decline in 2007 from 2006. **Building/structural permits** revenue ended even weaker than expected, 7.5 percent behind budget. **Engineering development charges** actual revenue is only 0.5 percent behind budget and **plan check/development** fees are 3.4 percent under budget. The trends for development-related revenue in 2007 reflect the volatility that is inherent in development activity and also are reflected in sales tax revenue performance (see page 5).
- **Miscellaneous revenues** were budgeted less in 2007 than 2006 primarily due to interest income revenue. Actual revenue is 31.9 percent ahead of budget due to NORCOM cost reimbursement from other agencies, higher than expected facilities leases and reimbursement for expenses generated from the *Extreme Makeover–Home Edition* television show.

General Fund 2007 revenues are almost $1.9 million ahead of 2006 largely due to property, sales and utility taxes.

General Fund 2007 revenue is up 3.6 percent over 2006.

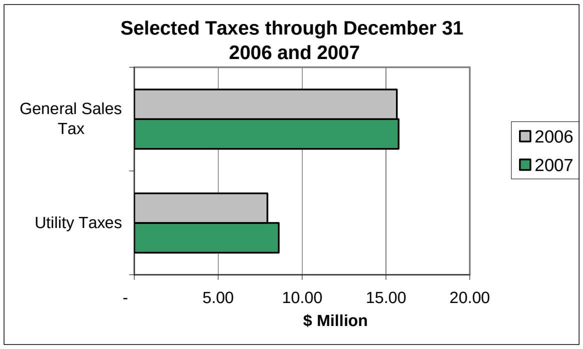
The General Fund is the largest of the General Government Operating funds. It is primarily tax supported and accounts for basic services such as public safety, parks and recreation, and community development.

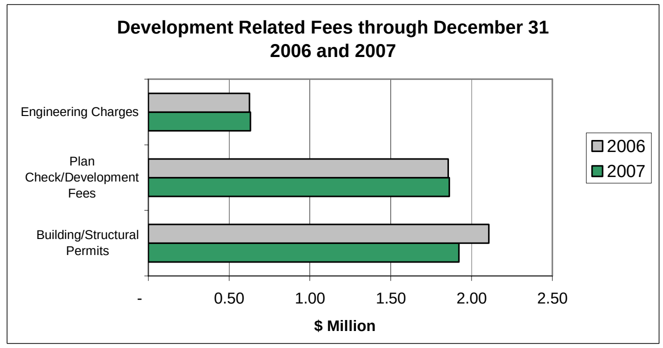
About 372 of the City's 467 permanent employees are budgeted within this fund.

General Fund Resource Category	Year-to-Date Actual 12/31/2006	Year-to-Date Actual 12/31/2007	% Change	Budget 2006	Budget 2007	% Change	Actual Percent of Budget 2006	Actual Percent of Budget 2007
Taxes:								
Retail Sales Tax: General	15,658,027	15,756,446	0.6%	14,132,692	15,918,981	12.6%	110.8%	99.0%
Retail Sales Tax: Criminal Justice	1,036,737	1,159,184	11.8%	890,000	1,114,253	25.2%	116.5%	104.0%
Property Tax	8,127,663	8,612,296	6.0%	8,117,113	8,790,086	8.3%	100.1%	98.0%
Utility Taxes	7,932,114	8,611,700	8.6%	7,171,200	8,723,683	21.6%	110.6%	98.7%
Rev Generating Regulatory License	978,003	981,237	0.3%	900,000	936,671	4.1%	108.7%	104.8%
Other Taxes	432,061	534,792	23.8%	464,800	462,597	-0.5%	93.0%	115.6%
Total Taxes	**34,164,605**	**35,655,655**	**4.4%**	**31,675,805**	**35,946,271**	**13.5%**	**107.9%**	**99.2%**
Licenses & Permits:								
Building, Structural & Equipment Perm	2,107,060	1,921,523	-8.8%	2,084,742	2,078,436	-0.3%	101.1%	92.5%
Business Licenses/Franchise Fees	1,375,333	1,470,393	6.9%	1,184,775	1,421,435	20.0%	116.1%	103.4%
Other Licenses & Permits	226,338	238,051	5.2%	169,020	188,749	11.7%	133.9%	126.1%
Total Licenses & Permits	**3,708,731**	**3,629,967**	**-2.1%**	**3,438,537**	**3,688,620**	**7.3%**	**107.9%**	**98.4%**
Intergovernmental:								
Grants	126,048	195,460	55.1%	207,017	182,160	-12.0%	60.9%	107.3%
State Shared Revenues & Entitlements	543,723	636,521	17.1%	590,033	623,230	5.6%	92.2%	102.1%
Fire District #41	3,069,978	3,184,310	N/A	3,141,052	3,184,310	N/A	97.7%	100.0%
EMS	495,286	512,252	N/A	489,685	504,376	N/A	101.1%	101.6%
Other Intergovernmental Services	652,732	582,337	-10.8%	438,539	589,478	34.4%	148.8%	98.8%
Total Intergovernmental	**4,887,767**	**5,110,880**	**4.6%**	**4,866,326**	**5,083,554**	**4.5%**	**100.4%**	**100.5%**
Charges for Services:								
Internal Charges	3,291,789	3,377,529	2.6%	3,531,586	3,443,777	-2.5%	93.2%	98.1%
Engineering Services	625,331	631,926	1.1%	400,000	635,000	58.8%	156.3%	99.5%
Plan Check & Planning Fees	1,855,807	1,862,652	0.4%	2,276,836	1,927,660	-15.3%	81.5%	96.6%
Recreation	77,976	79,939	2.5%	74,000	79,516	7.5%	105.4%	100.5%
Other Charges for Services	687,970	888,969	29.2%	674,199	880,191	30.6%	102.0%	101.0%
Total Charges for Services	**6,538,873**	**6,841,015**	**4.6%**	**6,956,621**	**6,966,144**	**0.1%**	**94.0%**	**98.2%**
Fines & Forfeits	1,133,701	1,360,604	20.0%	1,157,550	1,317,860	13.8%	97.9%	103.2%
Miscellaneous	891,509	592,034	-33.6%	590,991	448,786	-24.1%	150.8%	131.9%
Total Revenues	**51,325,186**	**53,190,155**	**3.6%**	**48,685,830**	**53,451,235**	**9.8%**	**105.4%**	**99.5%**
Other Financing Sources:								
Interfund Transfers	466,686	888,083	N/A	405,986	933,434	N/A	115.0%	95.1%
Total Other Financing Sources	**466,686**	**888,083**	**N/A**	**405,986**	**933,434**	**N/A**	**115.0%**	**95.1%**
Total Resources	**51,791,872**	**54,078,238**	**4.4%**	**49,091,816**	**54,384,669**	**10.8%**	**105.5%**	**99.4%**

* Budgeted and actual revenues exclude resources forward.

General Fund Revenue *continued*





General Fund Expenditures

General Fund Department Expenditures	Year-to-Date Actual			Budget			Actual Percent of Budget	
	12/31/2006	12/31/2007	% Change	2006	2007	% Change	2006	2007
Non-Departmental	751,149	984,977	31.1%	851,614	1,128,527	32.5%	88.2%	87.3%
City Council	294,713	285,801	-3.0%	311,733	316,392	1.5%	94.5%	90.3%
City Manager's Office	2,520,099	3,081,824	22.3%	2,431,813	3,397,878	39.7%	103.6%	90.7%
Human Resources	889,200	966,042	8.6%	855,969	1,036,649	21.1%	103.9%	93.2%
City Attorney's Office	833,363	868,029	4.2%	881,406	997,460	13.2%	94.5%	87.0%
Parks & Community Services	5,001,458	5,463,872	9.2%	5,096,976	5,888,034	15.5%	98.1%	92.8%
Public Works (Engineering)	2,812,807	3,436,371	22.2%	2,887,897	3,784,150	31.0%	97.4%	90.8%
Finance and Administration	2,814,871	3,145,907	11.8%	2,891,824	3,417,487	18.2%	97.3%	92.1%
Planning & Community Development	2,886,620	3,161,601	9.5%	2,965,328	4,052,113	36.6%	97.3%	78.0%
Police	12,124,519	13,299,212	9.7%	12,669,585	14,096,033	11.3%	95.7%	94.3%
Fire & Building	14,692,710	15,888,517	8.1%	14,578,689	15,807,803	8.4%	100.8%	100.5%
Total Expenditures	**45,621,509**	**50,582,153**	**10.9%**	**46,422,834**	**53,922,526**	**16.2%**	**98.3%**	**93.8%**
Other Financing Uses:								
Interfund Transfers	2,224,280	730,233	-67.2%	3,539,401	705,360	-80.1%	62.8%	103.5%
Total Other Financing Uses	**2,224,280**	**730,233**	**-67.2%**	**3,539,401**	**705,360**	**-80.1%**	**62.8%**	**103.5%**
Total Expenditures & Other Uses	**47,845,789**	**51,312,386**	**7.2%**	**49,962,235**	**54,627,886**	**9.3%**	**95.8%**	**93.9%**

* Budgeted and actual expenditures exclude working capital, operating reserves, and capital reserves.

- The **Non-departmental** division 2007 expenditures were budgeted higher than 2006 due to a relocation of the Multi-media Services functions to Information Technology resulting in a change in accounting for the internal charges. Actual expenditures are 12.7 percent under budget primarily due to the timing of outside agency payments and lower than expected retiree medical costs.

2007 expenditure budgets were higher than 2006 for the following departments primarily due to higher personnel costs, including an unsettled labor contract from 2006 that settled in 2007 and additional positions added in 2007. In addition to this general trend, specific highlights and budget to actual comparisons by selected departments are listed below:

- Additions to the **City Manager's** 2007 budget include a communications program manager, municipal court staffing, and additional funding for economic development, outside agencies and one-time annexation studies. Actual expenditures are 9.3 percent under budget primarily due to the normal delay in hiring newly approved positions and uncompleted projects such as consulting services for NORCOM and annexation analysis.
- Additions to the **Human Resources Department** 2007 budget include an additional temporary human resources analyst. Actual expenditures are 6.8 percent under budget due to the delay of hiring the new position, timing of public safety assessment centers, and unfinished projects such as health care plans consulting services.

Compared to budget, 2007 General Fund actual expenditures are tracking slightly below last year (93.9 percent of budget in 2007 compared to 95.8 percent of budget in 2006) largely due to the normal delayed hiring of newly approved 2007 positions, position vacancies, and timing of major projects.

(Continued on page 5)

- Additions to the **Public Works Department** 2007 budget include additional positions, service packages for traffic counts and transportation management plans, as well as one-time annexation studies. Actual expenditures are 9.2 percent under budget due to position vacancies, the delay of hiring new positions, and unfinished projects such as the annexation analysis and transportation management plans.
- Additions to the **Parks & Community Services Department** 2007 budget include additional staffing, one-time increase in human services funding, and increases to parks maintenance expenditures. Actual expenditure are 7.2 percent under budget due to the normal delay in hiring new positions and timing of human services agency contract payments.
- Additions to the **Finance & Administration Department** 2007 budget include additional utility billing staff and one-time annexation studies. Actual expenditures are 7.9 percent under budget, due to projects that are in progress such as the annexation fiscal analysis.
- Additions to the **Planning Department** 2007 budget include additional development-related staffing and one-time annexation studies. Actual expenditures are 22 percent under budget due to the delay in hiring additional staffing and uncompleted projects such as the Park Place redevelopment environmental impact analysis, annexation analysis, and timing of payments to ARCH (A Regional Coalition for Housing).
- Additions to the **Police Department** 2007 budget include additional corrections officers and annexation planning staffing. Actual expenditures are 5.7 percent under budget largely due to position vacancies and despite higher than expected jail costs.
- Additions to the **Fire & Building Department** 2007 budget include additional development staff and a temporary emergency preparedness coordinator. Actual expenditures are 0.5 percent over budget primarily due to higher than expected fire operations overtime costs.

A Kirkland family was the fortunate recipient of an "Extreme Home Makeover" from the ABC television show, which aired in December. City staff from several departments coordinated the permit and inspection processes to make sure the show's deadlines were met. Many employees and citizens also donated their own time to work on the actual construction.

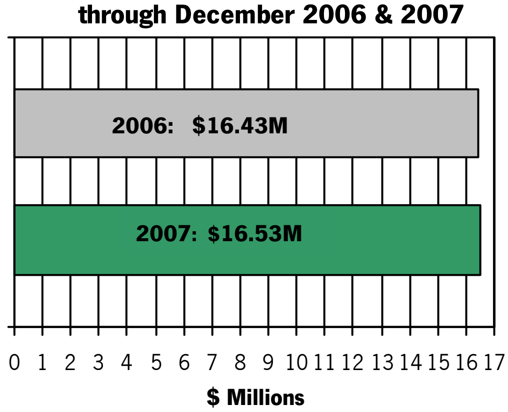
Sales Tax Revenue Analysis

Sales tax revenue posted negative results for the last five months of 2007 compared to 2006. As a result, the year ended **up 0.6 percent** over 2006 primarily due to significant softening in contracting revenue (see table on page 6).

Review by business sectors:

- The **miscellaneous** sector is **up 39.7 percent** due to a significant one-time receipt.
- **Auto/gas retail** remains the strongest "ongoing" performer for the year, **up 10.2 percent** compared to 2006 due to increased revenue from several key retailers, as well as two new smaller retailers. However, the last two months of December show a softening trend in this important business sector.

Sales Tax Receipts through December 2006 & 2007



- **General merchandise/miscellaneous retail** is **up 1.5 percent** over 2006 due to flat performance by key retailers.
- **Retail eating/drinking** is **up 5.4 percent** compared to 2006 due to relatively good results from several larger businesses as well as the collection of a past-due account from prior years.
- **Other retail declined 3.5 percent** over 2006 due to closure of two major retailers and one-time anomalies in the retail food and health care sectors in 2006 that skew comparisons between the years.
- All business sectors but one impacted by development-related activity (contracting, wholesale, services and communications) are posting negative results in 2007 compared to 2006. Comparing to 2006: the **services** sector is **up 3.3 percent** reflecting continued strong performance in this sector from development as well as a new hotel; **contracting** is **down 8.3 percent**, and the **communications** sector is **down 17.1 percent** due to a decline in development-related activity compared to 2006; and **wholesale** is **down 15.8 percent**, as a result of declining development activity compared to 2006.

Although slowing the last two months of the year, auto/gas retail growth helped balance declines in development revenue in 2007.

Development-related sales tax revenue is falling behind 2006, but remains strong compared to historical trends (up 69 percent over 2004 revenue).

Bellevue ended the year with strong sales tax performance (up 16.5 percent) primarily due to the high level of development-related activity in 2007. Redmond was up 25.5 percent almost entirely due to one-time field recoveries; otherwise Redmond would be up about 3.2 percent.

City of Kirkland Total Actual Year-to-date Sales Tax Receipts

Business Sector Group	Jan - Dec 2006	Jan - Dec 2007	Dollar Change	Percent Change	Percent of Total 2006	Percent of Total 2007
Services	1,722,501	1,779,742	57,241	3.3%	10.5%	10.8%
Contracting	3,279,243	3,007,168	-272,075	-8.3%	20.0%	18.2%
Communications	793,243	657,923	-135,320	-17.1%	4.8%	4.0%
Auto/Gas Retail	2,973,380	3,276,488	303,108	10.2%	18.1%	19.8%
Gen Merch/Misc Retail	2,524,268	2,562,537	38,269	1.5%	15.4%	15.5%
Retail Eating/Drinking	1,228,127	1,294,444	66,317	5.4%	7.5%	7.8%
Other Retail	1,800,744	1,738,458	-62,286	-3.5%	11.0%	10.5%
Wholesale	1,320,124	1,111,079	-209,045	-15.8%	8.0%	6.7%
Miscellaneous	786,514	1,098,629	312,115	39.7%	4.7%	6.7%
Total	**16,428,144**	**16,526,468**	**98,324**	**0.6%**	**100.0%**	**100.0%**

Kirkland's sales tax base is comprised of a variety of businesses which are grouped and analyzed by business sector (according to NAICS, or "North American Industry Classification System"). Nine business sector groupings are used to compare 2006 and 2007 year-to-date sales tax receipts in the table to the left.

Month	Sales Tax Receipts 2006	Sales Tax Receipts 2007	Dollar Change	Percent Change
January	1,116,572	1,267,021	150,449	13.5%
February	1,821,021	1,525,665	(295,356)	-16.2%
March	1,126,328	1,154,890	28,562	2.5%
April	1,061,134	1,604,395	543,261	51.2%
May	1,309,595	1,496,755	187,160	14.3%
June	1,311,259	1,422,662	111,403	8.5%
July	1,285,154	1,428,250	143,096	11.1%
August	1,749,896	1,253,921	(495,975)	-28.3%
September	1,457,353	1,445,966	(11,387)	-0.8%
October	1,400,232	1,299,258	(100,974)	-7.2%
November	1,478,235	1,348,896	(129,339)	-8.7%
December	1,311,365	1,278,789	(32,576)	-2.5%
Total	**16,428,144**	**16,526,468**	**98,324**	**0.6%**

When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, which can create anomalies when comparing the same month between two years. Second, for those businesses which remit sales tax monthly, there is a two month lag from the time that sales tax is collected to the time it is distributed to the City. For example, sales tax received by the City in December 2007 is for sales actually made in October 2007. Monthly sales tax receipts through December 2006 and 2007 are compared in the table to the left.

One-time spikes (in development-related revenue in February and August 2006 and the miscellaneous category and development-related revenue in April 2007) skew monthly comparisons between the years. August was also impacted by a significant correction by the Department of Revenue to contracting revenue that had been received in April 2007. The last 5 months of 2007 experienced negative trends compared to 2006.

Kirkland's sales tax base is further broken down by business district (according to geographic area) ,as well as "unassigned or no district" for small businesses and businesses with no physical presence in Kirkland.

Totem Lake, which accounts for over 30 percent of the total sales tax receipts, is **up 7.1 percent** over 2006 primarily due to strong performance in auto/gas retail, a new hotel and sporting goods store, and despite the closure of a major supermarket and electronics store. Almost 60 percent of this business district's revenue comes from the auto/gas retail and general merchandise/miscellaneous retail sectors.

NE 85th Street, which accounts for over 14 percent of the total sales tax receipts, is **up 3.4 percent** over 2006 primarily due to the automotive/gas retail, general merchandise/miscellaneous retail and retail eating/drinking sectors. Over 86 percent of this business district's revenue comes from these three business sectors.

Downtown, which accounts for over 6 percent of the total sales tax receipts, is **up 1.7 percent** over 2006 primarily due to moderately strong performance in the retail eating/drinking sector, which provides over 42 percent of this business district's revenue and despite declines in other retail and miscellaneous sector (manufacturing).

Carillon Point & Yarrow Bay, which accounts for 3 percent of the total sales tax receipts, is **down 0.6 percent** from 2006 primarily due to weak performance in communications and retail eating/drinking and despite strong performance in the business services and hotel sectors. Almost 80 percent of this business district's revenue comes from business services, retail eating/drinking and hotels.

Houghton & Bridle Trails, which accounts for almost 4 percent of the total sales tax receipts, is **up 17.8 percent** over 2006 almost entirely due to miscellaneous retail, which provides 36 percent of these business districts' revenue.

Juanita, which accounts for almost 2 percent of the total sales tax receipts, is **up 7.1 percent** lover 2006 primarily due to the retail eating/drinking sector, which provides almost 44 percent of this business district's revenue.

When reviewing sales tax receipts by business district, it's important to point out that 41 percent of the revenue received in 2007 is in the "unassigned or no district" category largely due to contracting revenue (which has declined compared to last year), and increasing revenue from Internet , catalog sales and other businesses located outside of the City.

City of Kirkland Sales Tax by Business District

Business District	Jan - Dec Receipts 2006	Jan - Dec Receipts 2007	Dollar Change	Percent Change	Percent of Total 2006	Percent of Total 2007
Totem Lake	4,753,780	5,091,625	337,845	7.1%	28.9%	30.8%
NE 85th St	2,361,132	2,441,384	80,252	3.4%	14.4%	14.8%
Downtown	1,071,865	1,090,444	18,579	1.7%	6.5%	6.6%
Carillon Pt & Yarrow Bay	494,436	491,422	-3,014	-0.6%	3.0%	3.0%
Houghton & Bridle Trails	532,766	627,827	95,061	17.8%	3.2%	3.8%
Juanita	264,154	282,786	18,632	7.1%	1.6%	1.7%
Unassigned or No District:						
Contracting	3,279,273	3,004,347	-274,926	-8.4%	20.0%	18.2%
Other	3,670,738	3,496,633	-174,105	-4.7%	24.0%	22.8%
Total	**16,428,144**	**16,526,468**	**98,324**	**0.6%**	**100.0%**	**100.0%**

Sales Tax Revenue Outlook

The double-digit sales tax revenue increases experienced over the previous two years disappeared in 2007 largely due to the decline in development-related activity. However, a large percentage of sales tax revenue continues to come from this one-time activity, which cannot be relied upon to fund ongoing services. The vulnerability of dependence on sales tax revenue became increasingly evident as 2007 ended. While down from 2006, development related activity remained high in 2007 compared to historical averages and may not be sustainable over the long term. In addition to concerns about a general economic downturn, Costco has confirmed their plans to open new stores in Redmond and Bellevue by the end of 2008. By their estimates, the Kirkland store will lose about one third of its sales from the opening of the new stores. This impact would be felt starting in early 2009 and would compound the negative effect from other factors, which may include the relocation of the sales portion of a major automobile dealership as well as a general economic downturn.

Developing ongoing business activity is critical to ensure the City's financial health. Opportunities for growth in ongoing revenue exist from the redevelopment of Totem Lake Mall and Park Place, the completed expansions of major car dealerships, and the two additional hotels. These risks and opportunities serve as reminders that sales tax is an economically sensitive revenue source. In good times, sales tax growth easily outpaces the rate of inflation and is an attractive funding source for service packages. On the other hand, an economic recession and the return of more normal development-related activity can quickly threaten the City's financial ability to maintain existing services (as it did in 2002).

OFFICE VACANCIES: **The Eastside vacancy rate remains low at 9.3 percent and Kirkland's rate is 4.7 percent as of the fourth quarter of 2007 according to CB Richard Ellis Real Estate Services.**

LODGING TAX REVENUE: **Lodging tax revenue in 2007 is up 32.8 percent compared to 2006 due to overall strong performance in the accommodations industry as well as the new hotel in Totem Lake. An additional hotel opened downtown in late 2007. The full impact won't happen until 2008.**

Economic Environment Update

There are conflicting forces at work impacting the local economy. On one hand, local job growth remained strong in 2007 with more than 136,000 jobs added in the Seattle-Tacoma metropolitan area since January 2005. The unemployment rate in King County dropped to 3.6 percent as of December 2007, well below the national and Washington State average of 4.8 percent. Global conditions create a positive affect; decent global growth rates and the declining dollar supports growth in exports, adding 0.5 percent to the Puget Sound's growth rate. Taxable retail sales in King County remained strong, up 9.7 percent for 2007 compared to 2006 largely due to strong development activity in Bellevue, Seattle and unincorporated King County. As of the fourth quarter of 2007, the Puget Sound office market saw its 18th quarter of positive absorption. Over 1.9 million square feet of space was filled in 2007 and 20 million square feet is in the planning stages. The Puget Sound region office market is expected to remain one of the strongest in the nation for some time.

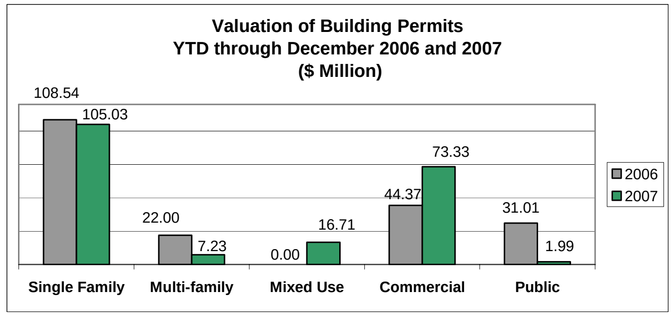
On the other hand, slumping housing sales, volatility in the credit markets, and general concern in consumer and business confidence on a national and local level could easily dampen economic growth locally. The rest of the nation is this region's largest market for goods. If there is a significant national recession, it would affect this area. If the national economy starts to expand by the end of 2008, Washington's economy may be able to weather the national recession without too much negative impact. A longer or deeper recession would most likely be felt in this region.

As mentioned in the sales tax analysis, significant risks from business changes and slowing development activity could pose a challenge for the near future.

(Continued on page 8)

Economic Environment Update *continued*

Local **development activity** comparing 2007 to 2006 as measured by the valuation of City of Kirkland building permits is illustrated in the chart to the right. Activity remains relatively strong, especially in the commercial /mixed use sectors. Single family activity in 2007 trended below 2006 levels for most of the year, but improved by the end of the year. The significant spike in 2006 public activity reflects the permitting for Evergreen Hospital. Concerns about the slowing local real estate market could have a significant impact on residential development activity in 2008.



Pending sales of **new and existing single-family homes** in King County are down 34 percent in December 2007 compared with a year earlier and prices declined 1.1 percent for closed sales compared to the same month last year. The median price of a single family home in December was $435,000—down from $445,000 in December 2006. On the Eastside, closed sales are down 36.6 percent and the median price is up 1.6 percent to $589,500. Contributing factors to the slow-down in sales are housing prices overshooting wages, economic uncertainty and tightening consumer credit. Local economists predict 2008 housing prices to flatten to zero or decline as part of market correction and the demand for housing will keep the correction time short. However, this is contingent on the local economy remaining strong and order being restored to credit markets.

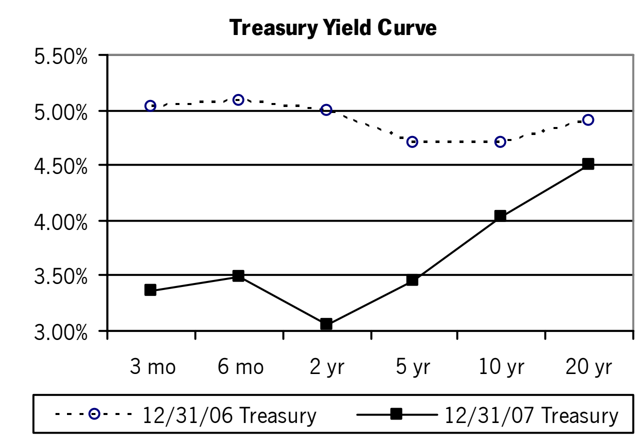
Seattle metro CPI continues to track higher than the national average (4.8 percent compared to the national average of 4.3 percent as of December). This is an increase from the Seattle index for June, which was 3.31 percent. The June 2007 CPI is used to calculate City employee cost of living adjustments (COLA) for 2008. As a result, 2008 COLA's will range from 2.98 to 3.31 percent depending on the bargaining unit contract.

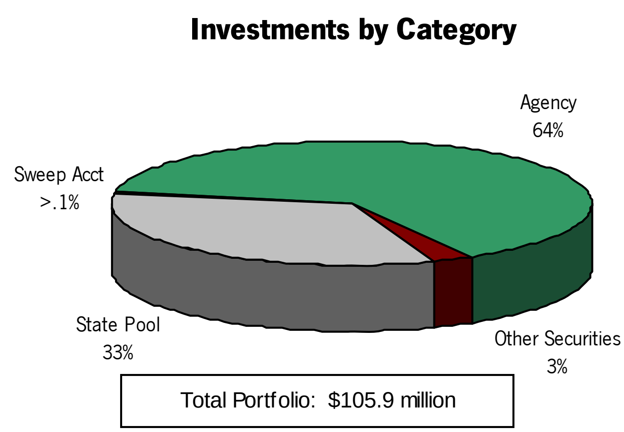
Investment Report

MARKET OVERVIEW

With economic news negative and problems in the subprime mortgage market the yield curve dropped and steepened as short term rates fell further than long term rates. The Fed Funds rate ended the year at 4.25%, down from 5.25% on December 31, 2006. The Fed Funds rate continued to decline in January 2008 to 3.00%. It is anticipated that the Fed Funds rate will continue to drop to 2.00% by the end of 2008.

The primary objectives for the City of Kirkland's investment activities are: legality, safety, liquidity and yield. Additionally, the City diversifies its investments according to established maximum allowable exposure limits so that reliance on any one issuer will not place an undue financial burden on the City. The City's portfolio increased nearly $8 million in 2007 due to increases in utility funds and reserves. On December 31, 2007 Kirkland's portfolio balance was $105.9 million compared to $97.9 million on December 31, 2006.





CITY PORTFOLIO

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

Diversification

The City's current investment portfolio is composed of Government Agency bonds, State and Local Government bonds, US Treasury notes, the State Investment Pool and an overnight bank sweep account. City investment procedures allow for 100% of the portfolio to be invested in US Treasury or Federal Government obligations.

2008 ECONOMIC OUTLOOK and INVESTMENT STRATEGY

The outlook for 2008 continues to change rapidly with the weak economic growth and the severity of the housing downturn. GDP growth for 2008 is now expected to be 1.3% and core inflation to range between 2% and 2.2%. Beyond the very short term, the forecasters see little threat of accelerating inflation. The unemployment rate is expected to average 5.1% in 2008, up from earlier expectations of 4.7% in 2008. The Fed Funds rate, currently at 3.00% as of January 30, 2008, is expected to be further reduced at the March 18, 2008 meeting to 2.50% and possibly reduced to 2.00% by the end of 2008.

The duration of the portfolio will be shortened as securities mature and are called. Purchases will be made as opportunities for increased returns become available. During period of low interest rates the portfolio duration should be kept shorter with greater liquidity to take advantage of purchasing securities with higher returns when interest rates begin to rise. The State Pool is currently near 3.25 % and will continue to decline as the Fed Funds rate declines. Total estimated investment income for 2008 is $4.2 million compared to $3.7 million budgeted.

Investment Report *continued*

Liquidity

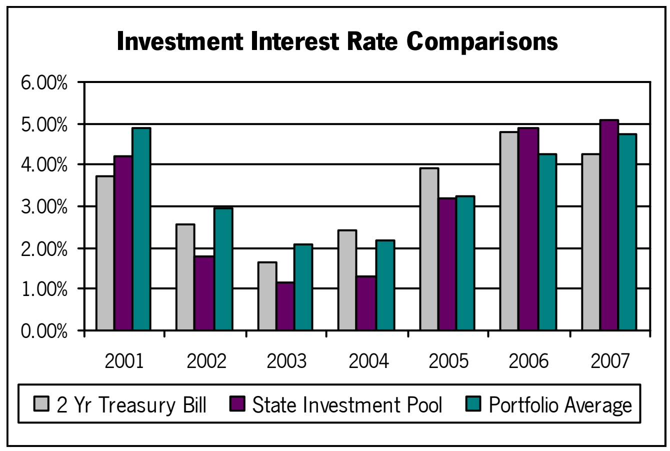
During 2007, the average maturity of the City's investment portfolio increased from .99 years to 2.01 years. This is above the target duration of 1.2 years as securities with longer maturities were purchased in the 4th quarter of 2007 to sustain higher earnings as interest rates began to rapidly decline. The target duration is based is based on the 2 year treasury rate which decreased from 4.82% on December 31, 2006 to 3.05% on December 31, 2007.

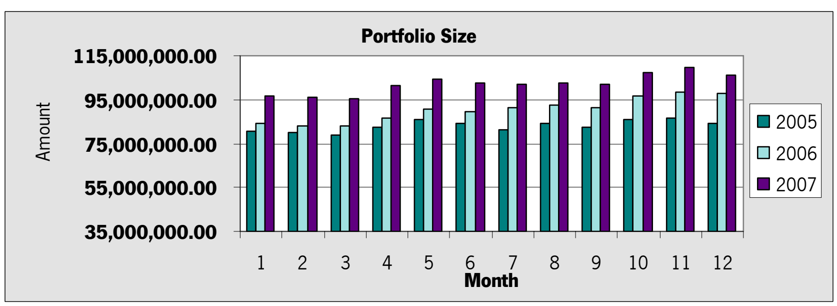
Yield

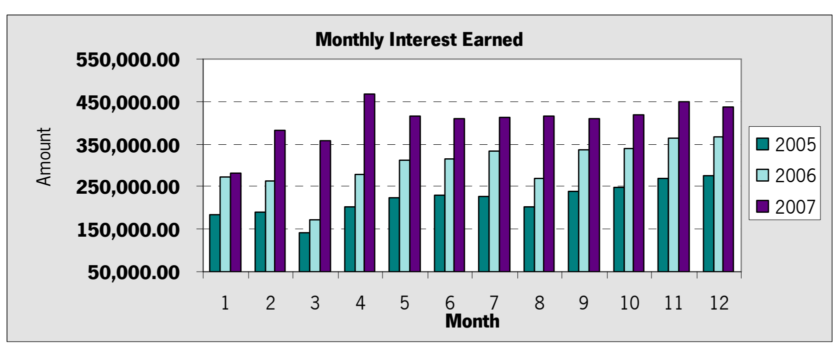
The City Portfolio yield to maturity increased from 4.51% on December 31, 2006 to 4.89% on December 31, 2007. Through December 31, 2007, the City's annual average yield to maturity was 4.75%, which performed under the State Investment Pool annual average yield to maturity at 5.09% and above the 2 Year Treasury note annual average for 2007 at 4.27%.

Benchmark Comparison	December 31, 2006	December 31, 2007
City Yield to Maturity (YTM)	4.51%	4.89%
City Annual Average YTM	4.25%	4.75%
City Year to Date Cash Yield	3.99 %	4.73%
State Pool Average Yield	4.90%	5.09%
2 yr Treasury Note Avg YTM	4.71%	4.27%

The City's practice of investing further out on the yield curve than the State Investment Pool results in earnings higher than the State Pool during declining interest rates and lower earnings than the State Pool during periods of rising interest rates. This can be seen in the adjacent graph.







Reserve Summary

Reserves are an important indicator of the City's fiscal health. They effectively represent "savings accounts" that are established to meet unforeseen budgetary needs (general purpose reserves) or are otherwise dedicated to a specific purpose (special purpose reserves). The City's reserves are listed with their revised estimated balances at the end of the biennium in the table below:

General Operating Reserve

For the City's "Rainy Day" fund, the target is established by fiscal policy at five percent of the operating budget (excluding utility and internal service funds). Each year, the target amount will change proportional to the change in the operating budget. To maintain full funding, the increment between five percent of the previous year's budget and the current budget would be added or subtracted utilizing interest income and year-end transfers from the General Fund. It is a reserve to be used for unforeseen revenue losses and other temporary events. If the reserve is utilized by the City Council, the authorization should be accompanied by a plan for replenishing the reserve within a two to three year period.

Revenue Stabilization Reserve

The Revenue Stabilization Reserve was approved by Council in July 2003 and was created by segregating a portion of the General Operating Reserve. The purpose of this reserve is to provide an easy mechanism to tap reserves to address temporary revenue shortfalls resulting from temporary circumstances (e.g. economic cycles, weather-related fluctuations in revenue). Council set the target at ten percent of selected General Fund revenue sources which are subject to volatility (e.g. sales tax, development fees and utility taxes). The Revenue Stabilization Reserve may be used in its entirety; however, replenishing the reserve will constitute the first priority for use of year-end transfers from the General Fund.

Contingency Fund

The Contingency Fund was established pursuant to RCW 35A.33.145 to "provide monies with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget." State law sets the maximum balance in the fund at $.375 per $1,000 of assessed valuation. This reserve would be used to address unforeseen expenditures (as opposed to revenue shortfalls addressed by the Revenue Stabilization Reserve). The fund can be replenished through interest earnings up to the maximum balance or through the year-end transfer if needed.

Reserves	2007-08 Est End Balance	2007 Auth. Uses	2007 Auth. Additions	Revised 2007-08 End Balance
GENERAL PURPOSE RESERVES				
Contingency	3,193,826	365,936		2,827,890
General Capital Contingency	3,312,834			3,312,834
Park & Municipal Reserve:				
General Oper. Reserve (Rainy Day)	2,712,836			2,712,836
Revenue Stabilization Reserve	2,082,380			2,082,380
Building & Property Reserve	1,921,002	10,000		1,911,002
Council Special Projects Reserve	309,960	33,000		276,960
Total General Purpose Reserves	**13,532,838**	**408,936**	**0**	**13,123,902**
SPECIAL PURPOSE RESERVES				
Excise Tax Capital Improvement:				
REET 1	6,673,678	796,394		5,877,284
REET 2	6,067,898			6,067,898
Equipment Rental:				
Vehicle Reserve	5,907,138			5,907,138
Radio Reserve	36,000			36,000
Information Technology:				
PC Replacement Reserve	453,670			453,670
Major Systems Replacement Reserve	666,500			666,500
Facilities Maintenance:				
Operating Reserve	550,000			550,000
Facilities Sinking Fund	1,439,951			1,439,951
Impact Fees				
Roads	1,984,145			1,984,145
Parks	920,086			920,086
Park Bond Reserve	502,916			502,916
Cemetery Improvement	476,401			476,401
Off-Street Parking	29,564			29,564
Tour Dock	73,211			73,211
Street Improvement	1,121,498	161,100		960,398
Firefighter's Pension	1,359,860			1,359,860
Park & Municipal Reserve:				
Litigation Reserve	20,004			20,004
Labor Relations Reserve	51,255			51,255
Police Equipment Reserve	26,519			26,519
LEOFF 1 Police Reserve	625,754			625,754
Facilities Expansion Reserve	800,000			800,000
Development Services Reserve	1,290,831			1,290,831
Tree Ordinance	13,750			13,750
Donation Accounts	143,859			143,859
Revolving Accounts	148,606			148,606
Water/Sewer Operating Reserve	1,511,245			1,511,245
Water/Sewer Debt Service Reserve	820,155			820,155
Water/Sewer Capital Contingency	1,703,640	500,200		1,203,440
Water/Sewer Construction Reserve	8,738,358	835,000		7,903,358
Surface Water Operating Reserve	320,299			320,299
Surface Water Capital Contingency	876,760	202,000		674,760
Surface Water-Transp. Related Rsv	1,417,365	236,000		1,181,365
Surface Water Construction Reserve	1,240,563			1,240,563
Total Special Purpose Reserves	**48,011,479**	**2,730,694**	**0**	**45,280,785**
Grand Total	**61,544,317**	**3,139,630**	**0**	**58,404,687**

Reserve Summary *continued*

RESERVE	AMOUNT	DESCRIPTION
2007 Council Authorized Uses	**$3,139,630**	
Contingency Fund	$31,500	Funding for phase 1 of the Permit Process Improvement Project to review the single family building permit process.
	$54,436	Funding for continued public outreach for Phase II of the annexation study.
	$280,000	Funding for a Planned Action Environmental Impact Statement and fiscal review related to the Park Place re-development.
Building/Property Reserve	$10,000	Funding for a study of the Peter Kirk restroom to coincide with the timing of the design for the downtown transit center.
Council Special Projects Reserve	$15,000	Funding for the Assistance League of the Eastside's Operation School Bell program.
	$18,000	Funding for assistance with affordable housing regulations work plan.
Real Estate Excise Tax (REET) 1 Reserve	$235,840	Funding for the purchase of the Irvin Property in the Yarrow Bay Wetlands.
	$362,354	Funding for the purchase of greenbelt property near Everest Park.
	$193,200	Funding for purchase of the Niedermeier property near Everest Park.
	$5,000	Funding for the purchase appraisal and closing costs related to the Shelton property.
Street Improvement Reserve	$91,100	Additional funding for completion of the Central Way Improvements project (street portion).
	$70,000	Additional funding for the 2007 Pavement Striping Program.
Water/Sewer Capital Contingency	$113,900	Additional funding for completion of the Central Way Improvements project (utilities portion).
	$250,000	Additional funding for water system improvements projects.
	$81,000	Additonal funding for Waverly Beach Lift Station project.
	$55,300	Additional funding for 7th Avenue/114th Avenue NE Watermain Replacement.
Water/Sewer Construction Reserve	$835,000	Additional funding to complete the 2007 Emergency Sewer Program.
Surface Water Capital Contingency	$202,000	Additional funding for the Juanita Creek Channel Enhancement project.
Surface Water Transportation Reserve	$236,000	Additional funding for the 116th Ave NE (north) Non-motorized facilities (surface water portion).
2007 Council Authorized Additions	**$0**	

No Council Authorized Additions as of December 31, 2007.

The summary in the section above details all Council authorized uses and additions to each reserve through December 2007.

Reserves	Revised 2007-08 End Balance	2007-08 Target	Over (Under) Target
GENERAL PURPOSE RESERVES			
Contingency	2,827,890	3,698,455	(870,565)
General Capital Contingency	3,312,834	5,822,280	(2,509,446)
Park & Municipal Reserve:			
General Oper. Reserve (Rainy Day)	2,712,836	3,134,779	(421,943)
Revenue Stabilization Reserve	2,082,380	2,143,422	(61,042)
Council Special Projects Reserve	276,960	250,000	26,960
General Purpose Reserves with Targets	**11,212,900**	**15,048,936**	**(3,836,036)**
SPECIAL PURPOSE RESERVES			
Excise Tax Capital Improvement:			
REET 1	5,877,284	1,435,000	4,442,284
REET 2	6,067,898	4,959,200	1,108,698
Information Technology:			
Major Systems Replacement Reserve	666,500	1,025,000	(358,500)
Firefighter's Pension	1,359,860	1,103,000	256,860
Park & Municipal Reserve:			
Litigation Reserve	20,004	50,000	(29,996)
LEOFF 1 Police Reserve	625,754	855,000	(229,246)
Development Services Reserve	1,290,831	1,290,831	0
Water/Sewer Operating Reserve	1,511,245	1,511,245	0
Water/Sewer Debt Service Reserve	820,155	820,155	0
Water/Sewer Capital Contingency	1,203,440	1,703,640	(500,200)
Surface Water Operating Reserve	320,299	320,299	0
Surface Water Capital Contingency	674,760	876,760	(202,000)
Special Purpose Reserves with Targets	**20,438,030**	**15,950,130**	**4,487,900**
Reserves without Targets	**26,753,757**	**n/a**	**n/a**
Total Reserves	**58,404,687**	**n/a**	**n/a**

The table to the left compares the revised ending balance to the targets established in the budget process .

123 5th Avenue
Kirkland, Washington 98033
425-587-3101

- Tracey Dunlap, Director of Finance & Administration
- Michael Olson, Deputy Director of Finance & Administration
- Sandi Hines, Financial Planning Manager
- Sri Krishnan, Senior Financial Analyst
- Neil Kruse, Budget Analyst

www.ci.kirkland.wa.us

The **Financial Management Report (FMR)** is a high-level status report on the City's financial condition that is produced quarterly.

- It provides a summary **budget to actual** comparison for year-to-date revenues and expenditures for all operating funds. The report also compares this year's actual revenue and expenditure performance to the prior year.
- The **Sales Tax Revenue Analysis Report** takes a closer look at the City's largest and most economically sensitive revenue source.
- **Economic environment** information provides a brief outlook at the key economic indicators for the Eastside and Kirkland such as office vacancies, residential housing prices/sales, development activity, inflation and unemployment.
- The **Investment Summary** report includes a brief market overview, a snapshot of the City's investment portfolio, and the City's year-to-date investment performance.
- The **Reserve Summary** report highlights the uses of and additions to the City's reserves in the current year as well as the projected ending reserve balance relative to each reserve's target amount.

Economic Environment Update References:

- Jeanne Lang Jones, *Optimism 'constrained' as economy taps brakes*, Puget Sound Business Journal, December 28, 2007
- Crai S. Bower, *Conway sees slowing of regional economy in 2008*, enterpriseSeattle economic forecast (sponsored by the Puget Sound Business Journal), January 18, 2008
- *Recessionary Storm Clouds Gather*, MBIA Asset Management Economic Commentary, January 2008
- Matthew Gardner, *Home-price decline inevitable, but it shouldn't last*, Puget Sound Business Journal, February 8, 2008
- Dick Conway, *Housing market's correction — when will it end?,* Puget Sound Business Journal, February 8, 2008
- CB Richard Ellis Real Estate Services, Market View Puget Sound, Fourth Quarter 2007
- Northwest Multiple Listing Service
- Washington State Economic and Revenue Forecast Council
- Washington State Employment Security Department
- Washington State Department of Revenue
- U.S. Bureau of Labor Statistics
- City of Kirkland Building Division

Attachment B

2007 Fire Overtime
February 26, 2008

What caused the department to be nearly $800,000 over budget in 2007?

Staff analyzed the expenditures for overtime in 2007; the following are the key issues affecting our costs.

- 2007's on and off duty disabilities far exceeded any in the last ten years, see attached graph. In 2007 we had 17, 060 hours of disability leave compared to an average over the previous 10 years of 7,636 hours. This is 2.25 times the average and should be considered an anomaly of expected disability hours.

- 2007 sick leave exceeded normal usage; an average of 3,666 hours were used in the previous 5 years. The 2007 sick leave hours were 6,124, which represents a 1.67 times the average. As an example of the types of things that impacted this, was the flu in 2007 "swept" through one station after another, there were days when we had up to 9 people off on anyone day. We are not staffed at a level to handle this kind of sickness. It would be cost prohibitive to try to staff for these occasional high levels of sickness.

- Unfunded Family Medical Leave use was consistent with previous years at a cost of approximately $30,000. During the budget process, we prepared a service package to increase our overtime budget to cover the use of family medical leave; ultimately it was decided to not fund the service package and therefore when we had the use of family medical leave we incurred overtime costs for shift coverage.

- The work week reduction had a greater impact than expected; this was due to the staffing ratio changing because of the additional time off. This was caused by our staffing level already being close to the number where hiring would have been more cost effective than overtime, yet we continued to use overtime to fund a position.

- The number of personnel off per day for Kelly Days increased to 4 off per day nearly everyday as opposed to 3 off per day with an occasional 4th off. This was caused by both the workweek reduction and the hiring of firefighters for the Totem Lake medical aid unit. The following chart shows the number of personnel off per day on Kelly Days (work week reduction time off) and as you can see we have very few days left before we will need to be at five off per day on some days.

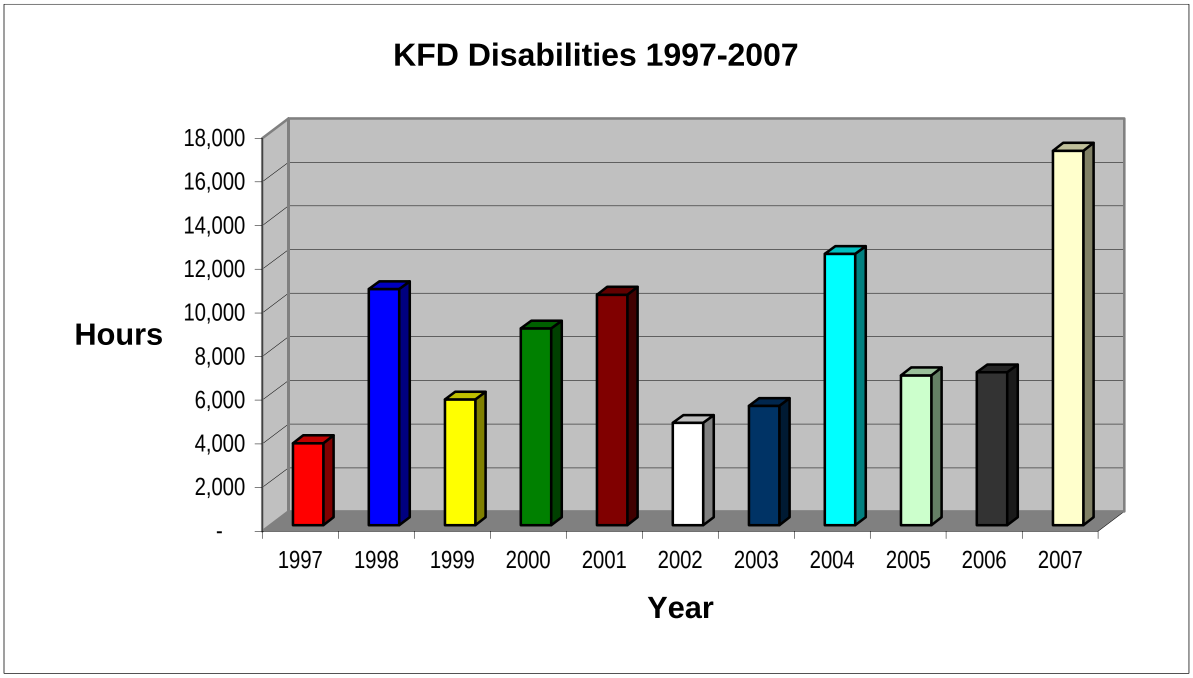
Shift	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	# of FF's per shift
A	4	2	4	4	4	4	4	26
B	4	3	3	4	4	4	4	26
C	4	1	4	4	4	4	4	25

Attachment B

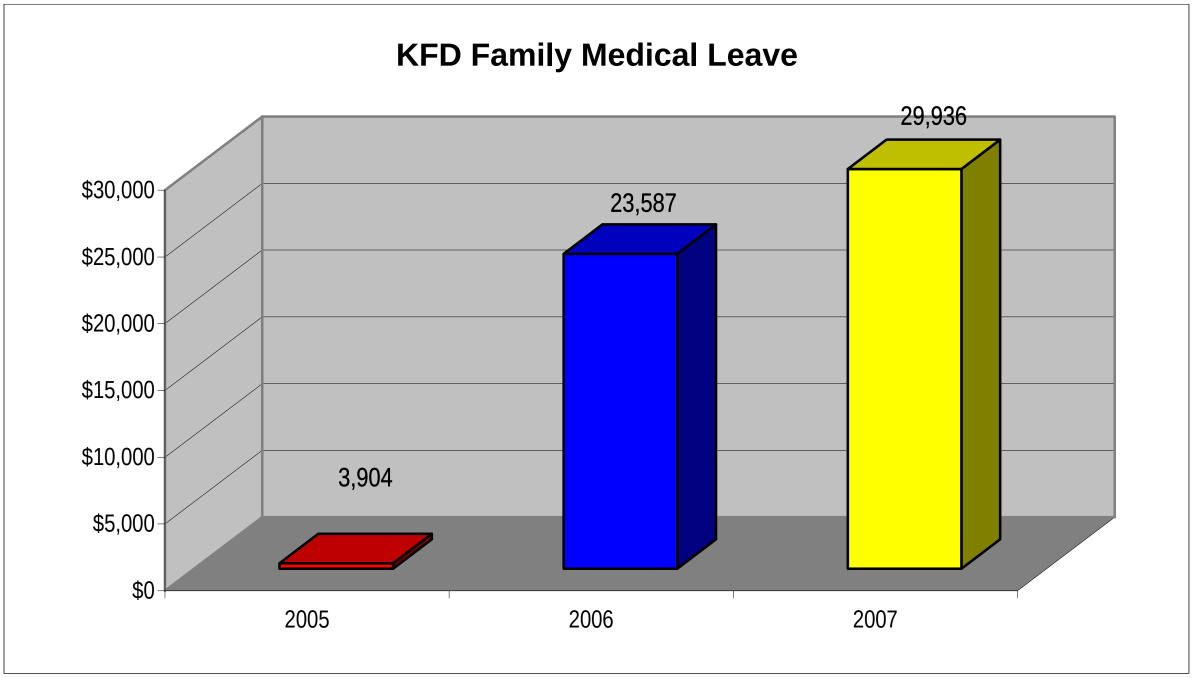
- North Finn Hill overtime staffing exceeded our budget by approximately $50,000; in part this may have been due to the change in the average hourly overtime costs of a shift. During the previous contract negotiations, an average hourly overtime cost was developed. This number did not get updated in our budget process and therefore we are under budgeted for this staffing. The change over the last three years in the overtime hourly rate has increased $10 per hour. This represents approximately $43,800 and the remainder is most likely due to more officers or top firefighters in an acting position working these overtime shifts.

It is my expectation that we will not have the same experience in 2008; what we should do is further analyze the numbers and make a recommendation for solution both short and long term. I have a few options which could be considered, but want to explore them before making a firm recommendation.

Attachment B



Attachment B



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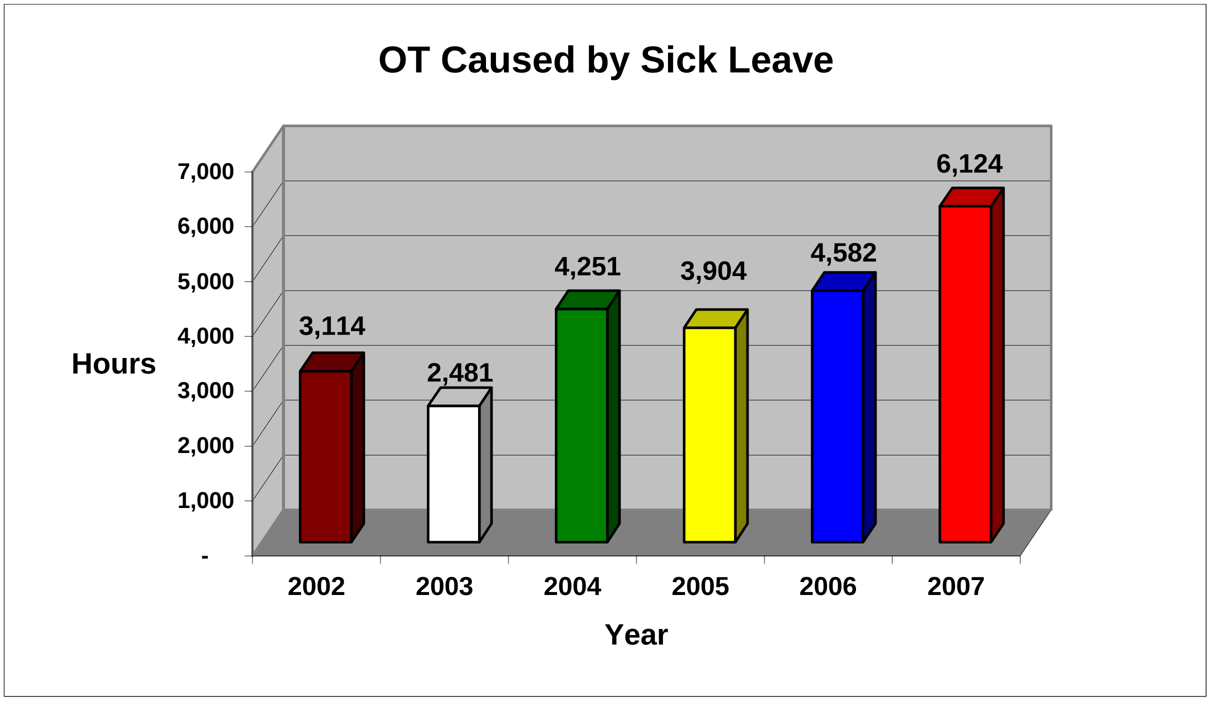

Attachment C

City of Kirkland Temporary Positions & Recurring Service Package History

Current Temporary Staffing Roster (excluding Annexation & Special Projects)

Position	Department	Effective FTE	First Budgeted	2008 SP Cost	Funding Source(s)	Comment
Plans Examiner	Fire & Building	0.50	2001	45,452	GF Cash Balance/OT exp offset	
Public Grounds Tech	PW-Street Operating	1.00	2003	81,956	GF cash balance	Some seasonal labor in 2002
Field Arborist	PW-Street Operating	0.50	2004	53,789	GF cash balance	
Applications Analyst	Information Technology	1.00	2004	106,897	CIP budget	
Graffiti Specialist	PW-Street Operating	1.00	2004	82,791	GF cash balance	Included within department seasonal labor duties 2004-06; first dedicated funding for regular staffing 2007
NTCP Support	Public Works	0.50	2007	29,122	GF cash bal/hourly exp offset	
Applications Analyst-PD	Information Technology	1.00	2005	94,929	GF cash balance	Mid-year 2005
Building Permit Technician	Fire & Building	1.00	2006	63,394	GF cash balance	Mid-year 2006
Web Production Assistant	Information Technology	1.00	2006	78,351	GF cash balance	05-06 Mid-biennial
GIS Analyst	Information Technology	1.00	2006	86,804	CIP budget	Mid-year 2006
Human Resources Analyst	Human Resources	0.70	2007	56,977	GF cash balance	
Code Enforcement Officer	Planning	0.50	2007	56,127	GF cash balance	Continuation after end of Mercer Island contract
Emergency Prep Coordinator	Fire & Building	1.00	2007	103,566	Grant Revenue/GF cash balance	.50 one-time service package funding, .50 one-time grant funding.
Environmental Stewardship Outreach	Parks & Community Svcs	0.50	2007	53,588	GF revenue/GF Cash balance	
Videographer	Information Technology	0.50	2007	35,683	GF Interest Revenue (OT)	.50 FTE; .50 temp
Total		**11.70**		**1,029,426**		

Special Projects & Annexation Positions

Position	Department	Effective FTE	First Budgeted			Comment
Annexation Admin Support	City Manager's Office	0.75	2007	59,590	GF Sale tax revenue (OT)	
Annexation Coordination (Backfill)	City Manager's Office	1.00	2007	90,230		
Annexation Senior Planner	Planning	1.00	2007	104,863	GF revenue	Backfilled positions would return to previous positions; reduction through attrition
Annexation Recruitment Captain	Police	1.00	2007	128,524	GF cash balance	Backfilled positions would return to previous positions; patrol reduction through attrition
Construction Inspector	PW-General Fund	1.00	2006	20,422	Verizon fees for service	Temporary for Verizon FTTP project (MY 2006) expected end date 3/2008
Business Analyst	Finance & Admin	1.00	2006	87,840	CIP Budget	Backfilled position is in Customer Accounts for Document Management Project
Electrical Inspector	Fire & Building	1.00	2007		None	Backfill for Evergreen Hospital temp assignment; project completed, position not filled after permanent employee left.
Network Analyst-Wireless in the Field Project	Information Technology	1.00	2008	97,688	GF dev revenue/IT cash	2007 Midbiennial adjustment
Total		**7.75**		**589,157**		

Grand Total Current Temporary Positions: 19.45 1,618,583

Other Recurring One-time Programs budgeted in 2008

Position	Department		
Finn Hill Staffing OT	Fire & Building	350,000	
ARCH	Planning & Comm Dev	216,000	
Economic Development	City Manager's Office	95,000	
Human Services per capita	Parks & Community Svcs	71,520	
Outside Agency Requests	City Manager's Office	61,000	
Public Art	City Manager's Office	50,000	
Commute Trip Reduction Plan	Public Works	50,000	
NIMS & Emergency Prep Training	Fire & Building	38,462	
124th Avenue Parkside M&O	Parks & Community Svcs	36,291	
Legislative Advocate-State	City Manager's Office	30,000	
Traffic Counts (every other year)	Public Works	30,000	
Police Accredidation Expenses	Police	25,480	varies
Employee Flex pass	Nondepartmental	21,630	
Legislative Advocate-Federal	City Manager's Office	20,000	
Neighborhood Plans Update	Planning & Comm Dev	20,000	
Firefighters Pension Actuarial Study	Finance & Admin	16,000	biennial cost
Leash Law Enforcement	Parks & Community Svcs	10,800	
BKR Model Support	Public Works	10,000	
Transportation Mgt Plan Support	Public Works	10,000	
Goose Patrol	Parks & Community Svcs	7,306	
All City Youth Summit (every other year)	Parks & Community Svcs	4,000	
Total		**1,173,489**	

Total - Positions and Non-Labor 2,792,072

Attachment D

CIP Process Changes

- Continue with 6 year plan done on a biennial basis (i.e. full update every 2 years)
- Move timing of 6 year plan to start on odd year that would coincide with beginning year of budget biennium
- Changing cycle this year would create a 2009-2014 CIP (vs. the 2008-2013 completed last year)
- Changing to a 2009-2014 cycle would mean first 2 years of CIP plan would be incorporated into and tie to the budget biennium cycle of 2009-2010
- Changes to affect cycle to 2009-2014 this year:
    - Use mid-point update process (scheduled for spring)
    - Use 2009-2013 as adopted and make necessary prioritization edits to incorporate final year of 2014
    - Make any necessary changes to 2009-2013 as would normally be done during update process (funding changes, major scope changes, etc)
- Change in timing saves duplicate work for 2nd year of budget biennium:
    - Dept staff – would not have to do CIP budget details for the same year twice (i.e. old CIP and then new CIP for 2010)
    - Finance staff – would not have to do detailed entry, balancing of funds and reserves, and multiple adoptions for the same year twice (i.e. 2010)
- Change in timing of the cycle will make the information between the CIP and budget documents more meaningful
- Deal with policy issues affecting CIP and operating budgets:
    - Reimbursement from CIP for staff funded in General Fund falling short
    - Charging projects/staff to the CIP that should rightfully be included or not included
    - Making link between maintenance and operations costs detailed in CIP and not funded in operating budget
- Key CIP dates for 2008 for the new cycle would be as follows (draft timeline):

2009 - 14 CIP Kickoff	April 23
2009 - 14 CIP Materials Due from Depts.	May 30
2009 - 14 CIP Dept. Meetings w/ City Manager	June 13
2009 - 14 CIP Study Session with Council	August 5
2009 - 14 CIP Public Hearing	September 2
2009 - 14 CIP Adoption	September 16 or December with 09-10 Budget

Atttachment E

Utility Tax Rate Comparison
2008

	Kirkland	Bellevue (1)	Seattle	Bothell	Edmonds	Federal Way	Lake Forest Park	Lynnwood	Mercer Island	Olympia	Redmond	Renton
Surface Water	7.50%	5.00%	11.50%	6.00%	6.00%	7.50%	No	No	No	7.00%	No	6.00%
Water	7.50%	5.00%	15.54%	5.00%	6.00%	N/A	N/A	No	No	7.00%	No	6.00%
Sewer	7.50%	5.00%	12.00%	5.00%	6.00%	N/A	No	No	No	7.00%	No	6.00%
Garbage	7.50%	4.50%	11.50%	6.00%	6.00%	7.50%	N/A	N/A	7.00%	7.00%	N/A	6.00%
Garbage - franchise fees				1.00%			2.75%					5.00%
Cable TV	6.00%	4.80%	10.00%	6.00%	1.00%	7.50%	No	No	7.00%	No	No	6.00%
Cable TV - franchise fees	5.00%	5.00%	5.00%			5.00%	5.00%	5.00%	5.00%		5.00%	5.00%
Gas	6.00%	5.00%	6.00%	6.00%	6.00%	7.50%	6.00%	No	6.00%	9.00%	6.00%	6.00%
Electric	6.00%	5.00%	6.00%	6.00%	6.00%	7.50%	No	No	6.00%	9.00%	6.00%	6.00%
Telephone	6.00%	6.00%	6.00%	6.00%	6.00%	7.50%	6.00%	3.00%	6.00%	9.00%	6.00%	6.00%
Cellular	6.00%	6.00%	6.00%	6.00%	6.00%	7.50%	6.00%	No	6.00%	9.00%	6.00%	6.00%
Revenues	$ 8,004,268	$ 19,650,000	$ 148,282,222	$ 6,605,600	$ 4,352,000	$ 12,105,484	$ 615,000	$ 900,000	$ 3,032,000	$ 7,600,000	$ 8,981,633	$ 8,153,747
% of GF Revenues	11.50%	15.00%	17.00%	18.00%	14.00%	30.30%	11.00%	2.40%	14.70% (2)	13.00%	13.50%	10.00%

(1) Bellevue also collects on behalf of point cities that they serve for utilities:
Medina - 0%
Clyde Hill - 10% water and sewer, 4% cable and garbage
Hunts Point - 6.5% water, sewer and garbage
Beaux Arts - 0%
Yarrow Point - 5% water, sewer, cable and garbage

(2) Percentage reflects both B&O and utility tax, but is made up primarily of utility tax.

Note: N/A is no utility / No is no tax levied on these utilities.

Franchise Fee Definition:
Franchise fees are charges levied on private utilities to recoup city costs of administering the franchise and for the right to use city streets, alleys, and other public properties.

The franchise fees on light, natural gas, and telephone utilities are limited by statute to the actual administrative expenses incurred by the city directly related to receiving and approving a permit, license, or franchise; reviewing plans and monitoring construction; and preparing a detailed SEPA document.

Cable TV franchise fees are governed by federal rather than state law and are negotiated with the cable company. They may be levied at a rate of up to five percent of gross revenues, regardless of the costs of managing the franchise process.

Business License/Fees Comparison Update February 2008

Attachment F

Business Size	Type	Kirkland # EE	Kirkland BL Fee	# EE	Edmonds	Bothell	Lynnwood	Renton	Redmond	B & O Tax: Mercer Island	B & O Tax: Bellevue	B & O Tax: Lake Forest Park	B & O Tax: Seattle	Est. Gross Rcpts or Sq ft.
Small	Retail	1	$ 100	1	$ 25	$ 34	$ 107	$ 55	$ 90	$ 30	$ -	$ 80	$ 244	$ 60,000
Small	Retail	2-5	$ 325	4	$ 25	$ 114	$ 150	$ 220	$ 360	$ 310	$ 419	$ 300	$ 792	$ 280,000
Medium	Professional	6-20	$ 850	10	$ 25	$ 141	$ 237	$ 550	$ 900	$ 930	$ 1,197	$ 820	$ 4,075	$ 800,000
Medium	Restaurant	6-20	$ 850	18	$ 25	$ 207	$ 353	$ 990	$ 1,620	$ 1,130	$ 1,646	$ 1,120	$ 2,905	$ 1,100,000
Large	Headquarters	21-100	$ 1,600	70	$ 25	$ 591	$ 1,107	$ 3,850	$ 6,300	$ 8,030	$ 16,372	$ 8,020	$ 35,040	19,371 sq ft or $8 m
Large	Retail	21-100	$ 1,600	90	$ 25	$ 762	$ 1,397	$ 4,950	$ 8,100	$ 16,030	$ 23,936	$ 16,020	$ 36,740	$ 16,000,000
Large	Retail	100+	$ 2,600	150	$ 25	$ 1,045	$ 2,267	$ 8,250	$ 13,500	$ 60,030	$ 89,760	$ 60,020	$ 132,840	$ 60,000,000
Business License/Tax Revenues			1,408,841		765,790	260,445	974,000	2,200,000	7,000,000	508,249	30,610,399	215,000	179,200,000	
Percent of General Fund			2.6%		2.6%	0.8%	2.6%	2.6%	11.0%	2.5%	21.5%	3.4%	23.0%	

(Note: Percent of General Fund revenues for illustrative purposes only. Several cities place business licenses/taxes to other funds.)

Year Enacted	Under Review	Sunset Clause	Business License Fees and Taxes Specific to each City	
2003	No	No	**Kirkland**	Businesses pay a base fee of $100 and a surcharge based on the number of employees. The surcharge is eliminated and the base fee is reduced to $25 for businesses with gross receipts under $2,000. The surcharge is reduced for businesses with less than $100,000 of gross receipts.
1996	No	No	**Edmonds**	Businesses pay a $65 initial registration fee and an annual $25 renewal fee. Non-resident pays only $25.
2006	No	No	**Bothell**	Businesses pay a fee based on number of employees, type of business and square footage. The fee for type of business is eliminated for businesses with gross receipts under $12,000.
2007	No	No	**Lynnwood**	Businesses pay a base fee of $92 (first time app is $109) and $14.50 per emp. Home occ. businesses pay a $27 base fee. Businesses not located in the City pay $148 annually. Certain business are subject to other fees.
2006	No	No	**Renton**	Businesses pay per employee at $55 per full time equivalent (1,920 hours worked per year).
2007	No	No	**Redmond**	Businesses pay per employee at $90 per FTE (1,920 hours worked per year). Previous sunset clause was removed 2 years ago.
2006	No	No	**Mercer Island**	Businesses pay an annual fee of $30 and are subject to a business and occupation tax of .001 of the gross receipts.
2004	No	No	**Bellevue**	Businesses pay a one time fee of $29 and are subject to two business and occupation taxes. A gross receipts tax of .001496 of the gross receipts and/or A square footage tax of .8452 times the square footage of the business.
2000	No	No	**Lake Forest Park**	Businesses pay an annual fee of $20 and are subject to a business and occupation tax of .002 of the gross sales.
2000	No	No	**Woodinville**	Business are required to register with no fee therefore are not shown on the table above.
2005	No	No	**Kenmore**	Does not require a business license for most businesses and is also not shown on the table above. D Certain Kenmore entertainment and amusement bus., pawnbrokers and second hand dealers are required to pay lic. fees.
Revised 2008	No	No	**Seattle**	Business taxes are composed of 4 elements Annual fee of $90 Employee hours tax - $25 per year per FTE or .01302 per employee hour B & O tax ranging from .00215 to .00415 of the gross receipts Square footage tax - a replacement for the losses of B & O tax due to recent legislative changes in the B & O tax

Levy Lid Lifts[1]

With the passage of 2ESSB 5659 this year (Ch. 24, Laws of 2003, 1st Special Session), there are now two different approaches to a levy lid lift. They have different provisions and advantages. We will explain how to calculate how much you can raise from a levy lid lift and then discuss both types and how they work.

How Much Revenue Can You Raise from a Levy Lid Lift?

Start by calculating the difference between your current tax rate and the maximum guaranteed statutory rate. If you do not know your current rate, ask your assessor.

Maximum Statutory Tax Rate: **Cities**, along with counties, are senior taxing districts and their maximum tax rates differ, depending on whether they have a firemen's pension fund or whether they are annexed to a fire district and/or a library district.

The maximum regular property tax levy for most cities is $3.375 per thousand dollars assessed valuation (AV). *RCW 84.52.043(1)(d).* Some cities have a firemen's pension fund. (If you do not know whether you have one, you probably do not.) Those cities can levy an additional $0.225 per thousand dollars assessed valuation, resulting in a maximum levy of $3.60 per thousand dollars AV. *RCW 41.16.060.*

For cities that belong to a fire district and/or a library district, the rules are a little more complicated. Nominally they have a maximum rate of $3.60 per thousand dollars AV. But, they can never collect that much because the levy of the special districts must be subtracted from that amount. *RCW 27.12.390 and RCW 52.04.081*. The library district levy has a maximum rate of $0.50 per thousand dollars AV (*RCW 27.12.050*) and the fire district levy can be as high as $1.50. *RCW 52.16.130, RCW 52.16.140, and RCW 52.16.160*. Therefore, if a city belongs to both a fire district and a library district, and if these districts are currently levying their maximum amount, then the local levy can be no higher than $1.60 ($3.60 - .50 - 1.50 = $1.60).

For **counties**, the maximum regular property tax levy rate that may be imposed on real and personal property is $1.80 per thousand dollars AV for its current expense or general fund, and $2.25 per thousand dollars AV for its road fund. However, a county can raise its general fund levy rate up to $2.475 per thousand dollars AV, provided the total of the levy rates for the general fund and road fund do not exceed $4.05 per thousand dollars AV **and** the increase in the general fund levy does **not** result in a reduction in the levy of any other taxing district.

Multiply the difference between your maximum rate and current rate by your AV divided by 1000 because the tax rate is levied on each thousand dollars of assessed valuation, not each dollar.

Example. A city has a maximum tax rate of $3.375 per thousand dollars. Its current rate is $2.90 and its assessed valuation is $100,000,000.

$3.375 – 2.90 = $0.475.
$0.475 x 100,000,000/1000 = $47,500.

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[1] We have a levy lid lift page on our Web site where we give examples of ordinances and other information. http://www.mrsc.org/Subjects/finance/levylidlift.aspx

$47,500 is the maximum amount of **extra** revenue the city could get in its first year after doing a levy lid lift. Its total levy, if the vote on the lid lift is successful, would be $337,500 compared to $290,000 without the lift.

If the council is not be interested in that big an increase in the rate, multiply whatever rate increase they have in mind times your assessed valuation divided by 1000.

If you think you want to explore the idea of a levy lid lift further, what are your options?

Option 1: "Original flavor" lid lift. RCW 84.55.050, with the exception of new subsections (3)(b) and (e).

1. Purpose. It can be done for any purpose and the purpose may be included in the ballot title, but need not be. You could say it would be for hiring more firefighters, for additional money for general government purposes, or say nothing at all. In the latter case, by default, it would be for general government purposes. Stating a particular purpose may improve your chances of getting the voters to approve it.

2. Length of time of lid lift. If can be for any amount of time unless the proceeds will be used for debt service on bonds, in which case the maximum time period is nine years. Setting a specific time period may make the ballot measure more attractive to the voters. But, making it permanent means you can use the funds for ongoing operating expenditures without having to be concerned that you will have to go back to the voters for another lid lift.

3. After the first year, the jurisdiction's levy in future years is subject to the 101 percent lid. This is the maximum amount it can increase without returning to the voters for another lid lift.

4. If the lift is for a specific number of years, the base levy for future years after the lid lift ends will be set at what the base would have been, if the lid lift had not taken place. RCW 84.55.050(4).

5. The election can take place on any election date listed in RCW 29.13.010.

Option 2: Multiple year lid lift. RCW 84.55.050, as amended by 2ESSB 5659, Ch. 24, Laws of 2003, 1st Special Session. See subsections (3)(b) and (e), in particular.

1. Purpose. It can be done for any purpose, but the purpose must be stated in the title of the ballot measure and the new funds raised may not supplant current spending for that purpose.

2. Length of time of lid lift. Six years maximum.

3. The levy can be increased for each of those six years by some amount stated in the ballot title. This can be a dollar amount, a percentage increase amount tied to an index such as the CPI, or percentage amounts just arbitrarily set. Of course, if the amount of the increase for a particular year would require a tax rate that is above the maximum tax rate, the assessor will only levy the maximum amount allowed by law.

4. The legislative body may choose to put language in the ballot title, saying that at the end of the period of the lift, the base for future year increases will be the base during the last year of the lid lift. This contrasts with the provision in the RCW 84.55.050(4) that puts the base back to what it would have been without the lift.

5. The election date must be the September primary or the November general election.

So, which is the best option?

As usual, of course, it depends. The requirement in the 2ESSB 5659 legislation that the purpose must be stated makes it less flexible than the "original flavor" version. This may be true more in theory than practice, however, because we know of only one city that has successfully passed a ballot measure where they did not specify the use of the funds. (We don't mention counties in this example because we do not know of any county that has done a lid lift other than King County's small recent lid lift for parks. Please let us know if you have done one.)

The requirement that there be no supplanting in expenditures is more restrictive. It certainly is attractive to have the opportunity to do a levy lid lift for a popular program, such as public safety, and then use part of the money that would have been spent on that program for, say, a new computer system. One presumes, however, that citizens believe there will be no supplanting even when the statutes do not prohibit it and that they will require some accounting from government officials.

If you use the CPI as the inflator in a multi-year lid lift, which index should you choose?

There are all sorts of consumer price indices. **It is absolutely crucial that you correctly identify the one you want to use in your ballot measure.** The considerations are the same as choosing a consumer price index for a labor contract. The Bureau of Labor Statistics has a Web site that will help you make that decision. http://www.bls.gov/cpi/cpi1998d.htm. Figure out when you will want the information for budgeting purposes on how much your property tax levy can be increased. Then make certain that the CPI index you have chosen will be available by that date.

The U.S. CPI figures are available monthly with a lag of about two and a half weeks. For example, the April statistics are published around May 19 or so. The Seattle-Tacoma-Bremerton CPIs are published bimonthly for even-numbered months. The February numbers are published in mid-March, to give one example. The Portland-Salem indices are only published twice a year. The second half of 2003 is published in mid-February and the first half of 2004 in mid-August.

What election date should you choose?

If you are doing a lid lift under the provisions of 2ESSB 5659, you are limited to either the September primary or the November general election. For lid lifts under the "old" provisions of RCW 82.55.050, you have more choices.

There are a number of considerations here. Your election date will determine (assuming the ballot measure is passed) when you will get your first tax receipts. Taxes levied in November are first due on April 31 of the following year. Therefore, to receive taxes next year from a levy you are discussing during the current year, your election can be no later than November. We know of some councils that first began thinking of a levy lid lift in October 2002 last year, during budget discussions for 2003. By that time it was too late to get any measure on the November ballot. Your county auditor must receive your ordinance or resolution 45 days before the date of the election. **It pays to plan ahead.**

Councils and commissions should ask around to find out what other elections will be coming up during the coming year. You may not want to go head-to-head with a school levy election or a voted bond issue.

What are the rules for what can and cannot be done to support or oppose ballot propositions?

You will probably find the information in following articles helpful.

"Use of Public Facilities to Support or Oppose Ballot Propositions." Prepared by MRSC Legal Staff. http://www.mrsc.org/subjects/finance/695/pubfac-pwm.aspx.

"What Can and Can't Local Government Officials and Employees Do to Support or Oppose an Initiative Measure." [Editor: the information applies to any ballot measure.] Prepared by MRSC Legal Staff. http://www.mrsc.org/subjects/finance/695/qanda-pwm.aspx.

It is very important that you be cautious in what you do. Our legal staff can give you some advice. In years past, the Public Disclosure Commission was willing to review any information pamphlets that municipalities produced. However, the commission is awaiting a decision in a lawsuit before the Washington State Supreme Court and they are currently not providing this service.

Attachment G

ASSESSED VALUE AND TAXES BY CITY

Typical Residence in 2006 and 2007

City	2006Average Residence Value	2006 Typical Levy Rate (1)	2006 Tax	2007Average Residence Value	2007 Typical Levy Rate (1)	2007 Tax	Tax Change	Average Percent Tax Change	% AV Change
Seattle	399,500	$ 9.63	$ 3,846.84	428,800	$ 9.28	$ 3,978.84	$ 132.00	3.4%	7.3%
Algona	169,400	11.94	2,022.28	193,500	11.09	2,146.37	124.10	6.1%	14.2%
Auburn	217,100	13.05	2,833.78	230,300	12.24	2,818.60	(15.18)	-0.5%	6.1%
Beaux Arts	732,000	8.35	6,114.98	836,400	7.95	6,650.89	535.91	8.8%	14.3%
Bellevue	490,400	8.06	3,951.58	536,800	7.74	4,152.96	201.38	5.1%	9.5%
Black Diamond	292,700	10.76	3,149.80	322,100	10.26	3,304.44	154.65	4.9%	10.1%
Bothell	334,200	11.01	3,677.98	355,400	10.47	3,722.26	44.28	1.2%	6.4%
Burien	285,000	12.06	3,437.04	302,500	11.59	3,507.03	69.99	2.0%	6.1%
Carnation	248,900	10.87	2,704.62	264,300	10.07	2,662.98	(41.65)	-1.5%	6.2%
Clyde Hill	1,054,900	7.51	7,926.90	1,174,200	7.22	8,474.14	547.24	6.9%	11.3%
Covington	233,800	12.62	2,951.39	251,700	11.79	2,966.84	15.45	0.5%	7.6%
Des Moines	246,900	12.03	2,970.27	267,600	12.02	3,216.95	246.68	8.3%	8.4%
Duvall	307,200	11.43	3,510.77	327,800	10.69	3,503.97	(6.80)	-0.2%	6.7%
Enumclaw	203,900	10.69	2,180.10	217,400	10.27	2,233.33	53.23	2.4%	6.6%
Federal Way	248,200	11.80	2,927.64	267,200	11.38	3,041.27	113.63	3.9%	7.7%
Hunts Point	3,427,200	6.73	23,062.69	3,642,000	6.50	23,659.65	596.96	2.6%	6.3%
Issaquah	418,000	10.21	4,269.82	459,500	9.98	4,584.32	314.50	7.4%	9.9%
Kenmore	344,900	11.98	4,133.10	369,900	11.35	4,198.08	64.98	1.6%	7.3%
Kent	249,100	12.80	3,188.77	267,500	11.85	3,169.85	(18.92)	-0.6%	7.4%
Kirkland	448,300	9.44	4,233.70	494,900	8.99	4,449.22	215.51	5.1%	10.4%
Lake Forest Park	378,600	11.33	4,290.75	400,000	11.38	4,552.89	262.14	6.1%	5.6%
Maple Valley	260,600	11.41	2,972.32	277,300	11.66	3,233.77	261.45	8.8%	6.4%
Medina	1,897,800	7.80	14,807.26	2,053,500	7.47	15,341.92	534.66	3.6%	8.2%
Mercer Island	908,100	8.14	7,394.89	986,300	7.50	7,394.40	(0.49)	0.0%	8.6%
Milton	216,500	12.19	2,639.95	248,200	10.84	2,691.42	51.47	1.9%	14.6%
Newcastle	456,800	11.53	5,266.24	504,000	10.60	5,343.33	77.09	1.5%	10.3%
Normandy Park	448,000	11.68	5,233.37	474,500	11.26	5,341.14	107.78	2.1%	5.9%
North Bend	308,900	10.44	3,225.71	332,700	10.61	3,528.79	303.08	9.4%	7.7%
Pacific	197,300	11.91	2,350.33	215,500	10.73	2,312.51	(37.82)	-1.6%	9.2%
Redmond	383,400	9.25	3,544.65	413,300	8.81	3,643.46	98.81	2.8%	7.8%
Renton	269,800	11.95	3,222.78	293,400	10.94	3,209.20	(13.58)	-0.4%	8.7%
Sammamish	490,600	11.24	5,512.59	522,700	10.86	5,677.85	165.27	3.0%	6.5%
SeaTac	213,400	11.73	2,502.51	231,400	11.19	2,589.29	86.78	3.5%	8.4%
Shoreline	314,000	11.78	3,698.42	336,100	12.03	4,042.22	343.80	9.3%	7.0%
Skykomish	100,700	7.30	734.66	116,500	6.78	790.39	55.73	7.6%	15.7%
Snoqualmie	380,600	11.00	4,186.50	417,300	11.26	4,699.08	512.58	12.2%	9.6%
Tukwila	212,500	12.91	2,743.84	229,800	12.22	2,809.70	65.86	2.4%	8.2%
Woodinville	382,600	11.74	4,492.08	410,700	11.11	4,563.55	71.48	1.6%	7.4%
Yarrow Point	1,534,400	7.06	10,826.71	1,658,100	6.80	11,273.11	446.40	4.1%	8.1%
Unincorporated Area	323,200	11.92	3,853.46	352,400	11.98	4,221.03	367.57	9.5%	9.0%

(1) Rates vary within cities. The rate shown is the predominant rate.

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: Tracy Burrows, Intergovernmental Relations Manager

Date: March 3, 2008

Subject: Results of Community Survey

Elway Research Associates has prepared the attached report on citizen opinions of the city and city government services in Kirkland. The report documents the results of a citizen survey that was developed by a City Council subcommittee of Councilmembers Dave Asher, Bob Sternoff, and Jessica Greenway in coordination with staff and Elway Research Associates. The committee reviewed the overall themes and final content of the survey with the full council and met twice with Stuart Elway to prepare the list of survey questions.

The random sample telephone survey was administered from February 13-17, 2008. Its respondents were 429 adult heads of household in Kirkland and the results have a 4.7% margin of error at the 95% confidence level.

The report summarizes key findings on pages 6-9. These findings show that residents genuinely appreciate living in Kirkland. The characteristics that residents most value include location, quality of life, size and physical setting. Respondents were positive about City government, though there was room for improvement. Their most pressing concerns relate to growth and traffic congestion.

The report also includes a gap analysis that measures the City's performance in key service areas relative to the service's importance to residents of Kirkland. These results identify a number of services where performance rated lower than the citizen rating of the importance of the service or program, including: (1) managing traffic flow; (2) downtown parking; and (3) zoning and land use. Significantly, these three service areas were also ranked highest when respondents were asked where Kirkland should invest more resources over the next two years.

Mr. Elway will present a comprehensive overview of the survey results at the City Council retreat.

City of Kirkland

CITIZEN OPINIONS OF CITY, CITY GOVERNMENT SERVICES

February 2008

ELWAY RESEARCH, INC.

City of Kirkland

CITIZEN OPINIONS OF CITY, CITY GOVERNMENT SERVICES
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City of Kirkland

CITIZEN OPINIONS OF CITY, CITY GOVERNMENT SERVICES

February 2008

INTRODUCTION

The City of Kirkland commissioned this survey to assess citizens' thoughts and opinions about the quality of life in Kirkland, priorities for the future and the level of satisfaction with the city government and City services. Following a similar survey conducted in 2006, this survey also sought to measure changes in priorities and satisfaction levels.

Specifically, the following subjects were addressed:

- Respondents' general sense of Kirkland, including the best and least desirable aspects of living there.
- Overall ratings of city government, including its effectiveness, efficiency and accountability.
- The importance and performance of specific city services and facilities, and priorities for the future.
- Questions about growth issues, such as household lot sizes, desires for more business/commercial activity, and growth management in general.
- Demographic information, to allow cross-tab analysis, and a profile of the respondents' experience in Kirkland (years in residence and neighborhood.)

This report begins with a demographic profile, and key findings. These are followed by a detailed written description of findings and analysis. At the end, all results are summarized in charts, and a full set of cross-tabulations is appended.

The survey was designed, conducted and analyzed by Elway Research, Inc., with extensive collaboration with Kirkland city officials.

METHODS

SAMPLE:	429 adult heads of household in Kirkland.
TECHNIQUE:	Telephone Survey
FIELD DATES:	February 13-17, 2008
MARGIN OF ERROR:	±4.7% at the 95% confidence interval. That is, in theory, had all Kirkland heads of household been interviewed, there is a 95% chance the results would be within ±4.7% of the results in this survey.
DATA COLLECTION:	Calls were made during weekday evenings and weekend days. Trained, professional interviewers under supervision conducted all interviews. Up to four attempts were made to contact a head of household at each number in the sample before a substitute number was called. Questionnaires were edited for completeness, and a percentage of each interviewer's calls were re-called for verification.
OPEN-ENDED ITEMS	A number of the questions were open-ended, allowing the respondent to express answers in his/her own words. Responses to open-ended questions were recorded as close to verbatim as possible, then categorized and coded for analysis.

It must be kept in mind that survey research cannot predict the future. Although great care was employed in the design, execution and analysis of this survey, these results can be interpreted only as representing the answers given by these respondents to these questions at the time they were interviewed.

RESPONDENT PROFILE

In interpreting these findings, it is important to keep in mind the characteristics of the people actually interviewed. Presented here is a demographic profile of the 429 respondents in the survey. The numbers in the columns are percentages of the total sample.

Compared to the 2006 survey, citizens in this sample tended to be slightly older, which means they were also more likely to be long-time residents, retired, lower income and to not have children at home.

The neighborhoods of North Rose Hill and South Juanita were slightly more represented in this survey than in 2006, while Central Houghton was slightly less represented. These differences were not statistically significant, however.

Note: Here and throughout this report, percentages may not add to 100%, due to rounding.

		2008	2006
GENDER	Male	49	50
	Female	51	50
AGE	18-35	7	10
	36-50	23	29
	51-64	30	35
	65+	38	26
EMPLOYMENT STATUS			
	Self-employed/business owner	12	21
	Public Sector	14	12
	Private Business	29	33
	Not working	6	6
	Retired	37	28
HOUSEHOLD			
	Single / Children At Home	6	6
	Couple / Children at Home	24	34
	Single/ No Children at Home	27	25
	Couple/ No Children at Home	41	33
ETHNICITY			
	African American	2	1
	Asian/Pacific Islander	3	3
	American Indian/Native American	1	1
	Caucasian	88	90
	Hispanic/Latino	1	2
	Other	2	3

		2008	2006
RENT/OWN HOME	Rent	10	9
	Own	87	90
INCOME: *			
	$50,000 or less	23	12
	$50 to $75,000	15	21
	$75 to $100,000	15	14
	$100 to $150,000	12	28
	Over $150,000	10	*
	No Answer	27	25
*Income brackets for 2006 were: <$40K , $40-75K, $75-100K, $100K+			
YEARS OF RESIDENCE			
	Less than one year	1	3
	One to five years	10	15
	Five to 10 years	12	19
	10 to 20 years	28	25
	More than 20 years	49	39
NEIGHBORHOOD (Self-Reported)			
	Everest	2%	1%
	Lakeview	4%	2%
	Moss Bay	4%	3%
	Totem Lake	8%	6%
	Highlands	5%	6%
	South Rose Hill	6%	7%
	Market	5%	8%
	Bridle Trails	5%	8%
	Norkirk	8%	10%
	North Rose Hill	15%	10%
	North Juanita	9%	10%
	South Juanita	13%	10%
	Central Houghton	11%	14%
	Other	5%	5%
	Don't Know	2%	2%

Neighborhood Quotas:

Precincts called and self-reported

In the 2006 survey, neighborhood residence was determined by self-report. That is, survey respondents were read a list of 13 neighborhoods and asked which one they lived in. At the request of the City Council, the survey this year established quotas for the 13 neighborhoods, grouped into 7 areas by city staff. The groupings were done to achieve a sufficient number of respondents in an area to support comparative analysis, while respecting the distinct neighborhoods. The quotas were established at the area level by calculating the population in each precinct and adding the precincts for each area.

Area totals were tallied in two ways. 1) Calls were placed from a list of precincts which aggregated the neighborhoods; and 2) Respondents were asked which neighborhood they lived in. The results did not always correspond. That is, respondents did not always name the neighborhood indicated by the precinct list. This table displays the results of these two measures.

AREA	Neighborhood	QUOTA	Self Rpt	Precinct
A	Bridle Trails		5%	10%
	(South) Rose Hill (south of NE 85TH)...	11%	6%	3%
B	Central Houghton		11%	8%
	Everest	10%	2%	3%
C	Norkirk		8%	10%
	Highlands		5%	4%
	Market	15%	5%	6%
D	(North) Rose Hill (North of NE 85TH)	17%	15%	16%
E	Lakeview		4%	8%
	Moss Bay	15%	4%	7%
F	Totem Lake		8%	6%
	(North) Juanita (North of NE 124th)	18%	9%	8%
G	(South) Juanita (South of NE 124th)	14%	13%	13%
	Other:		5%	5%
	Don't Know		2%	2%

READING THE TABLE: The quota is the target percentage of the total sample for each area. The "Self Report" column is the proportion of respondents who identified themselves as living in each neighborhood. The "Precinct" column is the proportion of respondent in each neighborhood as designated by their precinct.

EXAMPLE: Area A had a quota of 11% of the total sample. According to the precincts called, 13% were interviewed in Area A. According to the respondents self-description of their neighborhood, 11% were interviewed in that area.

KEY FINDINGS

Living in Kirkland

- **Great place to live**
  - 85% said it was an “excellent” (46%) or “very good” (41%) place to live.
  - 88% said “excellent” or “very good” in 2006.
- **Residents most value Kirkland’s location, quality of life, size and physical setting.**
- **Their concerns are mainly about growth.**
  - Asked to name “things that concern you” about living in Kirkland 2 in 3 respondents named a growth-related issue. The top 5 issues were:
    17% “overcrowding/growth";
    14% “traffic/congestion";
    13% "housing density", “high rises/condos” and
    8% “downtown development.”
  - By a margin of 54% to 41%, more respondents said the city was doing an “only fair” or “poor” job of managing residential development than said it was doing a “good” or “excellent” job.
- **The city of Kirkland "feels safe"**
  - 8 in 10 felt “very safe” walking alone in their neighborhood during the day.
  - 4 in 10 felt the same at night; another 4 in 10 felt “somewhat safe” at night.

City Government

- **About half of respondents said they pay attention to city government**
  - 15% paid “a lot of attention”
    39% said they paid “some” attention.
  - This was identical to the 2006 response.

- **City government focus moving away from high priorities?**
  - Asked whether city government was "focused on the right things? Or does it spend too much time on things it should no be doing?"
  - 42% said city government focused on the "right things"; compared to 53% in 2006
  - 26% said it spends "too much time on things it should not be doing." 21% said that in 2006.

- **City government seen as generally Effective, Efficient and Accountable**
  - 77% said city government was effective (11% "very"+ 66% "mostly"); 80% rated it effective in 2006.
  - 78% said city government was accountable to the public (28% "very" + 50% "somewhat"); this question was not asked in 2006.
  - 72% said that Kirkland city government was "*about as efficient* as other cities" (44%) or "more efficient" (28%);
70% rated it similarly in 2006.

- **The City does a good job of keeping citizens informed**
  - 62% said the city does an "excellent" (15%) or "good" job (47%) of keeping citizens informed;
64% gave that rating in 2006 (10% "excellent" + 54% "good").
  - More than half (57%) said they had visited the City website – the same as in 2006 (56%); Of those, 20% have visited in the last month; 23% in the last six months.

Service Priorities & Performance

- **Little change in program priorities**
  - Fire, Police and Garbage Collection were the top-rated city services or programs "important to you and your household." The same three topped the 2006 list in the same order.
  - All 18 items listed averaged above the mid-point of the 0-4 scale.
  - The only statistically significant difference from 2006 to 2008 was Recycling, which moved up two places on the priority list:
58% rated it as "very important" this year, compared to
46% in 2006.

- **Good performance ratings for highest priority services**
  - The 3 most important services – fire, police and garbage collection – had the 3 highest performance ratings and 3 of the 4 the lowest gap scores of the 18 services listed.

- **Managing traffic flow, downtown parking and zoning are areas for attention**
  - These 3 services had the lowest performance scores and the largest gaps between importance and performance ratings.
  - Citizen dissatisfaction in these areas was also reflected in priorities for the future. These same services were ranked as the top 3 when respondents were asked where Kirkland should invest more resources over the next 2 years:

    30% said managing traffic flow;
    16% said downtown parking; and
    10% said zoning and land use.

Priorities for the Future

- **Managing traffic flow top priority for next two years**
  - 30% of respondents named "managing traffic flow" as their choice for the <u>one</u> service the city "should invest more resources in over the next two years."
  - Downtown parking was second with about 16%, followed by Zoning and land use with 10%.
  - Managing traffic flow was not listed as an option in 2006. Zoning and land use shared the #1 priority with "Attracting and keeping businesses" with 17% each.

- **Majority favors status quo on business activity**
  - Asked whether there should be more or less commercial space and business activity in Kirkland, most (57%) said "about the same as there is now.
  - Those who wanted "more" outnumbered those who wanted "less" by 24% to 16%.
  - These findings were virtually identical to the findings in 2006:
    23% more, 60% same, 15% less.

♦ No strong desire to attract new businesses

- "Attracting and keeping business" was ranked 10th in importance of the 18 city programs and services rated. It scored a 2.86 on the 0-4 scale, with 30% rating it "very important."
- In 2006 it scored 3.01 with 37% rating it "very important" placing it at #11 of the 16 services rated that year.
- On the other hand, 69% named at least one type of retail store or service "missing in Kirkland." Topping that list were:

  department stores (19%);
  "furniture/appliance stores" (18%);
  "family-oriented stores" (18%);
  "small stores" (14%).
- In 2006, only 53% could think of at least one type of business missing in Kirkland.

♦ Residents inclined to pay for sidewalks and parks, but divided on Court and Recreation Center projects

- 87% supported funding more sidewalks on school walk routes and areas of pedestrian safety concern, including
  46% who "strongly supported" spending taxpayer dollars for that purpose;
- 69% said they would support funding for parks (21% "strongly").
- Pluralities opposed public funding for both a new police /municipal court facility and an indoor recreation center.

♦ Many have prepared for disasters

- All but one respondent had done at least one thing "to prepare their household for disasters or emergencies." On average, these respondents reported having taken 4.5 of the 7 actions listed.
- Most have fire extinguishers (77%), stored clothes (73%) and stored food (69%).
- Half (48%) said they have established out-of-state communication plans.
- Also mentioned, though not on the list, were purchase of a generator, propane or wood, candles/lanterns, and neighborhood mapping/contact plans.

SUMMARY

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SUMMARY

KIRKLAND HIGHLY RATED AS PLACE TO LIVE

Residents continued to rate Kirkland highly as a place to live. Nine in 10 (87%) rated Kirkland "excellent" (46%) or "good" (41%) as a place to live, virtually the same ratings as in the 2006 survey.

- Newer residents (1 to 5 years) were particularly likely to rate Kirkland as "excellent" (56%).
- By neighborhood, "Excellent" ratings ranged from 51% in Bridle Trails and South Rose Hill to 39% in Juanita and Totem Lake.

The city's location and quality of life were volunteered by 1 in 5 respondents each as things they "like best about living in Kirkland." The top categories of response were:

- Location (22%)
- Quality of Life (21%), including the lifestyle, atmosphere, quiet, and safety;
- Size (12%) which meant small;
- Physical Environment (12%) the physical beauty of the city and its setting.

Growth related issues were named as the top "concerns about the way things are going in Kirkland." Four in 10 respondents volunteered and issue having to do with growth or land use. The top specific concerns volunteered by survey respondents had to do with growth:

- Traffic Congestion (21%)
- Overcrowding (17%)
- Downtown development (8%)
- Housing density (7%)

Notably, 20% of residents said they had no concerns about the way things were going in Kirkland.

Kirkland "Feels Safe"

People felt safe in their neighborhoods, although less so than two years ago:

77% felt "very safe" walking in their neighborhood during the day vs.
89% in the 2006 survey.

41% felt "very safe" at night, compared to
54% in 2006.

- Older residents were less likely to feel safe at night than younger residents (34% of those 65 and older said "very safe" vs. 45% of those under 65); there was no difference for daytime safety.

CITY GOVERNMENT GETS GOOD MARKS OVERALL

Focused on the "right things"

By a margin of 42% to 26%, respondents said that city government is focused on the "right things" as opposed to "spending too much time on things it should not be doing." In 2006, that margin was 53% to 21%. So there has been some slippage on this measure.

Overall performance

Most respondents gave Kirkland city government positive marks for three measures of overall performance:

78% said Kirkland's government was "very accountable" (28%) or "somewhat accountable" (50%) to the citizenry for its actions. 13% said Kirkland was "less accountable" than most other jurisdictions.

77% rated city government as "very" (11%) or "mostly" (66%) effective.
80% said "very effective"(20%) or "somewhat" (60%) in 2006.
72% said Kirkland's government was "more efficient" than other cities or unit of government (28%) or "about as efficient as other levels of government" (44%); 12% said "less efficient."
70% said "very efficient" (26%) or "somewhat" (44%) in 2006.

Spending Tax Dollars

By a 3:1 margin, more respondents said that their tax dollars were being well spent than not by Kirkland city government. Near the end of the interview:

69% said Kirkland's tax dollars were "well-spent," while
23% said they were not.

This represents a slight drop from 2006, when

73% said Kirkland's tax dollars were "well-spent," and
17% said they were not.

CITIZEN INFORMATION AND ENGAGEMENT

Keeping Citizens Informed

Most respondents said the city does a good job of keeping them informed:

62% said Kirkland has done an "excellent" (15%) or "good" job (47%) at keeping citizens informed about what is happening.

64% said excellent or good in 2006. The "excellent" proportion is up from 10% to 15%.

Attention to City Government

Although nearly 2/3 said the city keeps them informed, only about half of these respondents (54%) reported paying at least "some" attention to city government.

15% said they pay "a lot of attention" to city government.
39% pay "some attention; while
45% pay "almost no attention" to city government (15%) or "not very much" (30%)

These findings are virtually identical to 2006.

Most likely to pay "a lot of attention" were:

- 1-5 year residents (23%);
- public employees (20%);
- baby boomers (20%).

Visits to City Website

As a more encouraging measure of information seeking,
43% had visited the city website within the past 6 months, including
20% in the past month. Overall,
57% reported having visited the city's website, virtually the same proportion who said last year that they had "ever" visited the site (56%).

GROWTH CONTROL IS A GROWING CONCERN

Residents continued to cite issues related to growth and development at several points in the survey:

- Most (57%) wanted the number of businesses and commercial space to stay the same. Only a quarter wanted more businesses (24%), whereas 16% wanted fewer businesses. This is virtually unchanged since the 2006 survey.
- Most wanted residential lots to be either larger, with less coverage (44%), or to stay the same (39%). Few (11%) wanted to allow smaller residential lots and/or greater lot coverage. Also virtually unchanged since 2006.

Residents divided over city's residential growth management

When asked directly what kind of job Kirkland was doing in managing residential development, respondents were divided:

41% said "excellent " (5%) or "good" (36%) ; while
55% said "only fair" (35%) or "poor" (19%).

This is the reverse of 2006, when:

51% said "excellent" (8%) or "good" (43%); and
43% said "only fair" (29%) or "poor" (14%).

Not surprisingly, dissatisfaction with Kirkland's growth management was highest among people who had lived in town the longest. Among those who had lived in the city 20 or more years:

63% termed the growth management "only fair" or "poor", compared to
39% of residents who had moved to Kirkland within the last five years.

But Some New Stores Would be Nice

Although most wanted the number of businesses to stay the same, 7 in 10 respondents most could think of new businesses they would like to see in Kirkland, up from 53% in 2006.

For those who would welcome new business, the types most often mentioned were department stores (19%), furniture/appliance stores (18%) family-oriented stores (18%), small stores (14%), and art galleries/stores (8%).

BASIC SERVICES MOST IMPORTANT

A core objective of this survey was to measure citizen expectations and their evaluation of city government performance across the spectrum of city services and programs.

The top of mind "concerns," e.g., growth/congestion/land use, are typically ranked behind basic city services when citizens are asked to rate their importance. That was true in this survey, where Fire, Police and Garbage Collection were ranked at the top of city services "important to you and your household." Growth concerns did find there way to the top of the list this year – expressed as "managing traffic flow," which ranked fourth.

Respondents were asked to rate the importance of 18 city services on a scale of 0, not important, to 4, very important "to you and your household."

1. Fire and Emergency Medical Services (average rating 3.73 on the 0-4 scale; with 79% saying it was "very important").
2. Police Services (3.64; 73%).
3. Garbage Collection (3.55; 63%).
4. Traffic Flow (3.47; 66%) This was not asked in 2006.
5. Recycling (3.46; 58%).

In the middle were several services that scored about a "three." At least 40% of residents termed each of these "very important:"

6. Streets (average 3.38; 52% said "very important").
7. Parks (3.34; 52%).
8. Emergency Preparedness (3.24; 47%).
9. Environmental Stewardship (3.16; 43%).
10. Land Use/Zoning (3.15; 50%).
11. Sidewalks (3.06; 40%).

The third tier all averaged below a "three" in importance; one-third to one-fifth of respondents termed each "very important," which represents a significant number of people. It is notable that even the lowest-rated service scored above the mid-point on the 0-4 scale.

12. Keeping businesses (2.86 average rating; 30% said "very important").
13. Parking downtown (2.78; 33%) (new to the 2008 survey).
14. Community Events (2.75; 25%).
15. Recreation Programs and Classes (2.71; 26%).
16. Arts (2.67; 27%).
17. Neighborhood Services and Programs (2.65; 20%)
18. Bike Lanes (2.36 and 21%).

Some Differences in Ratings Between Generations

Women gave slightly higher average importance scores than did men for all of the services, with women particularly likely to have ranked the arts, emergency preparedness and environmental stewardship higher.

In 2006, older residents tended to rank services more highly than younger residents. This is not the case in the 2008 survey, with the exception of "garbage," which older residents still rank more highly.

The services that were more important to younger residents than older were:

- “Attracting and keeping businesses”
  3.19 among 18-35 year olds;
  3.00 among those 36 to 50; and
  2.75 among those 65 and older.
- “Sidewalks"
  3.43 among 18-35s;
  3.21 among 36-50s;
  2.94 for 51-64s.
- "Bike Lanes"
  2.69 among 36-50s;
  2.13 among 65+.
- "Parks"
  3.5 among 18-50s;
  3.26 among those 65+.

Traffic Flow, Fire/EMS, Police and Emergency Preparedness were all equally important to all age groups.

PERFORMANCE MOSTLY MATCHES IMPORTANCE

Kirkland city government continued to be seen as performing the most important services well, indicating general approval of city government priorities. Respondents were asked to “grade” Kirkland on the same list of services (“Like they do in school”, from “A” to “F”). The top grades went to:

- Fire and Emergency Medical Services
  3.63 on average on the 4-0 scale, up from 3.54 in 2006
  66% gave Kirkland an “A”; up from 58% in 2006.
- Garbage Collection
  3.47, compared to 3.46
  57% A, .compared to 58%.
- Police Services
  3.39, up from 3.32
  54% A, up from 47%.

City parks also received a high grade (3.35; 49% said “A”) even though parks were of slightly less importance to citizens.

The service with the lowest performance score was "Parking Downtown," new to the 2008 survey, which received a 1.98 (low "C"). Residents gave this an importance rating of 2.78, with 33% calling this it "very important."

CITY SERVICES: IMPORTANCE x PERFORMANCE

This section examines the question of how well city government is doing on those services and programs deemed most important to citizens. Using quadrant analysis and gap analysis, city government's perceived performance in providing services is directly compared to ratings of the importance of those same services.

As noted, respondents were asked to rate each service twice:

1) Once for "how important" each service was to them (0-4 scale).
2) Again with a letter grade (A to F) for the city's performance in delivering that service.

Quadrant analysis and Gap analysis each combine these two ratings into a single measure.

Quadrant Analysis

Quadrant analysis plots each service on a chart that simultaneously indicates the importance and performance average scores to display the relative position of each service on both dimensions.

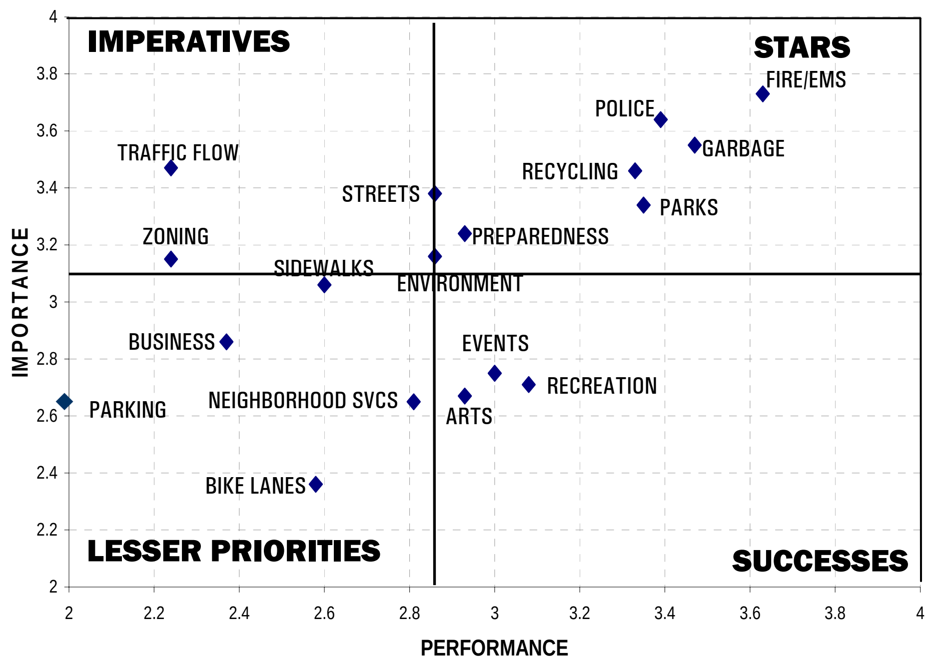
The quadrants in the chart separate those services that rated highly in both importance and performance from those that rated low on both measures.

- The "Stars" are those services that were rated above the average for both importance and performance (Fire/EMS, police services, garbage collection, parks, recycling and emergency preparedness.)
- The "Imperatives" for Kirkland are services of above average importance but below average in performance. These roughly matched the concerns expressed earlier: Traffic Flow, Land Use, Street Maintenance. Sidewalks could be in that category as well – they were just below the importance mean score.
- The bottom two quadrants were of lesser importance to residents. The "Successes" are those services that rated above average in performance, but below average in importance. These included Arts, Events and Recreation programs
- "Lesser Priorities" received below average scores for both performance and importance. They are not high on citizens' "to do" list. These were: Bike Lanes, Neighborhood Services, Downtown Parking, and Business Retention.

MEAN RATINGS: IMPORTANCE x PERFORMANCE

This chart plots the average scores for both Importance and Performance for each of the sixteen categories included in this survey. Respondents were asked to rate each service on a 0-4 scale. It is important to note that the scales are truncated here for emphasis. None of the categories scored lower than 1.98 on either scale.

The **Bold Lines** indicate the overall average scores for Importance & Performance.



It is notable that the service rated most important (Fire/EMS) also received the highest performance rating- as it did in 2006. The city's performance rating was above the mean for six of the 10 items rated above the mean for most important.

Gap Analysis

Gap analysis measures the distance between importance and performance scores for each service. The gap score for each service was derived by first calculating the difference between each respondent's rating of that service's *importance* and his/her rating of the city's *performance* in delivering that service. The "Gap Score" for each service is computed by taking the average of gap scores across all respondents. [1]

A positive Gap Score indicates the city's performance score is higher than the importance score. Conversely, a negative Gap Score indicates the city's performance was rated lower than the rating for importance of the service or program

Performance – Importance = Gap Scores

	PERFORMANCE*	IMPORTANCE*	GAP SCORE
Fire / EMS	3.63	3.73	–0.12
Police	3.39	3.64	–0.27
Garbage	3.47	3.55	–0.09
Traffic Flow	2.24	3.47	–1.24
Street Maintenance	2.86	3.38	–0.52
City Parks	3.35	3.34	–0.002
Environment	2.86	3.16	–0.30
Preparedness	2.93	3.24	–0.36
Recycling	3.33	3.46	–0.14
Zoning/Land Use	2.24	3.15	–0.96
Sidewalks	2.60	3.06	–0.47
Businesses	2.37	2.86	–0.52
Parking Downtown	1.98	2.78	–0.83
Neighb'hd. Services	2.81	2.65	+0.11
Comm. Events	3.00	2.75	+0.19
Recreation Prog.	3.08	2.71	+0.28
Arts	2.93	2.67	+0.20
Bike Lanes	2.58	2.36	+0.14

*Cell entries are the average (mean) scores on the 0-4 scales.

[1] This score does not correspond exactly to the subtraction of the average of the performance score minus the average of the importance score because only those respondents who provided both importance and performance ratings for a service were included in the calculation of the gap score for that service.

Recreation services, including arts and events as seen in the quadrant analysis, are being provided at a more than adequate level from citizens' point of view. The services that had the greatest overage of performance scores versus importance were:

- Recreation Programs and Classes (+0.28) (in 2006, 0.42),
- Arts (+0.20) (in 2006, 0.42), and
- Community Events (+0.19) (in 2006, 0.36).

The two new categories had significant gaps between importance and performance – traffic flow and downtown parking. The services where performance scores most lagged below importance scores were:

- Traffic flow (performance was behind importance by –1.24),
- Zoning/Land Use (–0.96) (in 2006, –0.85), and
- Parking Downtown (–0.83).

PRIORITIES FOR CITY RESOURCES

When citizens were asked where to "invest more [city] resources over the next two years," the items at the top of the list were those rated lowest for performance:

- Traffic Flow (30% said more emphasis over the next two years).
- Downtown Parking (16%).
- Zoning/Land Use (10%).

Not coincidentally, traffic flow had the largest gap score of the 18 services lists (–1.24). It had the fourth-highest importance score, but only 7% of these respondents gave it a "A" for performance.

Split On Paying For New Services

Asked if they would support spending taxpayer dollars on specific projects, respondents were generally consistent with their priorities.

- Sidewalks, which had a high important rating and average performance rating (gap score: – 0.47) had the strongest support of the four proposals:

  87% said they would support (41%) or "strongly support (46%) spending taxpayer dollars to put sidewalks on school routes and other place where there are pedestrian safety concerns.

- Parks, with a high importance and high performance rating, and with a neutral gap score (--0.002) also had majority support

  67% said they would support (48%) or "strongly support" (21%) spending taxpayer dollars to improve existing parks

- Recreation had the highest positive gap score of all services (+0.28), which means that performance was rated higher than importance. Citizens were therefore less willing to spend money on a new recreation center:

  44% would support it (only 14% "strongly), and
  48% were inclined to oppose (only 16% "strongly").

- Police services were rated 2nd for importance and 3rd for performance. Even though there was a negative gap score (--0.27) it was not large. Citizens do not see a strong need for new expenditures in that area.

  40% were inclined to support building a new Police and Municipal Court Facility (only 12% "strongly") while

  49% were incline to oppose it (17% "strongly).

KIRKLAND RESIDENTS WELL-PREPARED

City government had good marks for emergency preparedness (2.93). The citizens themselves are not waiting around for the city, however. Kirkland residents have taken steps to ensure the safety of their families.

When read a list of "things that some people have done to prepare their household for disasters or emergencies," only a single respondent had not done any of those things. The average number of actions taken by these respondents was 4.5. Separate majorities reported having taken six of the seven actions. Only "Communication Plan" did not receive a majority, with 48% reporting that they have one.

77% have purchased a fire extinguisher.

73% have stored clothes and blankets.

69% have stored food and water.

62% have completed earthquake preparation measures.

Some 15% said they had taken some action not on the list, including: backup energy sources such as generators, propane and wood; lights (candles and lanterns); neighborhood contact and mapping programs; backup medical supplies; car maintenance; gas shut-off plans/valves; smoke detectors; plans for pets; and updated wills.

DISCUSSION

This sample of Kirkland residents was generally happy with their life in Kirkland and with the city government, as was the 2006 sample. Overall, the results from this survey are quite consistent with the 2006 survey. Where there were differences, they were rarely statistically significant

Kirkland city government continues to receive a good performance review on the things that matter most to its citizens. Fire and EMS, police and garbage collection, in particular, were rated most highly for both importance and government performance.

Growth and what to do about it are clearly on citizens' minds – even more so than two years ago. The issue comes up both when respondents were asked about their concerns, when they were evaluating city services, and when they were considering priorities for the future. Growth issues – particularly traffic – were at or near the top of all of those lists.

Attitudes toward business development are mixed, consistent with the overall attitudes about life in Kirkland. The survey addresses "attracting *and keeping* businesses." Residents do not want to lose businesses and convenience, and would appreciate some different types of stores, but they do not want to change the atmosphere of the town with industry or malls. Or any more traffic.

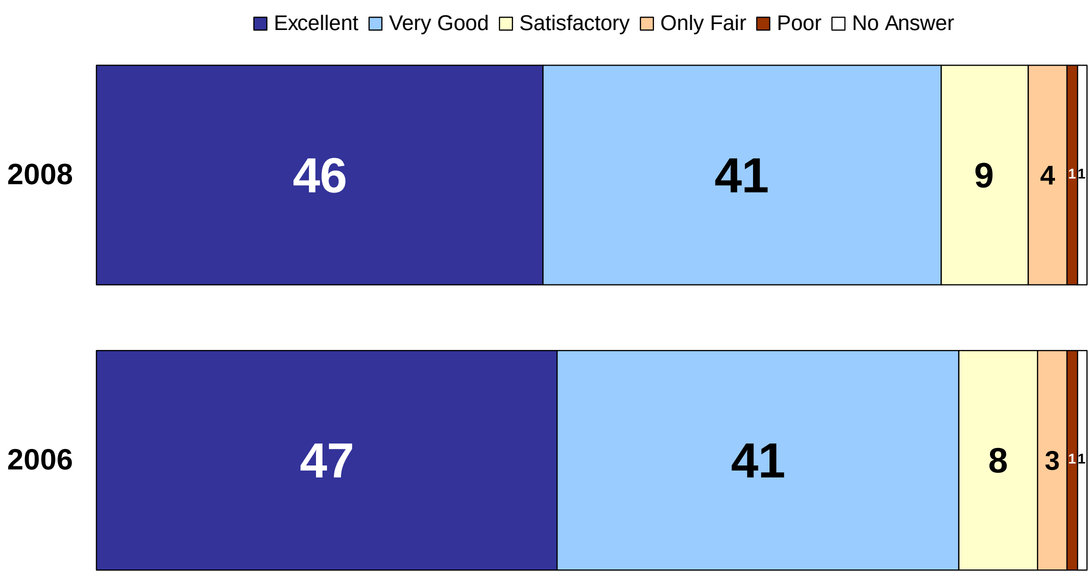
Although about half said they pay some attention to city government, few follow it closely. This may reflect general satisfaction as much as it reflects disinterest. There is also a difference between general attention and looking for specific information. Most said the city did a god job of keeping them informed and most had sought information on the city website.

FINDINGS

ELWAY RESEARCH, INC.

Kirkland as a Place to Live: "Very Good" to "Excellent"

Q3: How would you rate Kirkland as a place to live? Would you say...

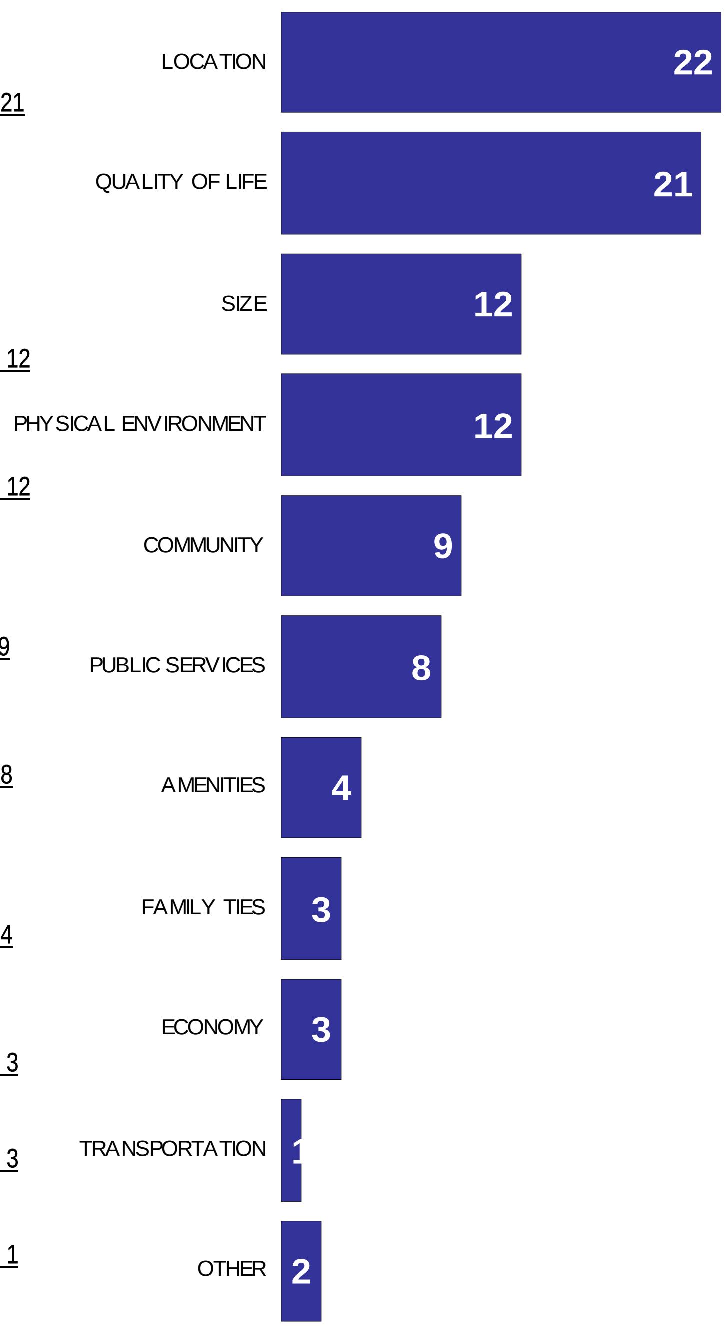


Most Likely to say Excellent (46%)

- Annual income $100-$150,000 (64%)
- Couple with children at home (55%)
- Women (50%)

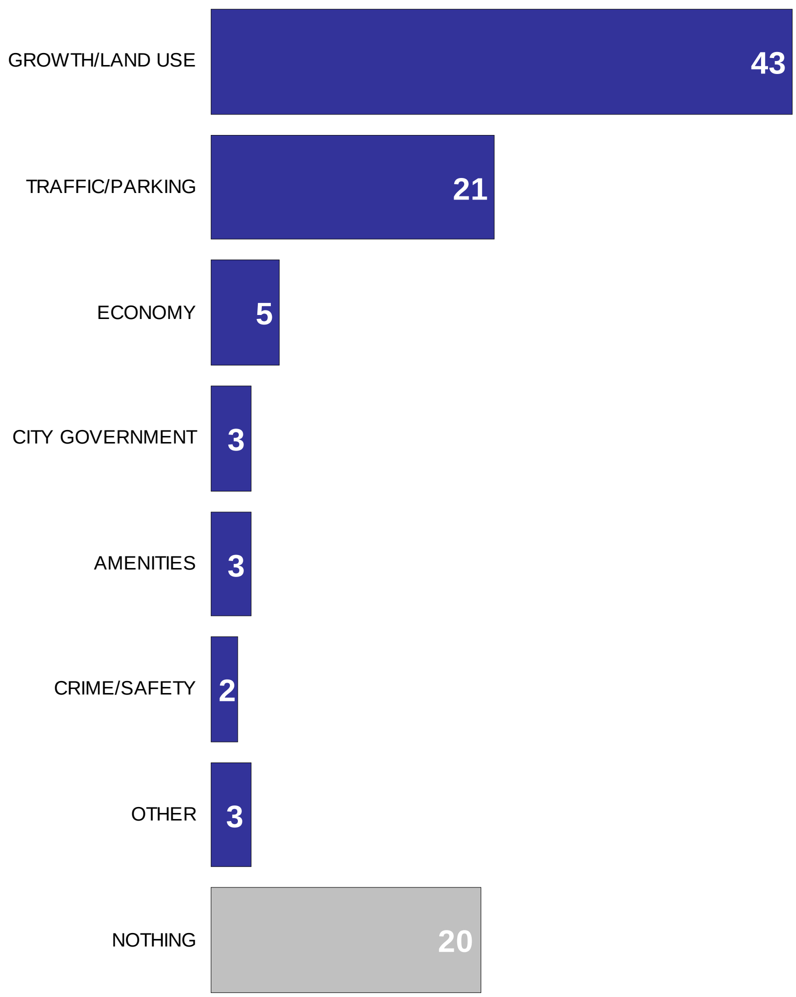
Like Best About Living in Kirkland

LOCATION		22
Location	17	
Near to Seattle/ Cities	4	
Nearby Recreation	2	
QUALITY OF LIFE		21
Lifestyle	4	
Atmosphere	4	
Quiet/ Peaceful	4	
Neighborhood	3	
Safe /No Crime	3	
Quality of Life	3	
Comfortable	1	
SIZE		12
Small	11	
Not Too Big	1	
Size	1	
ENVIRONMENT		12
Bay/ Lakes/ Rivers	7	
Scenic Beauty	3	
Physical Surrounding	1	
Clean	1	
COMMUNITY		9
Friendly People	5	
Sense of Community	3	
Diversity	1	
PUBLIC SERVICES		8
Parks & Recreation	5	
Schools/ Education	1	
Police & Fire	1	
City Govt /Runs Well	1	
AMENITIES		4
Variety Things To Do	2	
Shopping	2	
Downtown	1	
FAMILY TIES		3
Family/ Friends Here	2	
Born Here	1	
ECONOMY		3
Job is Here	2	
Housing	1	
TRANSPORTATION		1
Trans Convenient	1	
Traffic Not Bad	1	
OTHER		2
“Nothing”		1
NO ANSWER		1



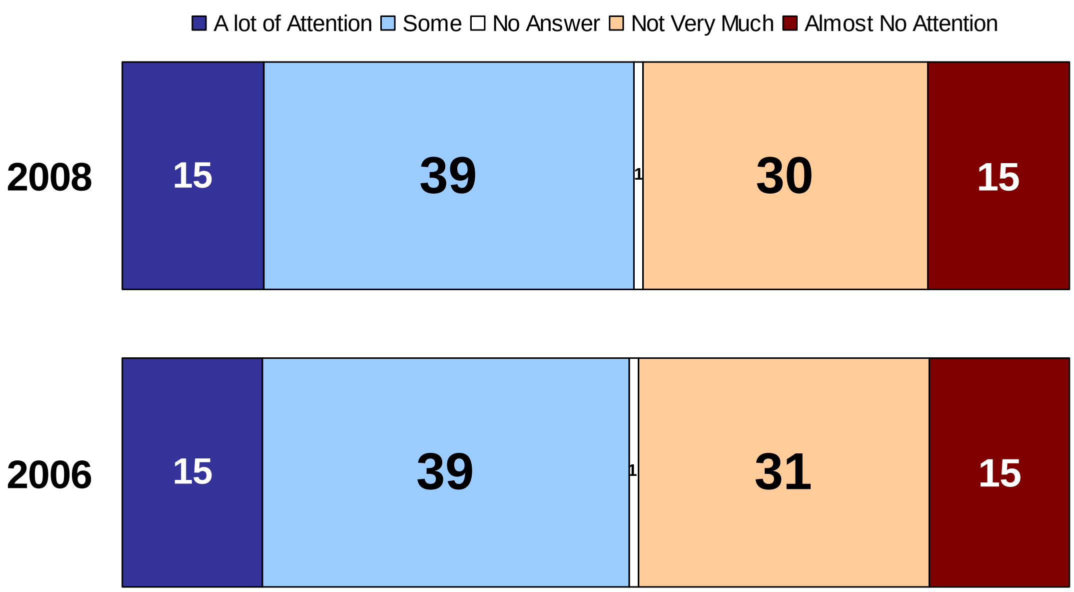
Concerns About Way Things Are Going in Kirkland

GROWTH/LAND USE		43
Overcrowding/Growth	17	
Downtown Devel'm't	8	
Housing Density	7	
High Rises/Condos	6	
Annexation	3	
Land Use Restriction	2	
Parks	1	
TRAFFIC/PARKING		21
Traffic Congestion	14	
Streets/Sidewalks	4	
Parking	2	
Mass Transit	1	
Other Traffic	1	
ECONOMY		5
High Cost of Living	2	
Lack of Econ Activity	2	
Housing Costs/Prices	1	
CITY GOVERNMENT		3
Gov't (non-specific)		2
$ Handled Poorly		1
AMENITIES		3
No Shopping	2	
Lack of Arts	1	
CRIME/SAFETY		2
Crime	1	
Police	1	
OTHER		3
Taxes	1	
Other (non-specific)	1	
"Nothing"		20
NO ANSWER		1



About Half Pay at Least "Some" Attention to City Government

Q6: These next questions are about Kirkland City Government. First, in general, how much attention would you say you pay to Kirkland City government? Would you say you pay...



Most Likely to say A Lot/Some Attention (54%)

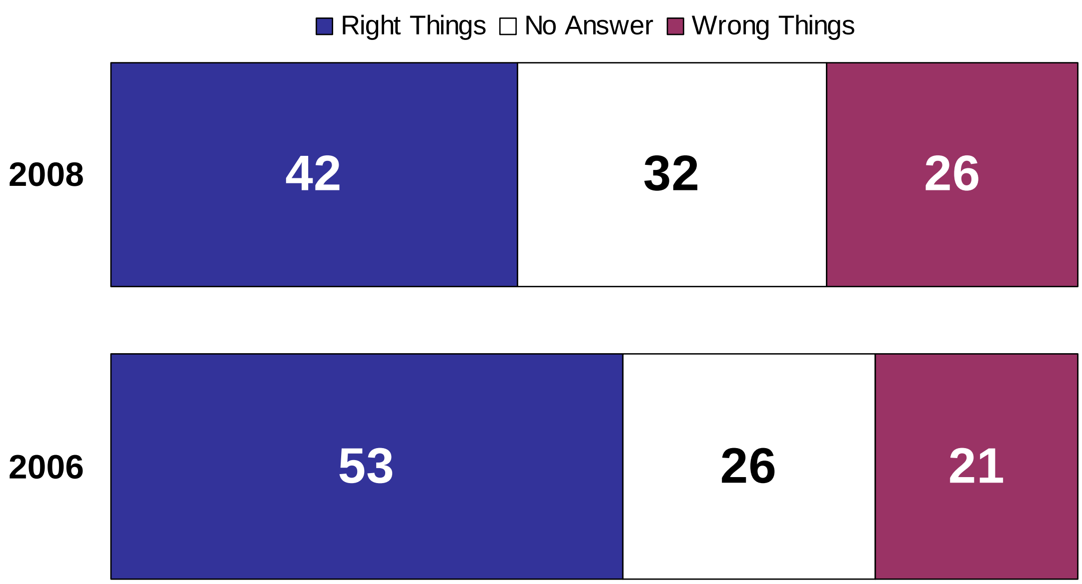
- Self-employed (64%)
- Public Sector employee (64%)
- Annual Income $150,000+ (61%)
- 51-64 years old (60%)

Most Likely to say Not Much/No Attention (45%)

- Single (57%)
- Annual income below $50,000 (56%)
- Privately employed (54%)

Fewer Think City is "Focused on the Right Things"

Q7: First, in your opinion, is the City of Kirkland focused on the right things? Or does it spend too much time on things it should not be doing?



Most Likely to say Right Things (42%)

- Annual income $100-$150,000 (56%)
- Couple with children (51%)
- Those living in Kirkland less than 10 years (51%)

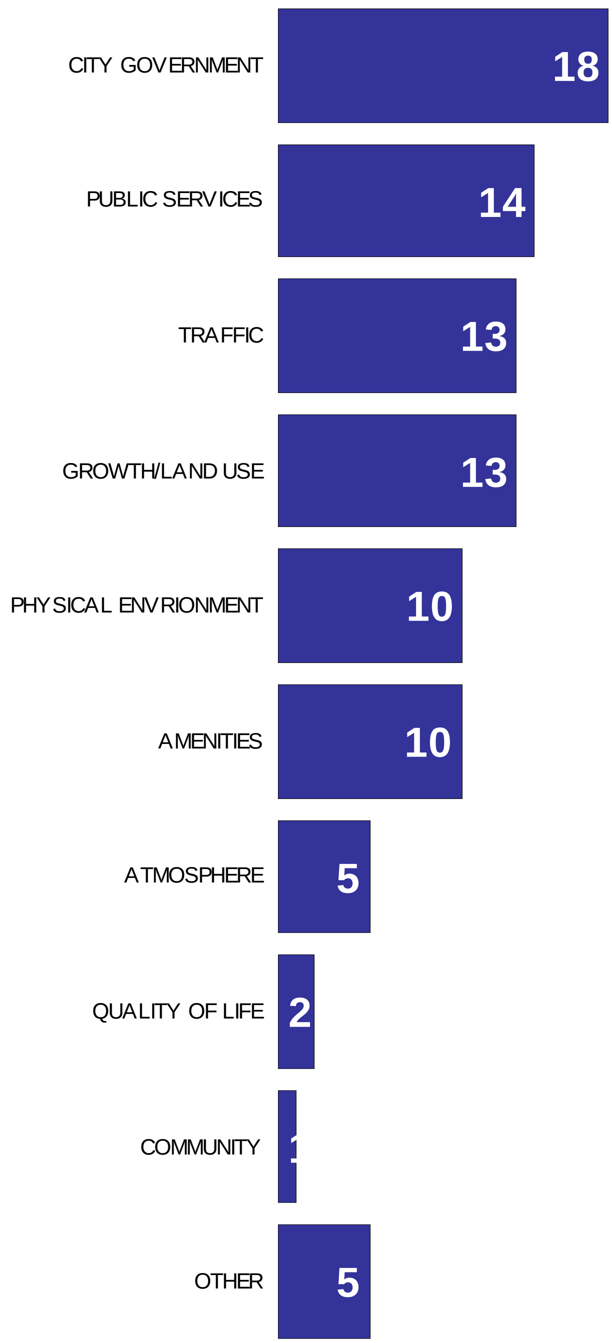
Most Likely to say Wrong Things (26%)

- Self-employed (35%)
- 36-50 years old (33%)

Example of City Govt Focused on the Right Things

n=179 who said Kirkland City Govt is focused on the right things

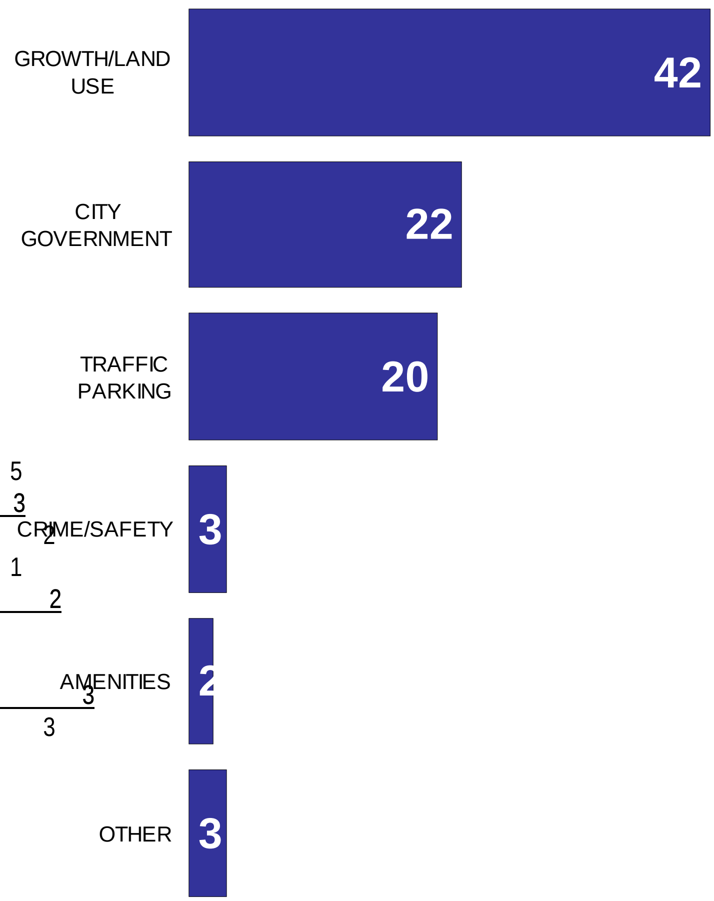
CITY GOVERNMENT		18
Gov't Doing Things Well	12	
Runs Well	4	
Regulation	2	
City Government	1	
PUBLIC SERVICES		14
Parks & Recreation	9	
Police & Fire	3	
Schools	1	
Health Care	1	
TRAFFIC		13
Pedestrian Friendly	6	
Traffic not Bad	5	
Transportation Convenient	3	
GROWTH/LAND USE		13
Downtown Growth	5	
Annexation	2	
Overcrowding/Growth	2	
Land Use Restriction	2	
Parks	1	
High Rises/Condos	1	
PHYSICAL ENVIRONMENT		10
Open Space	6	
Clean	3	
Physical Surrounding	1	
Scenic Beauty	1	
AMENITIES		10
Downtown	7	
Cultural/Museums	1	
Shopping	1	
Amenities (non-spec)	1	
ATMOSPHERE		5
Nice Area/Neighborhoods	2	
Safe/No Crime	2	
Comfortable	1	
QUALITY OF LIFE		2
Lifestyle	1	
Quality of Life	1	
Family/Friends Here	1	
COMMUNITY		1
Sense of Community	1	
Friendly People	1	
OTHER		5
Taxes	1	
NO ANSWER		8



Examples of City Gov Focused on Wrong Things

n=112 who said Kirkland City Govt is focused on the wrong things

GROWTH/LAND USE	42
Overcrowding/Growth	24
Annexation	5
Land Use Restriction	5
Housing Restriction	4
Downtown Development	3
High Rises/Condos	3
CITY GOVERNMENT	22
City Gov't (non-specific)	14
Money Handled Poorly	5
Poor Communication	4
TRAFFIC/PARKING	20
Traffic Congestion	9
Street/Sidewalks	5
Parking	5
CRIME/SAFETY	3
Police	2
Vagrants	1
AMENITIES	2
No Recreation	1
City Appearance	1
OTHER	3
Taxes	3
Lack of Econ Activity	2
Other (non-specific)	1
Schools are Poor	1
NO ANSWER	5

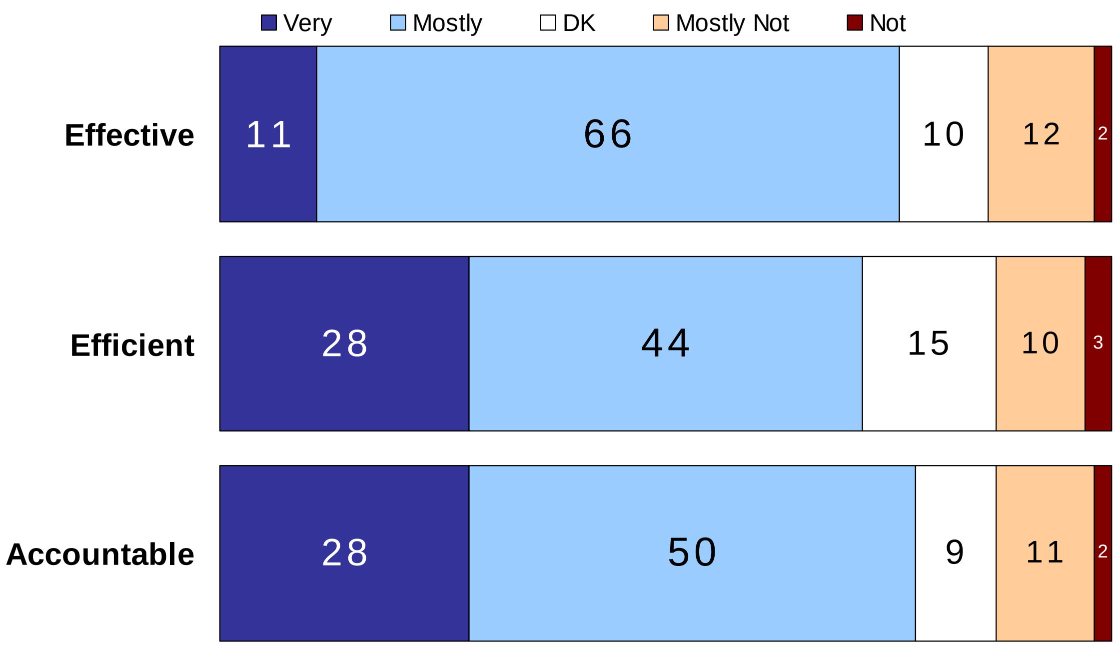


City Effectiveness, Efficiency and Accountability Generally Positive

Q8: Two ways that people often measure how well an organization is running are effectiveness and efficiency. Effectiveness means accomplishing what you are supposed to accomplish. Thinking about the City of Kirkland, would you say that it is effective? That is, how well does it accomplish what it is supposed to? Would you say that the City of Kirkland is...

Q9: Would you say that the City of Kirkland is efficient? That is, does it deliver valuable services at reasonable cost? Compared to other cities or other levels of government, do you think that the City of Kirkland is...

Q10: How accountable would you say the City of Kirkland government is?. That is, does it answer to the public for its action? Would you say that Kirkland City Government is...



Most Likely to say Very Effective (11%)

- Kirkland resident for 5-10 years (17%)

Most Likely to say More Efficient (28%)

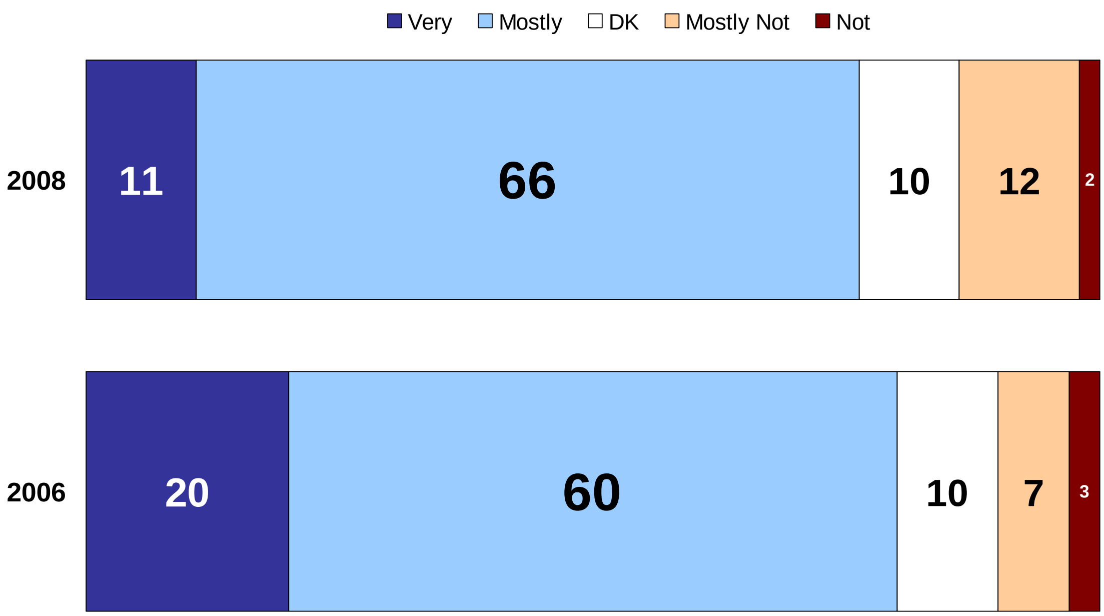
- Men (36%)

Most Likely to say Very Accountable (28%)

- Single with no children at home (35%)
- Public sector employee (34%)

City Effectiveness Rating Positive, But Down From 2006

Q8 2006 vs. 2008



Most Likely to say Very Effective/Effective (77%)

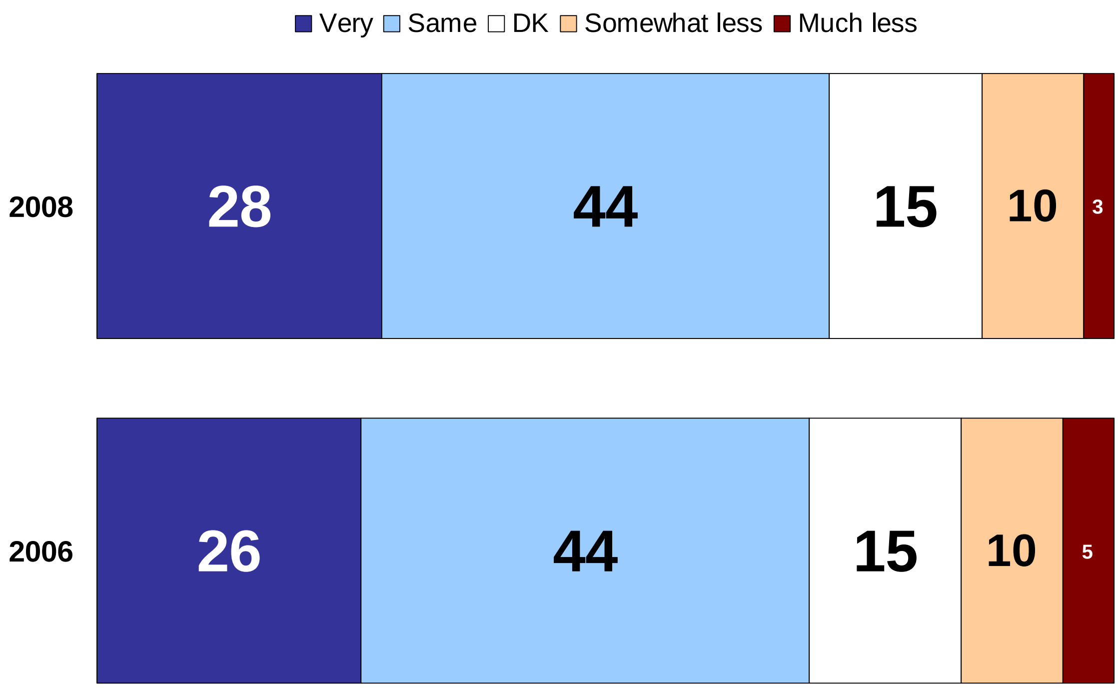
- Those living in Kirkland 1-5 years (83%)
- Public employee (82%)

Most Likely to say Mostly Not/Not Effective (14%)

- Annual income $150,000+ (23%)
- Self-employed (19%)

Efficiency Rating Positive, Virtually Unchanged From 2006

Q9 2006 vs. 2008



Most likely to say Very Efficient (28%)

- Annual income over $100,000 (37%)
- Men (36%)

Most Likely to say Same (44%)

- Annual income $75-$100,000 (54%)
- Those living in Kirkland 5-10 years (52%)
- 51-64 years old (50%)

Most Likely to say Somewhat Less/Much Less Efficient (12%)

- Kirkland resident for 10-20 years (16%)

Importance & Performance of City Services

Respondents were asked to rate each service twice:

1) Once for its importance to them on a 5-point scale; Importance measured as “how important” a service is to a respondent.

2) They were also asked to give the city a letter grade for its performance in delivering that service (A to F).

Subtracting each individual respondent's importance rating from his/her performance “grade” yields a “gap” score which indicates the distance and direction of the difference between importance and performance ratings. The overall "Gap Score" for each service is the average of gap scores across all respondents. This score does not correspond directly to the subtraction of the average of the performance score minus the average of the importance score because only those respondents who provided importance and performance ratings for individual services were included in the calculation of the gap score for that service.

IMPORTANCE

Q11: I’m going to read you a list of services and facilities provided by the city. As I read each one, tell me how important that service is to you and your household. We’ll use a scale from 0 to 4, where 4 means “Very Important” and 0 means “Not Important” to you.

PERFORMANCE

Q12: I’m going to read through this list again. This time, I would like you to tell me how well you think the city is doing in that area. As I read each service, I’d like you to give it a letter grade, like they give in school. “A” for Excellent, “B” for Good, “C” for Satisfactory, “D” for Barely Passing, “F” for Failing.

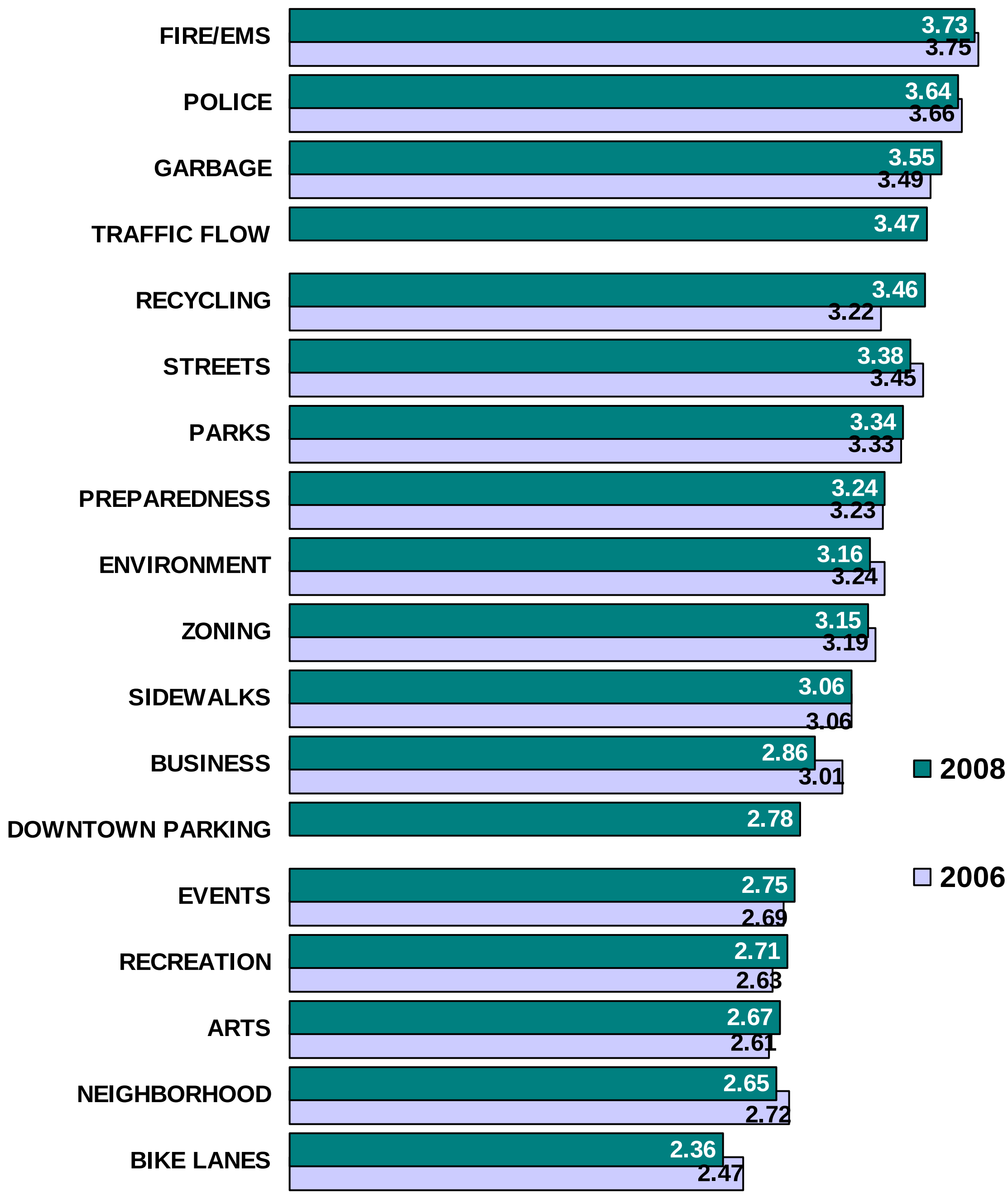
GAP

The distance between each individual respondent’s rating of the importance of a service and the rating for the city’s performance in delivering that service. The “Gap Score” for a service is the average of the gaps across all respondents.

PERFORMANCE MINUS **IMPORTANCE** = **GAP**

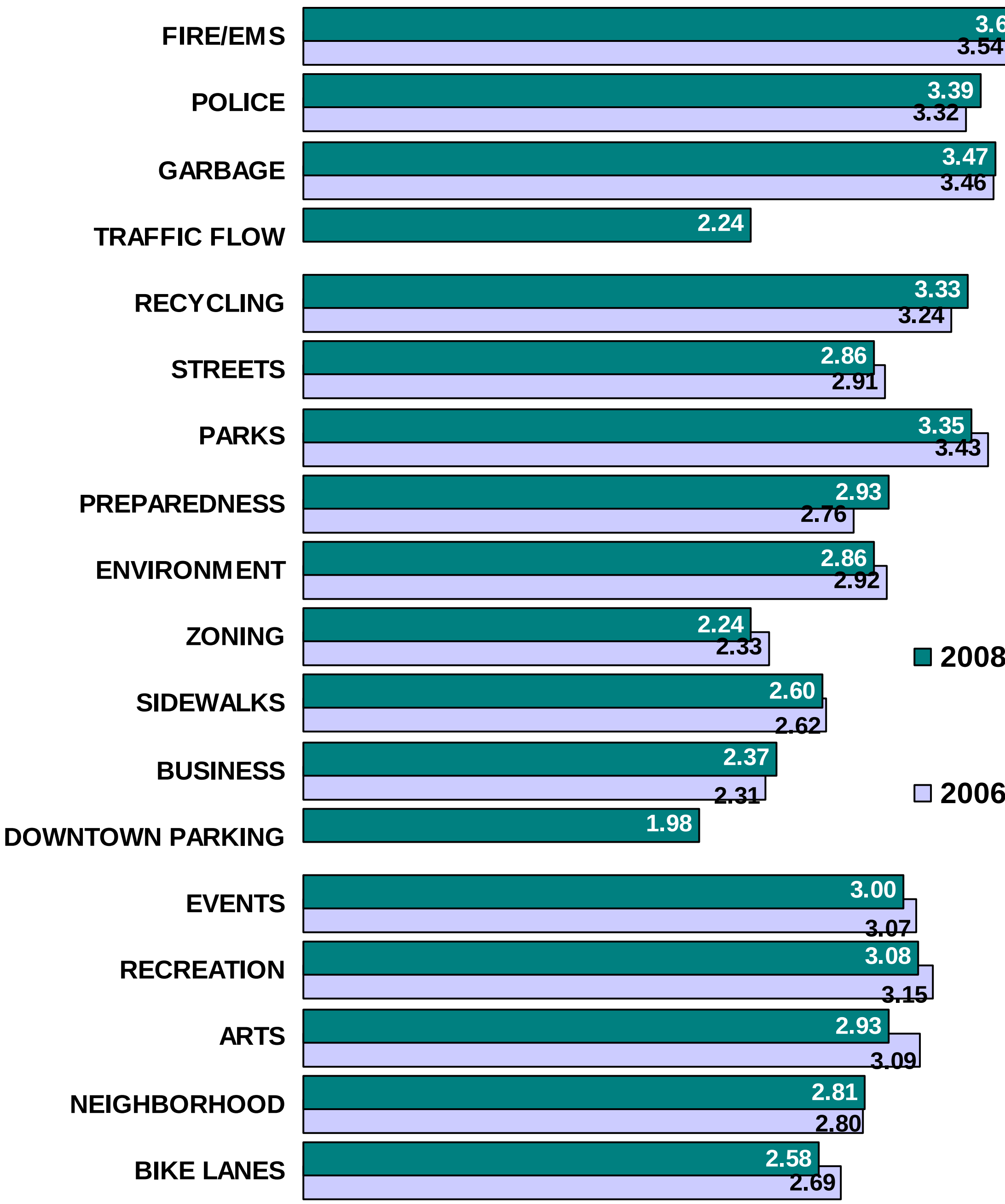
Importance of City Services: Virtually No Change Since 2006

Q11 (Importance): I'm going to read you a list of services and facilities provided by the city. As I read each one, tell me how important that service is to you and your household. We'll use a scale from 0 to 4 where 4 means Very Important and 0 means Not Important to you. The first one is....

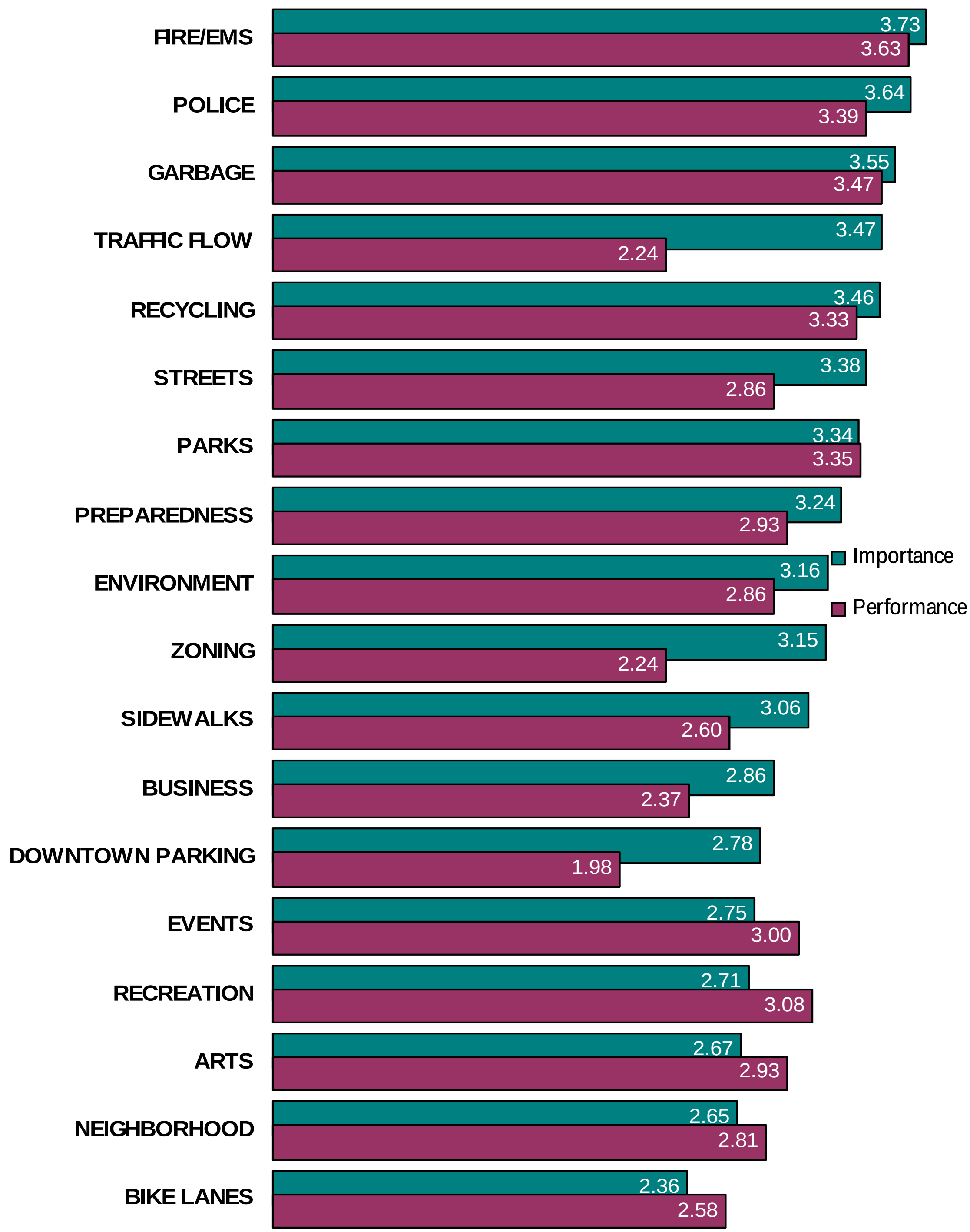


Performance Ratings Generally Consistent with 2006 Ratings

Q12 (Performance): This time, I would like you to tell me how well you think the city is doing in that area. As I read each service, I'd like you to give it a letter grade, like they give in school. A for Excellent, B For Good, C for Satisfactory, D for Barely Passing, F for Failing.

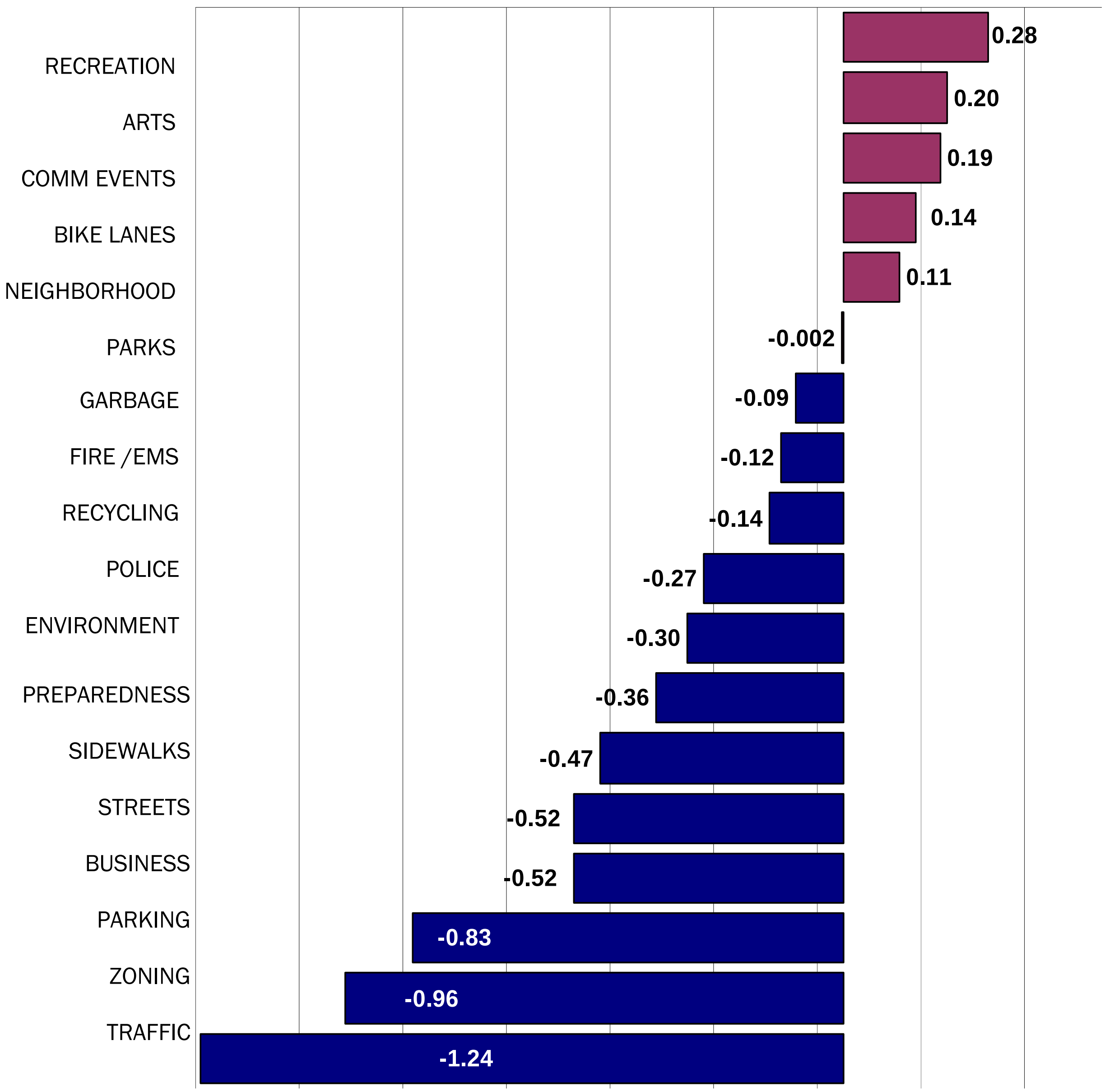


16 City Programs & Services Rated on Importance, Performance



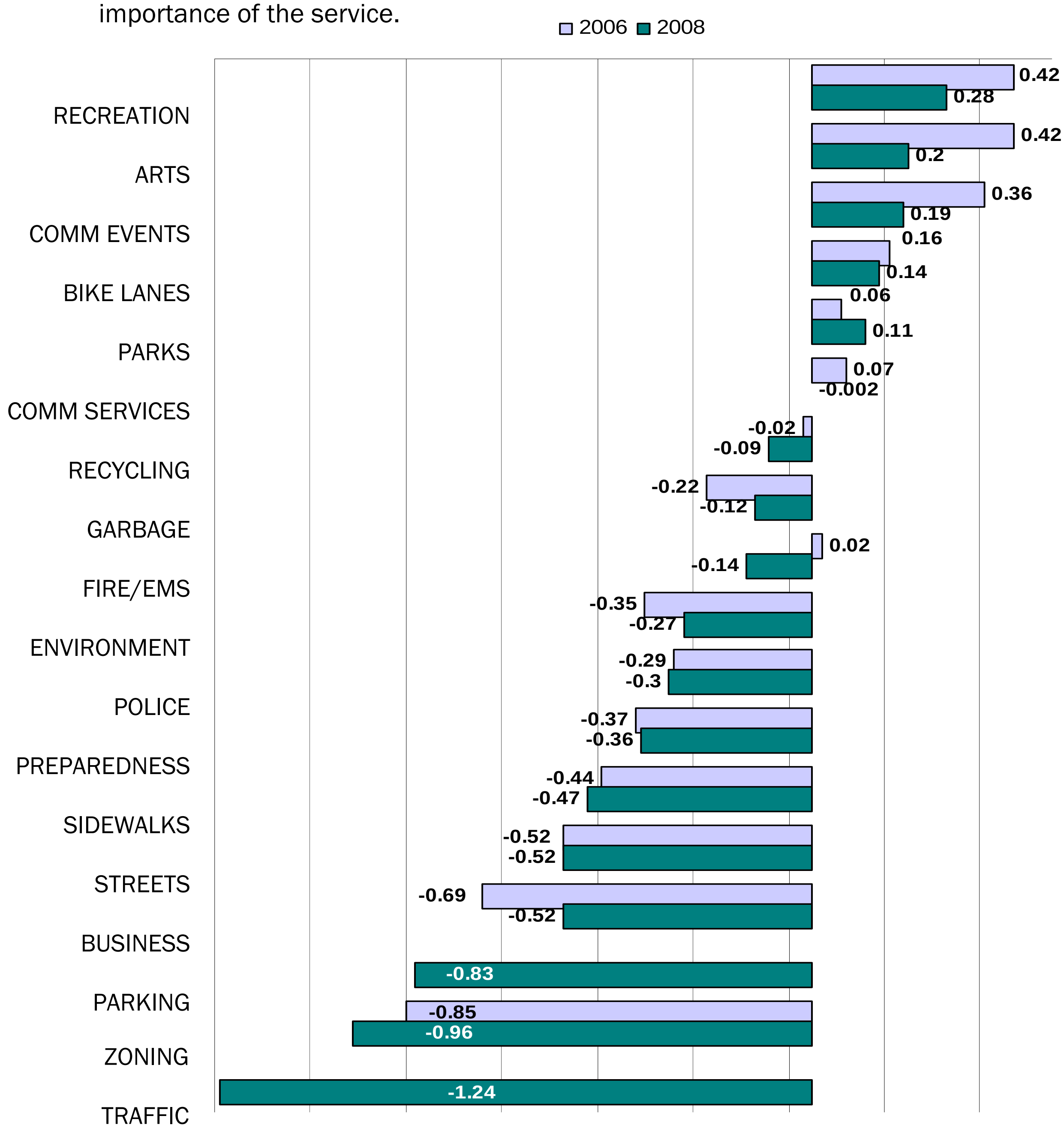
Traffic Flow, Zoning, Parking Have Largest Gap Between Importance-Performance

A *positive* "Gap Score" indicates the city's performance rating is higher than the importance rating for that service, on average. Conversely, a *negative* Gap Score indicates the city's performance was usually rated lower than the rating for importance of the service.



5 of 6 Positive Gaps Shrink; 5 of 10 Negative Gaps Increase

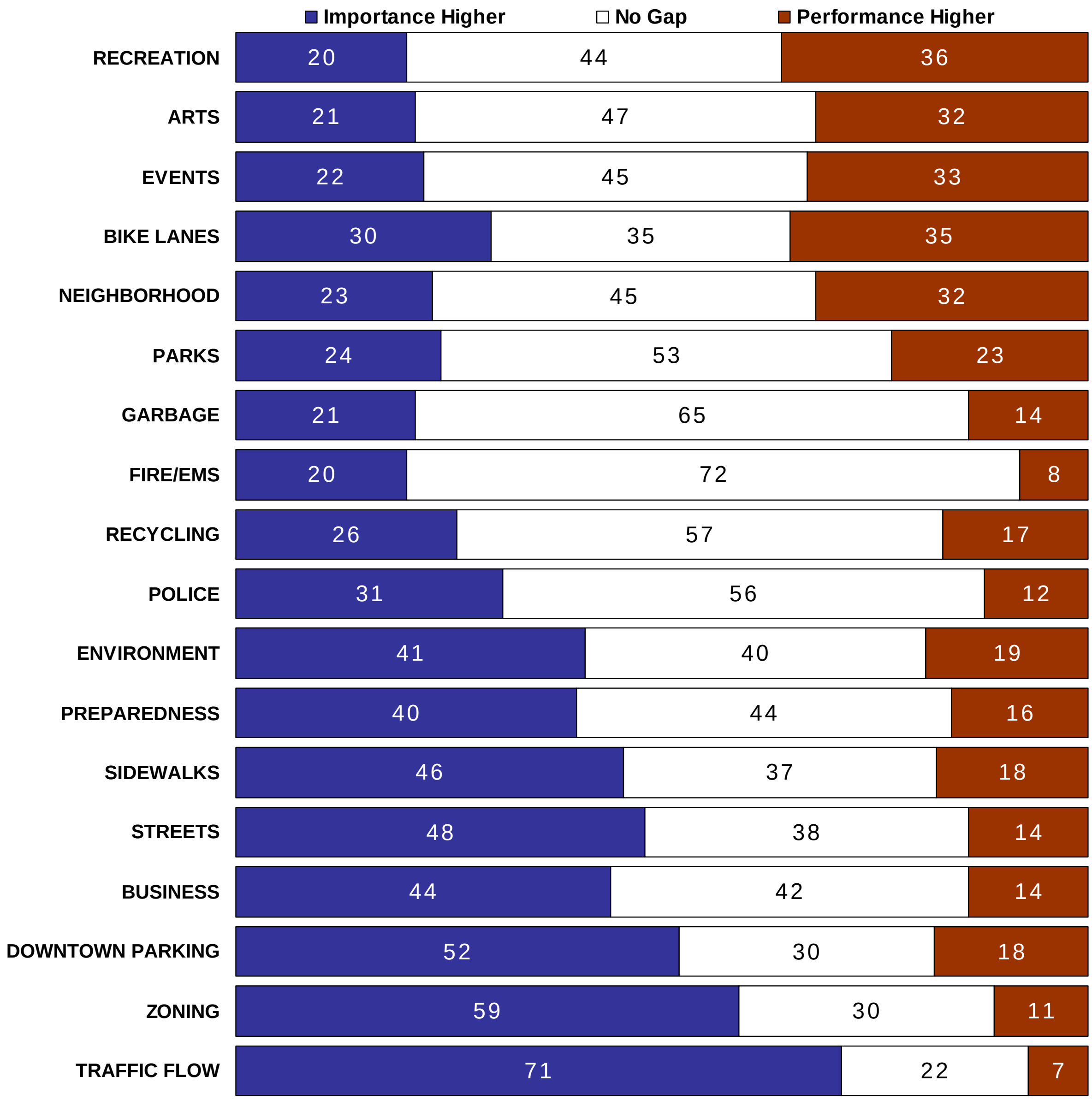
A *positive* "Gap Score" indicates the city's performance rating is higher than the importance rating for that service, on average. Conversely, a *negative* Gap Score indicates the city's performance was usually rated lower than the rating for importance of the service.



Proportions of Respondents with Positive/Negative Rating Gaps

This chart presents a more detailed look at the Gap Analysis data. It displays the proportion of individual respondents who indicated gaps between importance and performance.

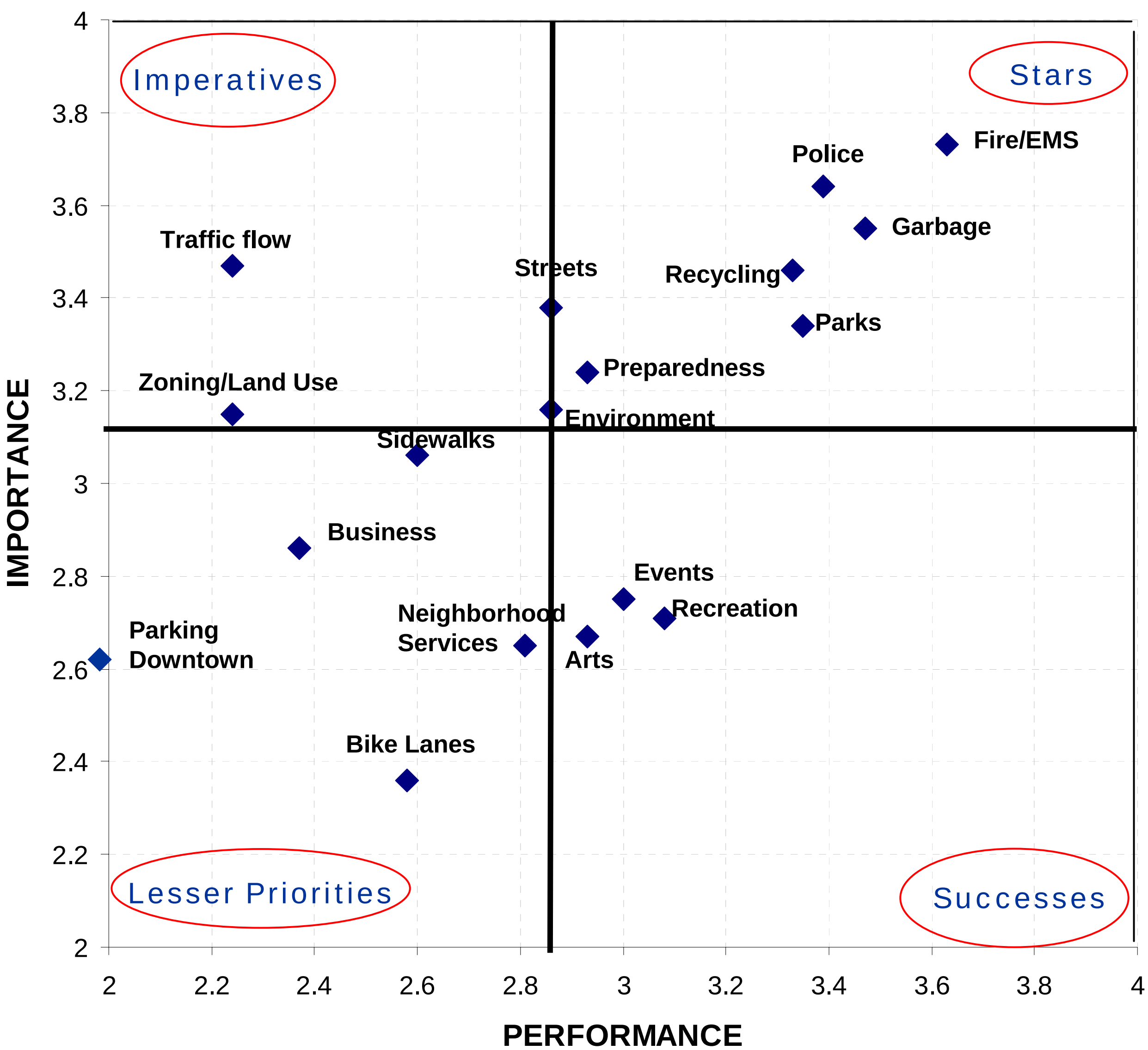
READING THE CHART: For example "traffic flow" had an Importance average rating of 3.47 and a Performance average rating on 2.24 (Chart 28) and a Gap Score of –1.24 (Chart 29). This chart shows that, for traffic, 71% of respondents rated Importance higher than Performance and 7% rated Performance higher. 22% of respondents gave Importance and Performance the same rating.



Relative Importance, Performance: Quadrant Analysis

This chart plots the average scores for both Importance and Performance for each of the sixteen categories included in this survey. Respondents were asked to rate each service on a 0-4 scale. It is important to note that the scales are truncated here for emphasis. None of the categories scored lower than 1.98 on either scale.

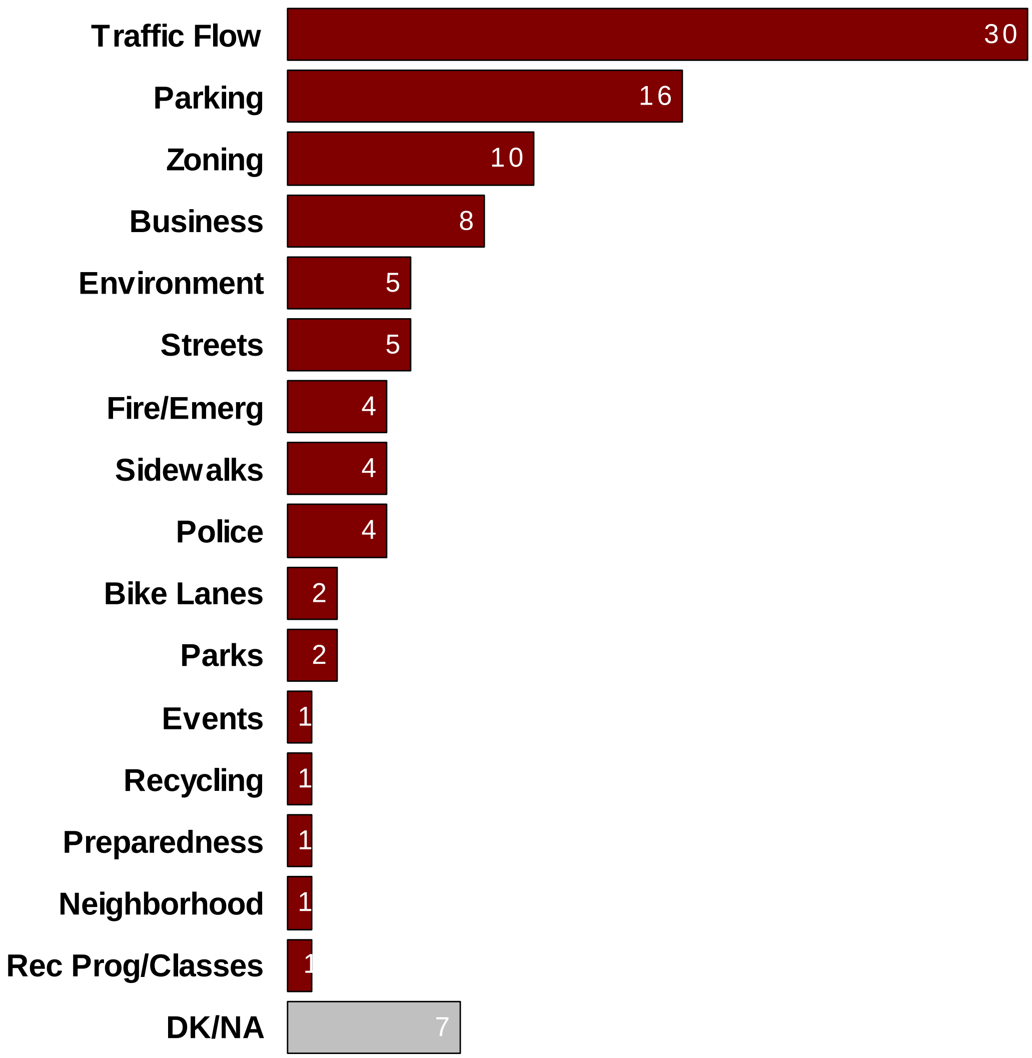
The **Bold Lines** indicate the overall average scores for Importance & Performance.



READING THE CHART: Each marker ◆ indicates the position of a service category on both the Importance Scale and the Performance Scale. For example, "Fire/EMS" scored highest on the Importance scale (3.73), and the Performance scale (3.63).

Traffic Flow Highest Priority for Investment

Q13: Thinking now about the next two years...If you had to choose just one of the areas we just talked about, which one of these services would you say the City of Kirkland should invest more resources in over the next two years?

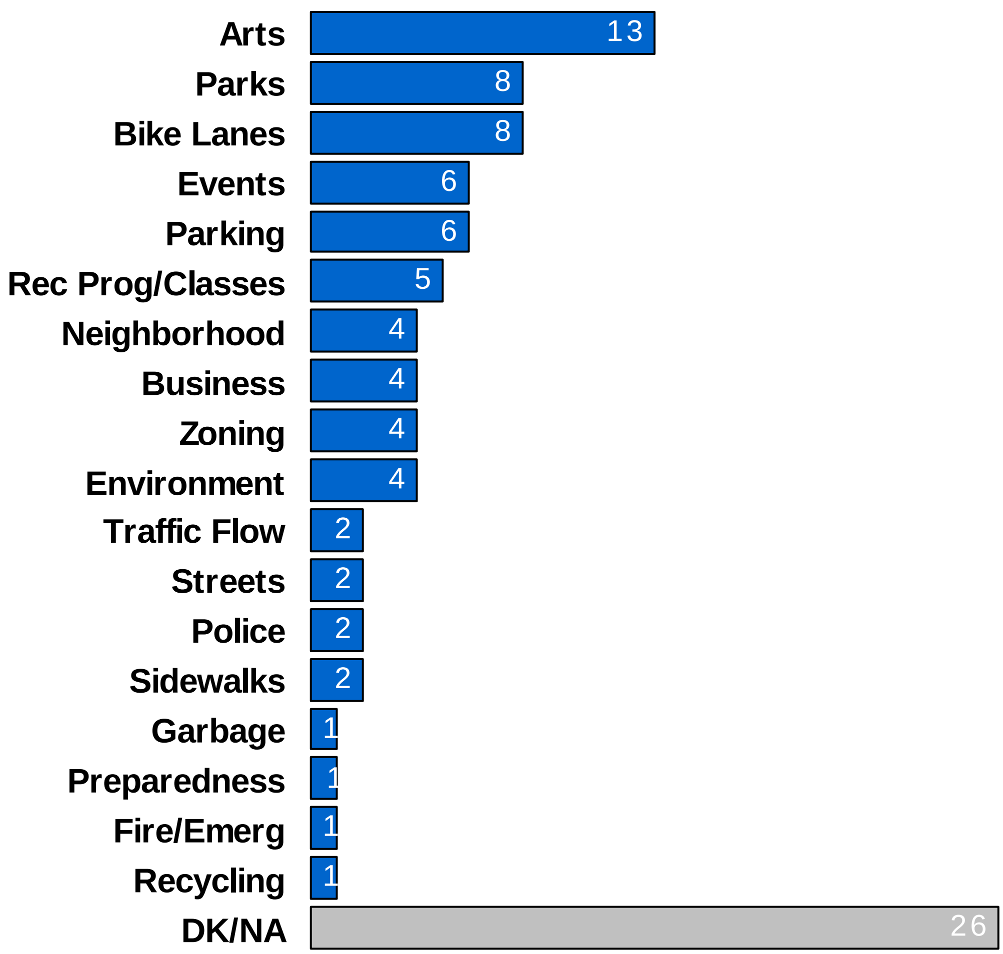


Most Likely to say Traffic Flow (30%)

- Annual income $75,000 to $150,000 (41%)
- Employed in Private Sector (37%)
- Couples (35%)

Residents Reluctant to Commit to Reducing Resources

Q13.1 Which one would you say should have less resources invested in over the next 2 years?

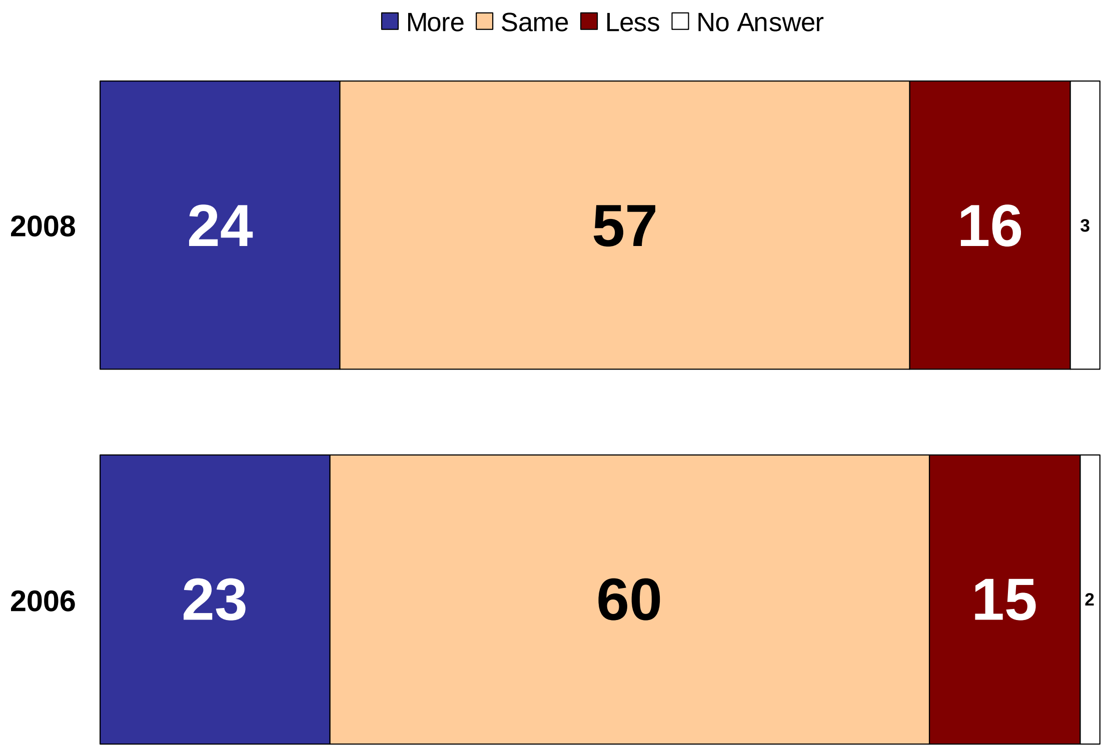


Most Likely to say Invest Less in Arts (13%)

- Those under age 35 (25%)
- Those living in Kirkland 5-10 years (19%)
- Annual income $50-$75,000 (19%)

Consistent Majority for "Same" Amount of Business Activity

Q14: Like most cities in King County, Kirkland is growing and developing. As you know, zoning and other rules for new development govern growth and development in a city – things like the amount of and types of businesses and housing, and where they can be located.
In your opinion, should there be more commercial space and business activity in Kirkland? Less? Or about the same as there is now?



Most Likely to say Same (57%)

- Annual income $$50-$75,000 (65%)

Most Likely to say More (24%)

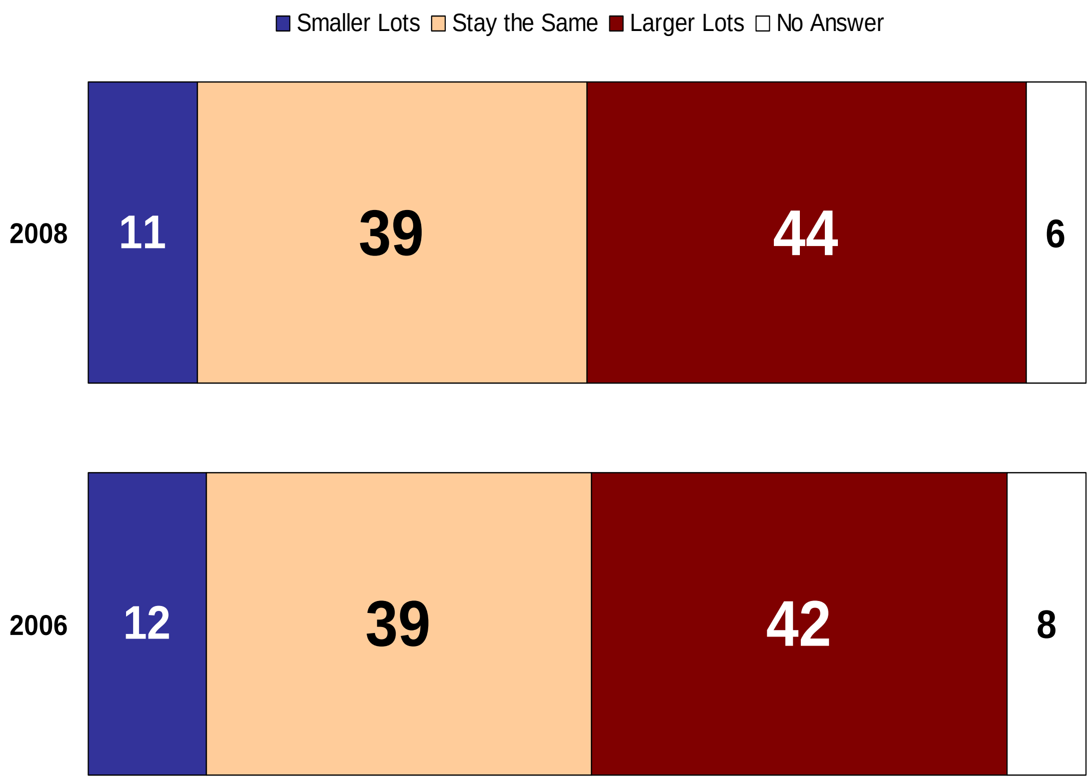
- Annual income $100,000 (32%)

Most Likely to say Less (16%)

- Renters (30%)
- Public employee (25%)

Consistent Support for Larger, Same Size Lots

Q16: In neighborhoods, zoning laws cover things like how close together houses can be, and how much of a lot can be taken up with a house and how much must be left for yard. In your opinion, should the rules governing housing construction in Kirkland:



Most Likely to say Smaller Lots (11%)

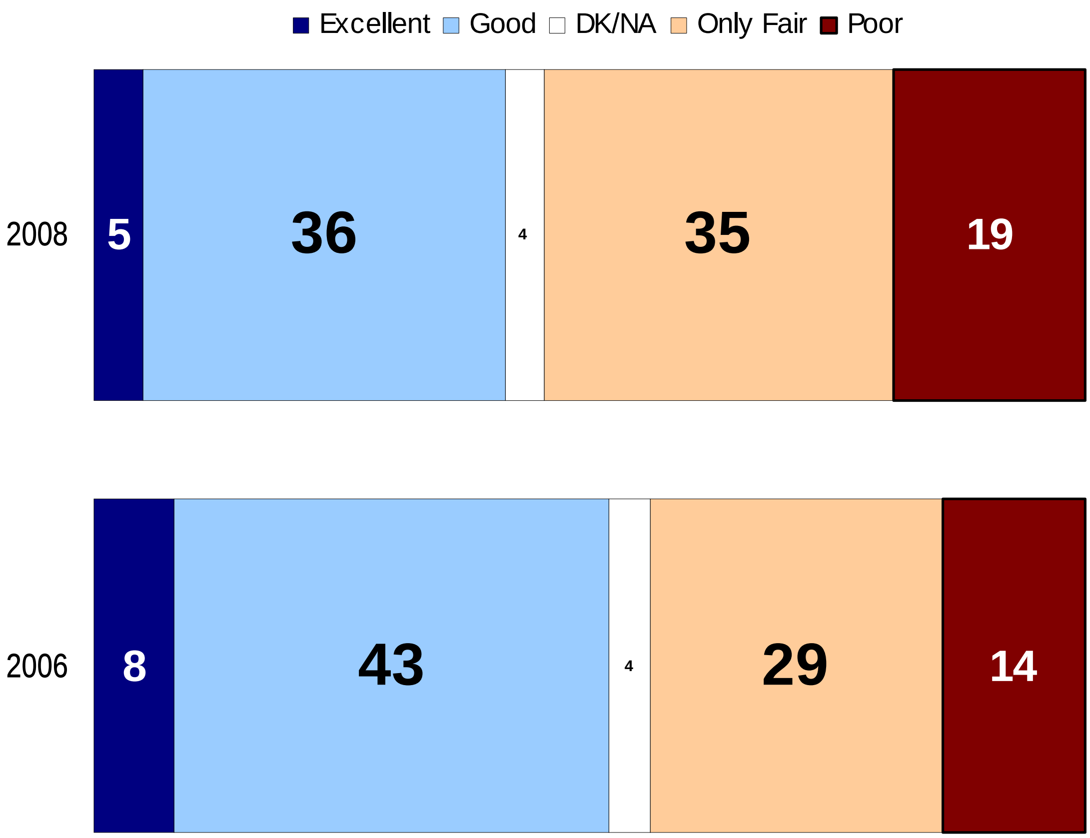
- Self employed (27%)
- 51-64 years old (16%)

Most Likely to say Larger Lots (44%)

- Women (49%)

Increased Dissatisfaction with Growth Management

Q17: (2008 wording) Overall, how would you rate the job the City of Kirkland is doing at managing residential development?
(2006 wording): Overall, how would you rate the job the City of Kirkland is doing at managing growth? Would you say...



Most Likely to say Excellent/Good (41%)

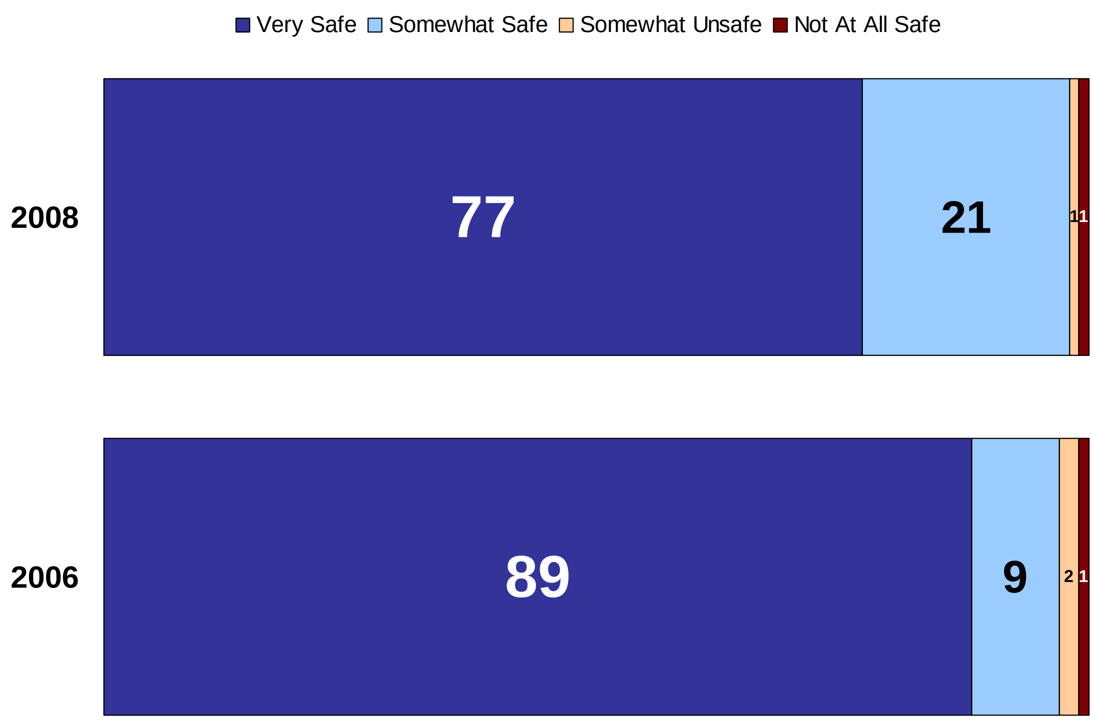
- Self-employed (48%)
- 36-50 years old (47%)

Most Likely to say Only Fair/Poor (55%)

- Kirkland resident for more than 20 years (63%)
- Annual income $150,000+ (61%)

Majority Feel Safe During the Day; Somewhat Less So than in 2006

Q18: Let's talk briefly about your neighborhood. In general, how safe do you feel walking alone in your neighborhood during the day?

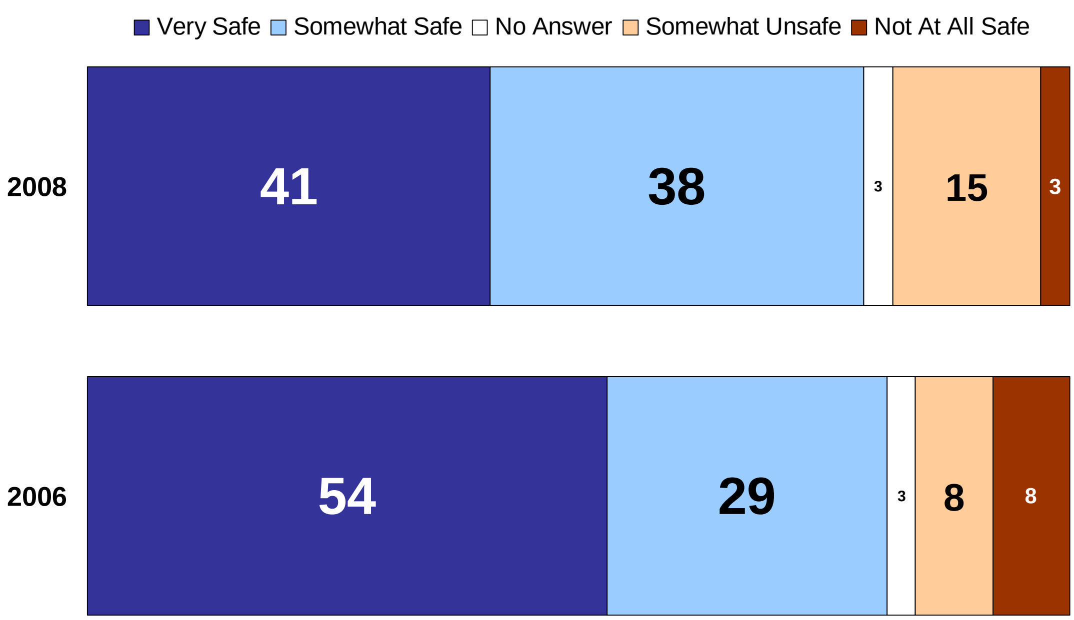


Most Likely to say Very Safe (77%)

- Annual income $150,000+ (86%)
- Kirkland resident 5-10 years (83%)

Fewer Feel "Very Safe" at Night Than in 2006

Q19: In general, how safe do you feel walking alone in your neighborhood at night?



Most Likely to say Very Safe (41%)

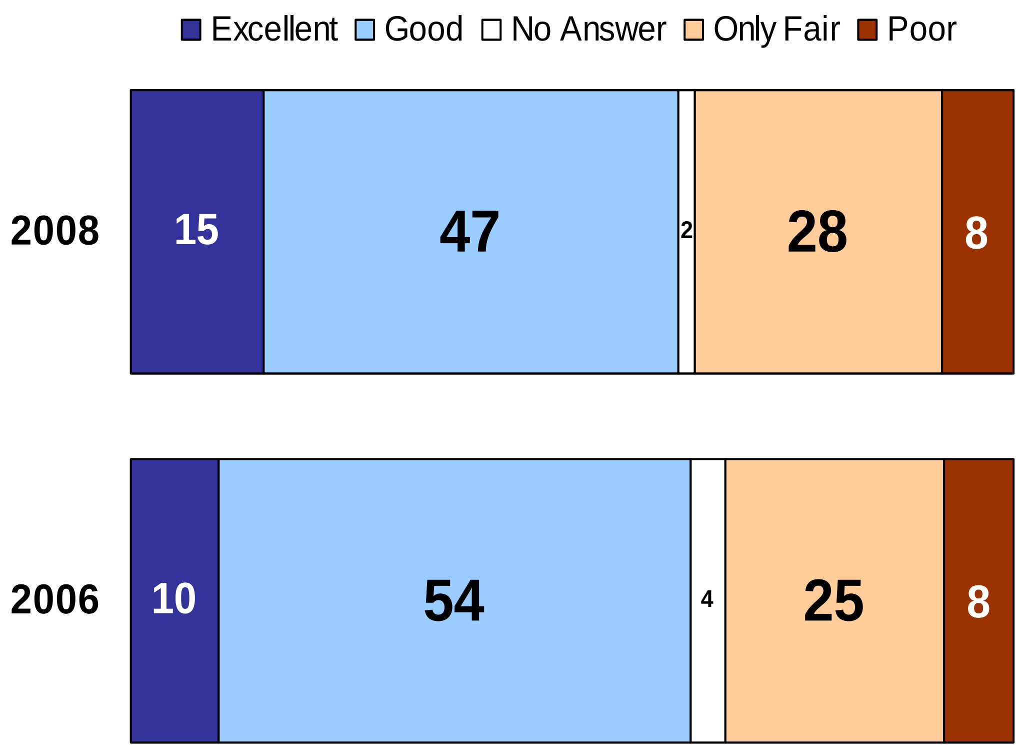
- Annual income $150,000+ (61%)
- Self-employed (56%)
- 51-64 years old (47%)

Most Likely to say Somewhat Unsafe (15%)

- Annual income under $50,000 (23%)
- Women (21%)

Most Say City Does Good Job of Keeping Them Informed

Q20: In terms of keeping citizens informed about what is happening in city government -- How good a job do you think the City of Kirkland does at that?



Most Likely to say Excellent/Good (63%)

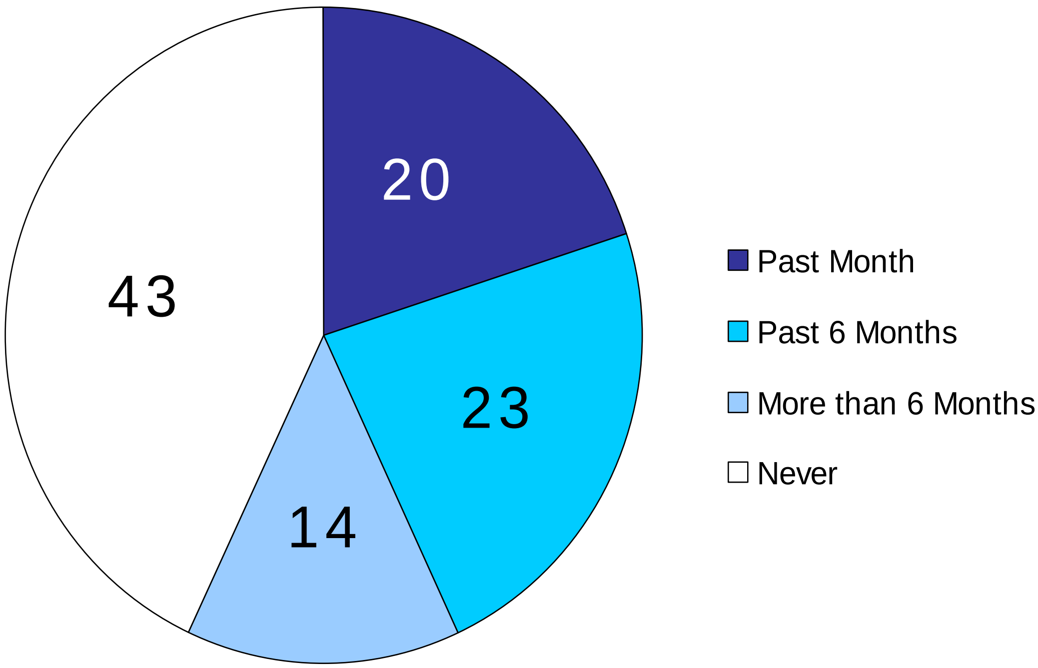
- Single with no children at home (68%)
- Self-employed (67%)
- Women (67%)
- Annual income between $75-$150,000 (67%)

Most Likely to say Only Fair/Poor (35%)

- Annual income $150,000+ (44%)
- 51-64s (41%)

More Than Half Have Visited City Website

Q21: Have you ever visited the Website for the City of Kirkland?



Most Likely to have used in past month (20%)

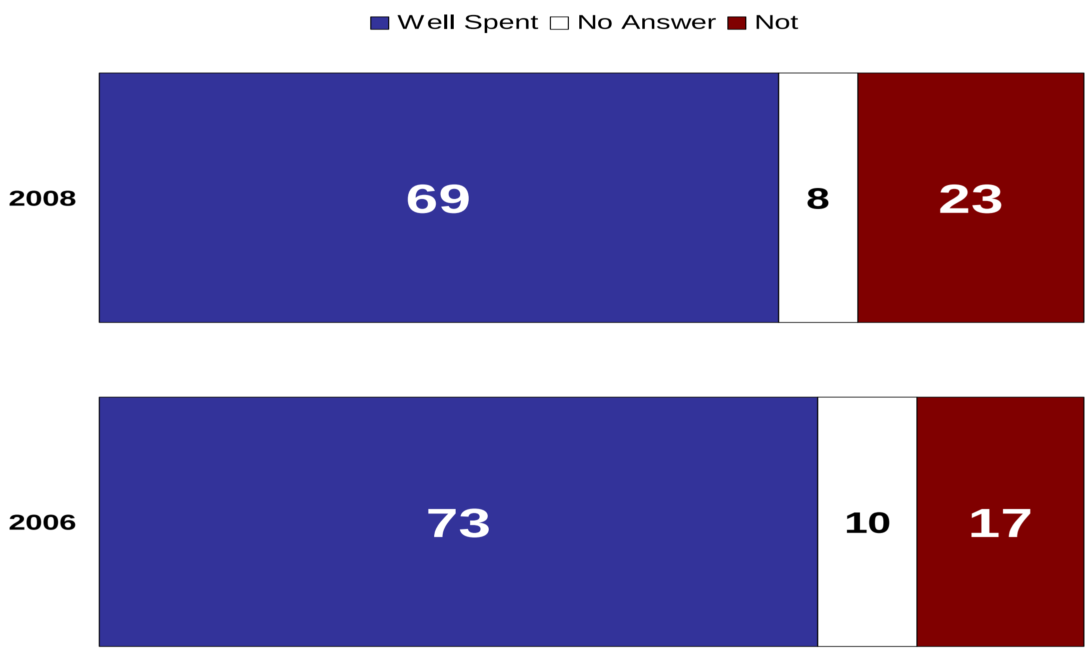
- Couple with children at home (30%)
- Annual income $100-$150,000 (30%)
- Public employee (28%)

Most Likely never to have used (43%)

- Age 65+ (63%)
- Those not working (includes retirees) (60%)
- Single without kids (60%)
- Renter (59%)

7 in 10 Continue to Consider City Tax Dollars Well-Spent

Q22: Thinking now about all the things we have talked about, as a citizen of Kirkland, do you think that your tax dollars are being well spent here? Or not?



Most Likely to say Well Spent (69%)

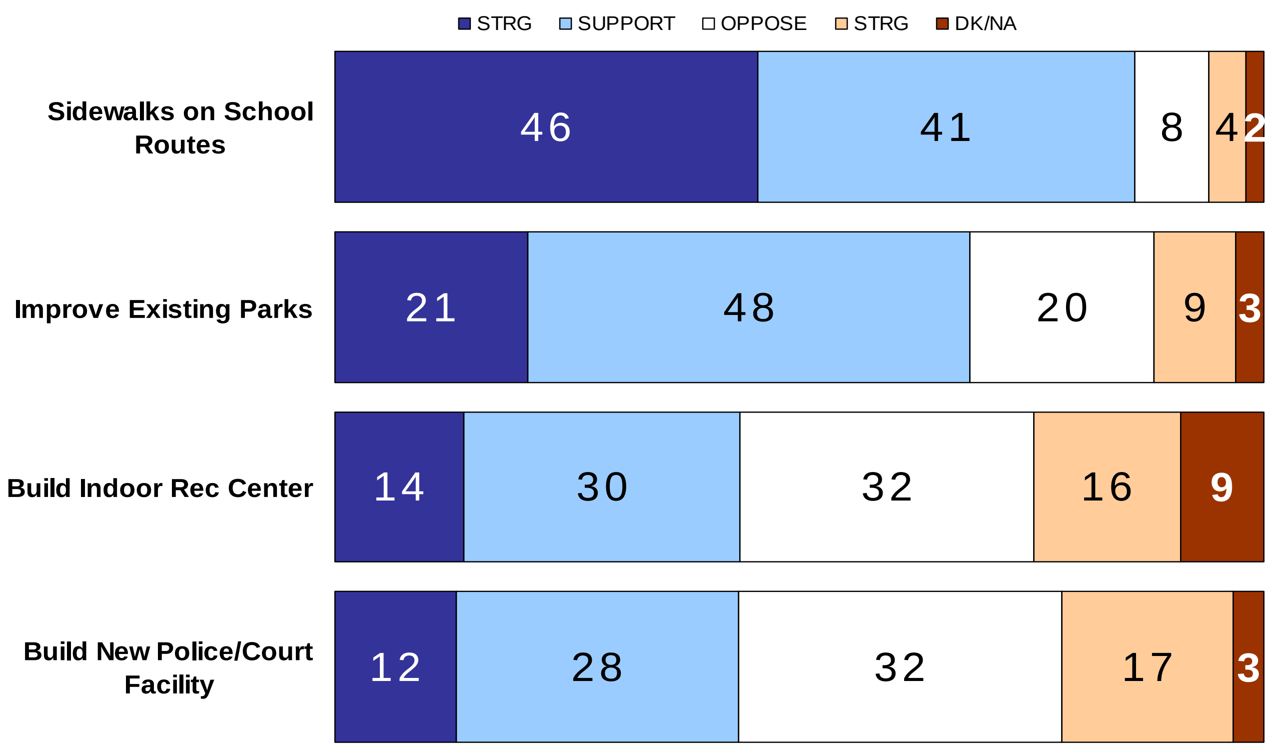
- Annual income $100-$150,000 (84%)
- Annual income $50-$75,000 (81%)
- Public sector employees (77%)
- Private sector employees (75%)
- Renters (75%)

Most Likely to say Not Well Spent (23%)

- Self-employed (31%)

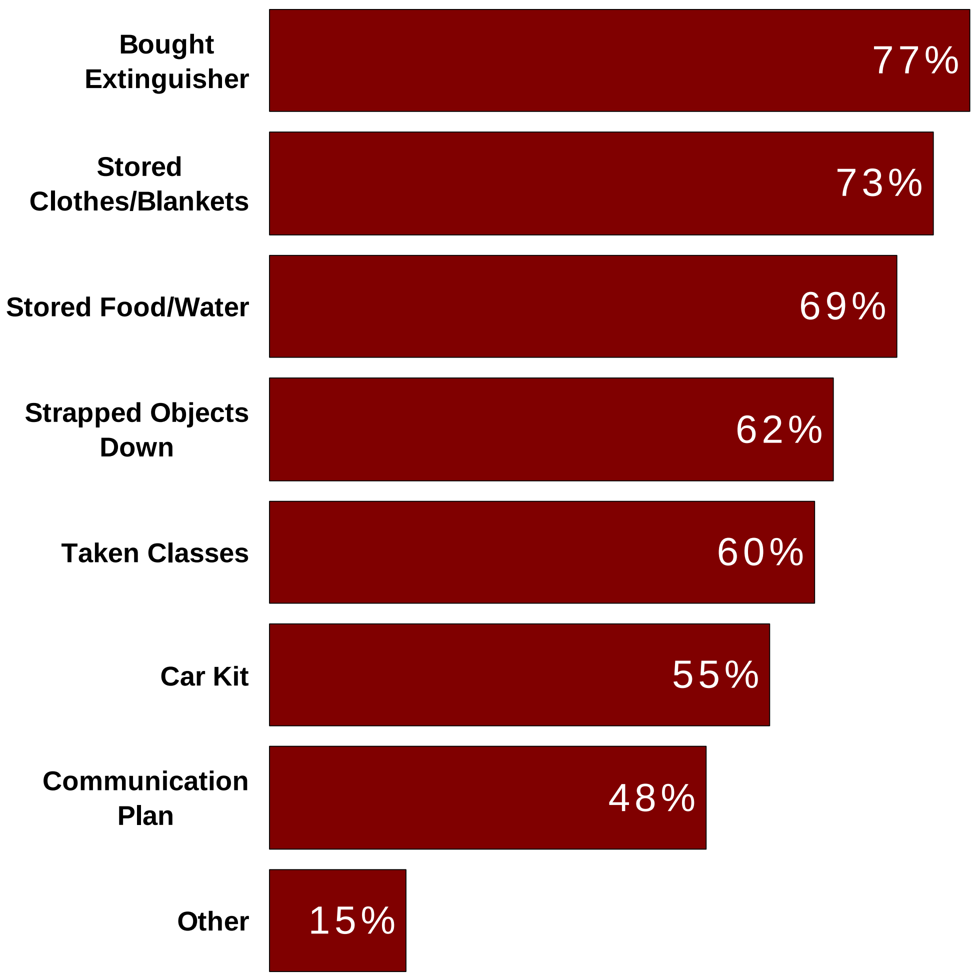
Majority Support for Sidewalks, Parks; Divided on Rec Center, Court Facility

Q23: Next I am going to read a list of potential new facilities or services that some Kirkland citizens feel are needed. Each of these could require a property tax increase to provide the necessary funding. As I read each one, tell me whether you would support or oppose spending taxpayer dollars for that purpose. Tell me whether you Support, Strongly Support, Oppose or Strongly Oppose each one. The first one is...



High Level of Disaster Preparedness Reported

Q24: The following are things that some people have done to prepare their household for disasters or emergencies. As I read each one, just say yes if you have done that at your home. The first one is…



Some "other" responses: backup energy sources such as generators, propane and wood; lights (candles and lanterns); neighborhood contact and mapping programs; backup medical supplies; car maintenance; gas shut-off plans/valves; smoke detectors; plans for pets; and updated wills.

QUESTIONNAIRE

WITH DATA

ELWAY RESEARCH, INC.

TOPLINE DATA

This summary presents response frequency distributions for the survey of Kirkland residents on behalf of the City of Kirkland.

Telephone interviews were completed with 429 Kirkland heads of household between Feb. 13-17, 2008 The overall margin of sampling error is ±4.7%. That means, in theory, there is a 95% probability that the results of this survey are within ±4.7% of the results that would have been obtained by interviewing all Kirkland households.

The data are presented here in the same order the questions were asked in the interview.
The figures in bold type are percentages of respondents who gave each answer.
Percentages may not add to 100% due to rounding.

SEX: Male...**49** Female...**51**

1. First, how long have you lived in Kirkland?

LESS THAN 1 yr...**1**
1 to 5 yrs...**10**
5 to 10 yrs...**12**
10 to 20 yrs...**28**
MORE THAN 20 yrs…**49**
DK/NA…**1**

2. In which neighborhood of Kirkland do you live? **(CLARIFY. READ LIST IF NECESSARY.)**

A	Bridle Trails….**5** (South) Rose Hill (south of NE 85TH)....**6**	**E**	Lakeview…**4** Moss Bay…**4**
B	Central Houghton [HOTE-un]…**11** Everest…**2**	**F**	Totem Lake…**8** (North) Juanita (North of NE 124th) …**9**
C	Norkirk…**8** Highlands…**5** Market…**5**	**G**	(South) Juanita (South of NE 124th)…**13**
D	(North) Rose Hill (North of NE 85TH)…**15**		Other: ..**5** Don't Know..**2**

3. How would you rate Kirkland as a place to live? Would you say…

Excellent…**46**
Very Good…**41**
Satisfactory…**9**
Only Fair…**4**
Poor…**1**
[DK/NA…**1**]

4. What do you like best about living in Kirkland?

[DATA AT END]

5. When you think about the way things are going in Kirkland, is there anything that concerns you? [What is that?]

______________[DATA AT END]__________________

6. These next questions are about Kirkland City Government. First, in general, how much attention would you say you pay to Kirkland City government? Would you say you pay…

A Lot of Attention…**15**
Some…**39**
Not Very Much…**30**
Almost No Attention …**15**
DK/NA…**1**

7. First, in your opinion, is the Kirkland City government focused on the right things? Or does it spend too much time on things it should not be doing?

RIGHT THINGS…**42**
TOO MUCH TIME ON WRONG THINGS…**26**
[DK/NA]…**32**

7.1. IF WRONG THINGS, What would you say is an example of that?

______________[DATA AT END]__________________

7.2. IF RIGHT THINGS: What would you say is an example of that?

______________[DATA AT END]__________________

8. Three ways that people often measure how well an organization is running are effectiveness, efficiency, and accountability. Effectiveness means accomplishing what you are supposed to accomplish. Thinking about the City of Kirkland, how effective would you say city government is? That is, how well does it accomplish what it is supposed to? Would you say that the City of Kirkland is…

ROTATE TOP/BOTTOM
Very Effective…**11**
Mostly Effective…**66**
Mostly Ineffective…**12**
Very Ineffective…**2**
DK/NA…**10**

9. How efficient would you say the City of Kirkland government is? That is, does it deliver valuable services at reasonable cost? Compared to other cities or other levels of government, do you think that the City of Kirkland is…

ROTATE TOP/BOTTOM
More efficient…**28**
About the same…**44**
Somewhat Less efficient…**10**
Much Less efficient…**3**
DK/NA…**15**

10. How accountable would you say the City of Kirkland government is?. That is, does it answer to the public for its action? Would you say that Kirkland City Government is…

ROTATE TOP/BOTTOM

Very Accountable…	**28**
Somewhat…	**50**
Not Very Accountable…	**11**
Not At All Accountable…	**2**
[DK/NA…	**9**]

11. I'm going to read you a list of services and facilities provided by the city. As I read each one, tell me how important that service is to you and your household. We'll use a scale from 0 to 4 where 4 means Very Important and 0 means Not Important to you. The first one is….

ROTATE

	VERY				NOT	DK	MEAN
1. Managing Traffic Flow	66	21	9	2	2	0	3.47
2. Street Maintenance	52	37	9	1	1	0	3.38
3. Recreation Programs and Classes	26	35	24	8	5	2	2.71
4. City Parks	52	33	11	2	1	1	3.34
5. Fire and Emergency Medical Services	79	14	3	2	0	1	3.73
6. Police Services	73	20	4	1	1	1	3.64
7. Neighborhood Services & Programs	20	35	27	7	4	7	2.65
8. Attracting and Keeping Businesses	30	36	20	8	3	3	2.86
9. Bike Lanes	21	29	24	10	13	3	2.36
10. Sidewalks	40	34	18	5	2	1	3.06
11. Arts	27	32	27	8	5	2	2.67
12. Community Events	25	38	27	6	4	1	2.75
13. Zoning and Land Use	50	24	13	6	4	4	3.15
14. Recycling Services	58	31	8	1	1	1	3.46
15. Garbage Collection	63	29	6	1	1	1	3.55
16. Emergency Preparedness	47	30	15	2	1	4	3.24
17. Environmental Stewardship	43	29	17	4	1	5	3.16
18. Downtown Parking	33	33	18	9	6	1	2.78

12. I am going to read through that list again, This time, I would like you to tell me how well you think the city is doing in that area. As I read each service, I'd like you to give it a letter grade, like they give in school. A for Excellent, B For Good, C for Satisfactory, D for Barely Passing, F for Failing.

ROTATE	A	B	C	D	F	DK	MEAN
1. Managing Traffic Flow	7	35	39	10	8	1	2.24
2. Street Maintenance	22	50	21	5	2	0	2.86
3. Recreation Programs and Classes	31	41	15	3	1	9	3.08
4. City Parks	49	38	9	1	1	1	3.35
5. Fire and Emergency Medical Services	66	24	3	1	1	6	3.63
6. Police Services	54	33	9	2	1	2	3.39
7. Neighborhood Services & Programs	16	41	22	3	1	16	2.81
8. Attracting and Keeping Businesses	11	31	34	11	4	10	2.37
9. Bike Lanes	16	33	30	7	4	11	2.58
10. Sidewalks	17	40	30	8	4	2	2.60
11. Arts	27	41	21	4	2	6	2.93
12. Community Events	26	45	19	3	1	7	3.00
13. Zoning and Land Use	11	29	27	17	7	9	2.24
14. Recycling Services	48	37	9	2	1	3	3.33
15. Garbage Collection	57	32	7	1	1	3	3.47
16. Emergency Preparedness	24	31	23	2	1	19	2.93
17. Environmental Stewardship	21	39	22	3	1	14	2.86
18. Downtown parking	8	27	30	19	13	3	1.98

13. Thinking now about the next two years…If you had to choose just one of the areas we just talked about, which one of these services would you say the City of Kirkland should invest more resources in over the next two years?

13.1. Which one would you say should have less resources invested in over the next 2 years?

[READ LIST IF NECESSARY]	Q13 MORE	13.1 LESS
Managing Traffic Flow	**30**	**2**
Downtown Parking	**16**	**6**
Zoning and Land use	**10**	**4**
Attracting & Keeping Businesses	**8**	**4**
Environmental Stewardship	**5**	**4**
Street Maintenance	**5**	**2**
Sidewalks	**4**	**2**
Fire and Emergency Medical Services	**4**	**1**
Police Services	**4**	**2**
City Parks	**2**	**8**
Bike Lanes	**2**	**8**
Neighborhood Services & Programs	**1**	**4**
Community Events	**1**	**6**
Recycling Services	**1**	**1**
Emergency Preparedness	**1**	**1**
Recreation Programs and Classes	**1**	**5**
Garbage Collection	**0**	**1**
Arts	**0**	**13**
DK / NA	**7**	**26**

14. Like most cities in King County, Kirkland is growing and developing. As you know, zoning and other rules for new development govern growth and development in a city – things like the amount of and types of businesses and housing, and where they can be located.

In your opinion, should there be more commercial space and business activity in Kirkland? Less? Or about the same as there is now?

MORE…**24** SAME…**57** LESS…**16**

[DK/NA]…**3**

15. Are there some types of retail stores or services missing in Kirkland so that you have to travel out of Kirkland to do shopping?
[IF YES, what types of retail stores or services are these?]

________________[DATA AT END]____________________

16. In neighborhoods, zoning laws cover things like how close together houses can be, and how much of a lot can be taken up with a house and how much must be left for yard. In your opinion, should the rules governing housing construction in Kirkland:

Be changed to allow for smaller lots and greater lot coverage…**11**
Stay the same as they are now…**39**
Be changed to require larger lots and less lot coverage …**44**
[DK/NA]…**6**

17. Overall, how would you rate the job the City of Kirkland is doing at managing residential development? Would you say…

Excellent…**5**
Good…**36**
Only Fair…**35**
Poor…**19**
[DK/NA…**4**]

18. Let's talk briefly about your neighborhood. In general, how safe do you feel walking alone in your neighborhood during the day?

Very Safe…**77**
Safe…**21**
Somewhat Unsafe…**1**
Very Unsafe…**1**
DK/NA…**0**

19. In general, how safe do you feel walking alone in your neighborhood at night?

Very Safe…**41**
Safe….**38**
Somewhat Unsafe…**15**
Very Unsafe…**3**
DK/NA…**3**

20. In terms of keeping citizens informed about what is happening in city government -- How good a job do you think the City of Kirkland does at that? Would you say…

Excellent…**15**
Good…**47**
Only Fair…**28**
Poor…**8**
DK/NA…**2**

21. Have you visited the Website for the City of Kirkland?
[IF YES: When was your most recent visit to the city website?

WITHIN THE PAST MONTH...**20**
WITHIN THE PAST SIX MONTHS...**23**
MORE THAN SIX MONTHS AGO...**14**
NEVER...**43**

22. Thinking now about all the things we have talked about, as a citizen of Kirkland, do you think that your tax dollars are being well spent here? Or not?

WELL SPENT...**69** NOT...**23**
[DK/NA...**8**]

23. Next I am going to read a list of potential new facilities or services that some Kirkland citizens feel are needed. Each of these could require a property tax increase to provide the necessary funding. As I read each one, tell me whether you would support or oppose spending taxpayer dollars for that purpose. Tell me whether you Support, Strongly Support, Oppose or Strongly Oppose each one. The first one is…

ROTATE	STRG	SUPPORT	OPPOSE	STRG	DK/NA
1. Put sidewalks on school walk routes and other places where there are pedestrian safety concerns	**46**	**41**	**8**	**4**	**2**
2. Improve existing parks	**21**	**48**	**2**	**9**	**3**
3. Build an indoor Recreation Center	**14**	**30**	**32**	**16**	**9**
4. Build a new Police and Municipal Court Facility	**12**	**28**	**32**	**17**	**11**

24. The following are things that some people have done to prepare their household for disasters or emergencies? As I read each one, just say yes if you have done that at your home. The first one is…

[ROTATE 1 – 7 CIRCLE ALL THAT APPLY]

1. Purchased home fire extinguishers **77**
2. Stored Extra clothes and blankets for ready use in the event of an emergency......**73**
3. Stored 3 days of food and water for use in the event of an emergency **69**
4. Strapped down water heaters, bookcases, or other objects have been in case of earthquakes **62**
5. Taken classes, such as first aid, CPR, or disaster preparation class **60**
6. Put together a kit for the car, with things like food, a flashlight, blankets, tire chains, etc. **55**
7. Established a plan to communicate with friends or relatives out of state..............**48**
8. Have you made any other preparations I did not ask about? **15**

25.8.a> IF OTHER: What else have you done?

25. I have just a few last questions for our statistical analysis. How old are you?

18-35...**7**
36-50...**23**
51-64...**33**
65+...**38**
[NA...**3**]

26. Which the following best describes you at this time? Are you. . .

Self employed or a business owner…**12**
Employed In The Public Sector, Like a Governmental Agency or Educational Institution...**14**
Employed In Private Business..**29**
Not Working Right Now...**6**
Retired...**37**
[NA...**1**]

27. Which of the following best describes your household:

Single with no children at home...**27**
Couple with no children at home...**41**
Single with children at home...**6**
Couple with children at home...**24**
[NA...**3**]

28. Which of the following best describes your race or ethnic background?

African American…**2**
Asian / Pacific Islander…**3**
American Indian / Native American…**1**
Caucasian…**88**
Hispanic / Latino…**1**
Other…**2**
[DK/NA…**3**]

29. Do you own or rent the place in which you live?

OWN….**87** RENT…..**10**
DK/NA…**2**

30. Finally, I am going to list four broad categories. Just stop me when I get to the category that best describes your approximate household income - before taxes - for this year.

ROTATE TOP/BOTTOM
$50,000 or less...**23**
Over $50,000 to $75,000...**15**
Over $75,000 to $100,000...**15**
$100,000 to $150,000…**12**
Over $150,000...**10**
[DO NOT READ: NO ANSWER]...**27**

Thank you very much. You have been very helpful.

RESPONSES TO OPEN-ENDED QUESTIONS

Q4: What do you like best about living In Kirkland?

LOCATIO		**22**
Location	17	
Near to Seattle/ Cities	4	
Nearby Recreation	2	
QUALITY OF LIFE		**21**
Lifestyle	4	
Atmosphere	4	
Quiet/ Peaceful	4	
Neighborhood	3	
Safe /No Crime	3	
Quality of Life	3	
Comfortable	1	
SIZE		**12**
Small	11	
Not Too Big	1	
Size	1	
ENVIRONMENT		**12**
Bay/ Lakes/ Rivers	7	
Scenic Beauty	3	
Physical Surrounding	1	
Clean	1	
COMMUNITY		**9**
Friendly People	5	
Sense of Community	3	
Diversity	1	
PUBLIC SERVICES		**8**
Parks & Recreation	5	
Schools/ Education	1	
Police & Fire	1	
City Government /Runs Well	1	
AMENITIES		**4**
Variety Things To Do	2	
Shopping	2	
Downtown	1	
FAMILY TIES		**3**
Family/ Friends Here	2	
Born Here	1	
ECONOMY		**3**
Job is Here	2	
Housing	1	
TRANSPORTATION		**1**
Transportation Convenient	1	
Traffic Not Bad	1	
OTHER		**2**
Everything	1	
Climate/ Weather	1	
“Nothing”	1	
NO ANSWER	1	

Q5: Is there anything that concerns you about the way things are going?

GROWTH/LAND USE		**43**
Overcrowding/Growth	17	
Downtown Development	8	
Housing Density	7	
High Rises/Condos	6	
Annexation	3	
Land Use Restriction	2	
Parks	1	
TRAFFIC/PARKING		**21**
Traffic Congestion	14	
Streets/Sidewalks	4	
Parking	2	
Mass Transit	1	
Other Traffic	1	
ECONOMY		**5**
High Cost of Living	2	
Lack of Econ Activity	2	
Housing Costs/Prices	1	
CITY GOVERNMENT		**3**
Gov't (non-specific)	2	
Money Handled Poorly	1	
AMENITIES		**3**
No Shopping	2	
Lack of Arts	1	
CRIME/SAFETY		**2**
Crime	1	
Police	1	
OTHER		**3**
Taxes	1	
Other (non-specific)	1	
“Nothing”	20	
NO ANSWER	1	

Q7.1 What is an example of City Government focusing on the "wrong things" (n=112)

GROWTH/LAND USE		**42**
Overcrowding/Growth	24	
Annexation	5	
Land Use Restriction	5	
Housing Restriction	4	
Downtown Development	3	
High Rises/Condos	3	
CITY GOVERNMENT		**22**
City Gov't (non-specific)	14	
Money Handled Poorly	5	
Poor Communication	4	
TRAFFIC/PARKING		**20**
Traffic Congestion	9	
Street/Sidewalks	5	
Parking	5	
CRIME/SAFETY		**3**
Police	2	
Vagrants	1	
AMENITIES		**2**
No Recreation	1	
City Appearance	1	
OTHER		**3**
Taxes	3	
Lack of Econ Activity	2	
Other (non-specific)	1	
Schools are Poor	1	
NO ANSWER	5	

Q7.2 What is an example of City Government focusing on the "right things" (n=179)

CITY GOVERNMENT	**18**
Gov't Doing Things Well	12
Runs Well	4
Regulation	2
City Government	1
PUBLIC SERVICES	**14**
Parks & Recreation	9
Police & Fire	3
Public Services (non-spec)	1
Schools	1
Health Care	1
TRAFFIC	**13**
Pedestrian Friendly	6
Traffic not Bad	5
Transportation Convenient	3
GROWTH/LAND USE	**13**
Downtown Growth	5
Annexation	2
Overcrowding/Growth	2
Land Use Restriction	2
Parks	1
High Rises/Condos	1
PHYSICAL ENVIRONMENT	**10**
Open Space	6
Clean	3
Physical Surrounding	1
Scenic Beauty	1
AMENITIES	**10**
Downtown	7
Cultural/Museums	1
Shopping	1
Amenities (non-spec)	1
ATMOSPHERE	**5**
Nice Area/Neighborhoods	2
Safe/No Crime	2
Atmosphere (non-spec)	1
Comfortable	1
QUALITY OF LIFE	**2**
Lifestyle	1
Quality of Life	1
Family/Friends Here	1
COMMUNITY	**1**
Sense of Community	1
Friendly People	1
OTHER	**5**
Everything	2
Other (non-spec)	2
Taxes	1
NO ANSWER	8

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

MEMORANDUM

To: Dave Ramsay, City Manager

From: Marilynne Beard, Assistant City Manager
Marie Stake, Communications Program Manager

Date: March 3, 2008

Subject: COMMUNICATING AND ENGAGING THE COMMUNITY ABOUT CITY FINANCES

INTRODUCTION

The upcoming 2009-2010 biennial budget process is anticipated to involve detailed and difficult discussions about how to address the imbalance between City revenues and expenses. Specifically, the City Council expressed an interest in further educating the community about the City's finances in the following areas:

- Revenue sources (how they work – especially property tax – and trends
- Services provided and expenditure trends
- Current and forecasted financial condition and options

The City Council is also interested in discussing the role that the public may play in helping to resolve or reduce the long term structural imbalance between revenues and expenditures. The purpose of this memo is to provide a framework for developing meaningful ways to inform and engage the public about the financial challenges currently facing the City.

BACKGROUND

As part of the 2007 retreat, the City Council received information on ways it could communicate the City's financial condition and what outcomes the City Council should consider before engaging the community in addressing the financial imbalance. In January 2008 the Finance Committee expressed the desire to better educate citizens about city finances (in particular property taxes) and the City's financial condition and outlook. The committee suggested that a comprehensive education campaign, using multiple City communications tools and programs, would be the first phase of this engagement process.

It is important to note that <u>a communications plan is distinctly different from a public involvement plan.</u> A communications plan works outward and is one-way (from the City to the Community). A public involvement plan is two-way and includes information out to the public as well as input to the City. One of

the key questions for the City Council to consider is whether it wishes to engage in a communications effort about the City budget or to involve the community in budget decisions.
The first part of this memo provides background on planning a communication/education strategy including a discussion of methods used by other cities. The second part of this memo describes the steps that should be used in planning for public participation as it relates to Kirkland's budget and financial condition. The planning process will inform us about the role the public may eventually play as well as key messages that should be included in an educational campaign.

COMMUNICATING ABOUT CITY FINANCES

What does the public need to understand as the City Council discusses its 2009-2010 budget priorities and the current and forecasted financial condition?

Challenges

The City of Kirkland is continually challenged on how to effectively demystify the budget process, explain city finances, and educate citizens on how property taxes are calculated and how they support city services. The City's communications efforts must be meaningful so as to encourage public involvement and understanding. This year's budget deliberation and the discussion around the financial gap will need to raise public awareness about the tough choices that will need to be made by the City Council in the coming biennium.

Citizen surveys reflect confidence in the City's accountability and fiscal responsibility. In the 2008 citizen survey nearly 70% of respondents believe that their tax dollars are being well spent. The survey also indicates general satisfaction with the level and quality of services. When respondents were asked which service area should receive less investment in the next two years, the most frequent response was "Don't Know" (at 26%) with "Arts" receiving the only other double-digit ranking at 13%. This is consistent with prior year's survey results where respondents did not identify areas to reduce services. In contrast, respondents identified managing traffic flow, downtown parking, and zoning and land use as areas that should receive more resources. A relatively high level of citizen satisfaction is a mixed blessing. On one hand, it recognizes that the City is generally doing a good job of meeting public expectations. On the other hand, it may be difficult to get the public's attention when they are not worried or concerned.

Kirkland has tried a number of different approaches to inform and engage the public about the City budget. Attendance is generally low and the impact was minimal considering the resources committed to these efforts. The following approaches have been used by Kirkland to inform and involve the community about the City budget:

- Neighborhood U session on understanding City finances including an interactive exercise involving balancing the City budget.

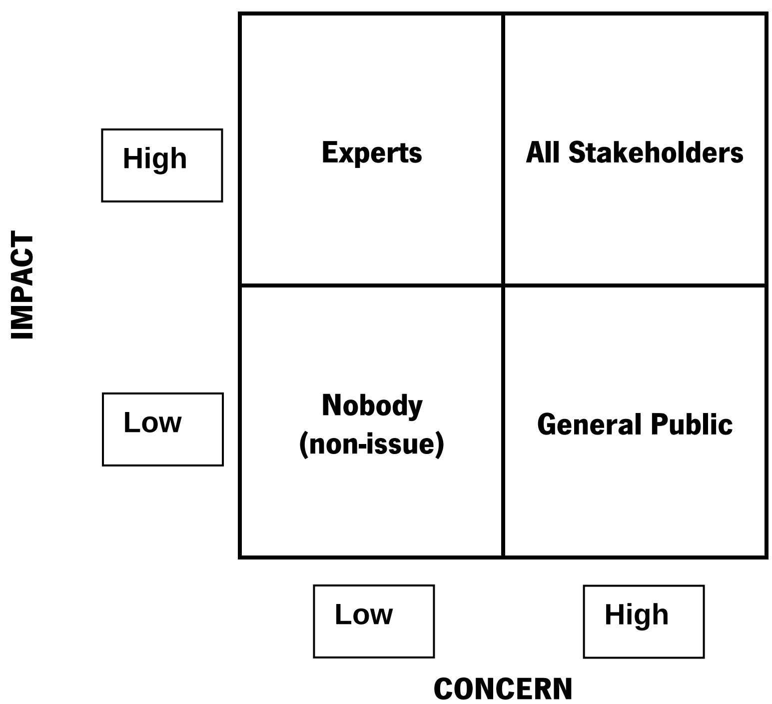
- Open houses designed to inform residents about services provided by the City, their relative cost and funding mechanisms (including an interactive exercise designed to encourage individual

discussions with department staff representatives and the ability to allocate "Kirkland Bucks" to priority service areas).
- Community conversations, focus groups and surveys that included questions about the desired level of services and taxation.
- Topic-specific communication efforts (e.g. Public Safety Staffing Initiative)
  - Presentations the neighborhood, business and service groups
  - Community meetings including question and answer time with staff
  - Multi-media communication methods including a video, brochures and web pages

- Voted tax measures including bond measures for capital projects (parks and public safety) as well as for operations. Development of the bond measure involved public input and, once the measure was placed on the ballot, independent campaign committees conducted public information campaign.

- Traditional budget and financial documents and public hearings.

Historically, getting the public interested and engaged in the subject of City finances has been challenging. The reason for the apparent lack of public interest may be due to a perceived lack of risk on the part of the public. This dynamic is described as "risk communication." If "risk" is defined as the chance or probability of a negative event occurring and "hazard" is defined as the results of the negative event on an individual or group, then a high risk coupled with a high impact will result in public "outrage" or concern. The diagram below shows who is likely to be concerned in different situations.



If the perceived risk is low (i.e. the likelihood of the City experiencing severe fiscal stress) and the perceived hazard is low (the results such as tax increases or service level reductions aren't perceived to be too negative) then there is little need to be concerned. In the case of the City budget, recent surveys show that the public believes that the City does a good job of managing the City's finances and they are satisfied with the level of services. In fact, past budget decisions have not resulted in significant enough impacts to the public for them to be outraged or even concerned. We have often explained this by saying that the City Council has already used all of the "easy" tools in the tool box, such as changes in budgeting practices that solve the current budget issues (e.g. changing the two-year sales tax lag to one year or updating our internal cost recovery model to recover more of the General Fund's costs). As a result, community members may perceive that there is little risk of adverse impacts from City Council's budget actions.

Currently, the City Council and staff understand the magnitude of the financial challenges facing the City and the difficult choices that will likely need to be made with an increasing likelihood of a negative event to the community (the hazard of increasing taxes and/or lower levels of service). Until enough citizens believe that a threat of a hazard is real and imminent, it will be difficult to get their attention. The idea here is not to cause alarm, but to involve citizens who are willing to take action. Any new communications strategy needs to differentiate the current situation in a manner that creates a renewed level of interest.

Citizens may also choose not become involved, either because they don't see the relevance of the issue to them, they are too busy, or they've had a bad experience in the past. In particular, if citizens believe their efforts to become involved were not successful in the past, they won't become involved again (or become involved in counterproductive ways). Unsuccessful public participation efforts can result when the public doesn't understand its role ("we are asking for your input and we will make the decision versus we are asking you to tell us what to do") and/or if they do not understand how their input was used by the decision-makers. By clearly defining and communicating how the City Council will use the public's input will lead to increased public acceptance of whatever decisions the City Council ultimately makes.

A challenge in public participation is to engage the right people. In Beyond Public Meetings, the authors describe this challenge:

> *"In any community engagement process, there are always some people who will be banging down the door to have their say. Often we tend to focus on these individuals and groups, typically adopting a mindset of, 'How do we best manage these people?'*
>
> *"If we approach this issue with such a mindset we will not, in fact, be engaging the community. It is more appropriate to approach this issue with the question, 'To what extent can I be sure that the voices I am hearing are the ones that can help me make a better decision?' From this perspective, community engagement is not about managing the articulate irate, but about seeking out those who can help.*
>
> *"It can often be difficult for organizations to move past those who are demanding a big role in the process. Sometimes the proponent has to say to individuals or groups, 'We need and value your input, but we want to listen to others as well.'"*

As the City begins its educational process (and assuming it is a success in reaching a broad spectrum of individuals in the community) then it is likely that community concern will grow and prompt more people to become involved so that a broader community voice is heard. At the same time, it is important to recognize who the opinion leaders are in the community and to inform and involve them early. Whether or not they are "experts" on the topic, to the extent they are successful in influencing people in the community, their support will be vital going forward. A good example of Kirkland's success in this arena is the early involvement of the Chamber of Commerce in the implementation of the new business license fee and recent impact fee increases.

For many cities, the most common educational campaign used to communicate city finances comes in the form of explaining "Where the City's Money Comes From?" and "Where Your Tax Dollars Go?" Much of the public information is typically contained in "Budget in Brief" type publications with public participation occurring around the budget adoption process which includes public hearings. Kirkland has published budget overview documents for informative purposes and the biennial budget and financial reports are posted to the City's "Budget" webpage www.ci.kirkland.wa.us/depart/Finance_and_Administration/Budget.htm (*see* Attachment A for sample).

The following issues are often communicated to the public during the City's budget adoption process:

- Impacts of mandates from other levels of government
- State and federal funding cuts
- Decreasing revenue
- Increasing costs
- Impacts of voter initiatives
- Comparisons with prior year budget
- Options for tax increases and service level increases

Cities also face the challenge of public misunderstanding of how property taxes are calculated and the misconception that the majority of property taxes go to support City services. A common public sentiment (sometimes heard in Kirkland) is "The City keeps raising taxes!" During the annexation study, residents of the City and the potential annexation area expressed concern that the annexation would "increase property taxes." Most citizens are not aware of the reasons that property taxes vary from year to year nor do they understand the difference between a rate and a levy or the relative amounts received by the individual taxing jurisdictions. Given the public's level of concern about property taxes, the City's communications strategy should include a simple but effective discussion about the role property taxes play in Kirkland's budget and how the City's actions might impact residents' tax levels.

Communicating Through Key Messages

The City Council Finance Committee has expressed a desire to initiate an educational campaign aimed at helping citizens better understand city finances, property taxes, and the City's financial condition and outlook. Using the City newsletter (City Update), KGOV and KLIFE programming, City website and printed materials, the campaign can raise awareness and increase basic understanding. Recommendations to achieve this goal are included later in this section.

Some of the keys to a successful communications plan are extensions of the public participation process. For instance, once stakeholders are identified, materials can be crafted that speak to specific interests and concerns. Any communication strategy needs "key messages" that describe the situation in straightforward terms that are simple and memorable.

Key messages for the City may include:

- Kirkland is conservatively planning for our financial future.
- Kirkland's expenses are growing faster than revenue (the "structural imbalance").
- Kirkland faces a growing gap between expenses and revenue.
- Kirkland faces difficult budget decisions that will need to be addressed through . . .(TAX INCREASES, SERVICE LEVEL REDUCTIONS, BOTH).
- Kirkland's budget decisions will support . . .(TOP GOAL ONE, TOP GOAL TWO, and TOP GOAL THREE).
- Kirkland is committed to maintaining acceptable levels of essential services (SERVICE AREA ONE, SERVICE AREA TWO…) as well as non-essential services that contribute to our quality of life (SERVICE AREA ONE, SERVICE AREA TWO).
- Kirkland is committed to living within its financial means.
- Kirkland needs the community's help in sustaining the City's financial health.

These key messages need to be consistent throughout the process and articulated consistently by City officials involved in the process so that the organization speaks with one voice on the messages it agrees to provide. While individuals on the City Council or within the organization may not agree on the solution to the problem, there is value in presenting a unified message about the nature and scope of the problem.

Communications Tools and Examples from Other Jurisdictions

An effective communications strategy employs various methods for distributing information to target audiences and engaging stakeholders. Throughout any public participation process, it is vital to convey and provide relevant information to participating stakeholders. Based upon the research conducted on communicating and engaging the public about city finances, the following strategies and goals are presented for the City Council's consideration.

Budget Overview Publications:

In addition to standard "Budget In Brief" publications, some cities have produced materials that detail the upcoming budget process and financial forecasts and explain property taxes and city finances (revenue and expenses). One example of note is the City of Shoreline's "Special Budget Issue" of its newsletter called "Currents." (*see* Attachment B). The distribution of the Special Budget Issue is timed with the beginning of the annual budget adoption process. The publication is mailed to homes and businesses within city limits. The most recent issue was produced using a web press process (newspaper printing process and paper) which significantly reduced the printing costs.

In Kirkland's 2006 citizen survey, respondents expressed that a newsletter would be their top preference to receive City information. Currently, the City's newsletter is a monthly full page advertisement in the Kirkland Courier Reporter.

- <u>Suggested Strategy</u>: Increase and enhance printed materials
  - Increase presence and distribution of existing budget overview materials
  - Create an attractive, comprehensive Budget Overview publication
    - Direct mailing to homes, apartments and businesses

- Make available as counter copies at public buildings
- Make available at community, city and neighborhood events
- Estimated cost is between $8,000 to $15,000 depending on the size, paper, and color of the publication

Media Relations

A key component to "telling" any story is to establish and maintain positive relations with print, television, Internet and radio media, including the City's own media outlets (i.e. KGOV/KLIFE programming, city website). Results from the 2006 citizen opinion survey reflected that two of three heads of households get information about "city government and city services" from the newspaper (Kirkland Courier). Most newspapers have an on-line version to the printed paper which has the potential to reach a much wider audience.

- Suggested Strategy: Increase and enhance multi media opportunities that can tell our story
    - Guest editorials (no cost)
    - City Update
    - News Releases (no cost)
    - Create an innovative educational video (estimated cost for an in-house video ranges from $6,500 to $14,000 depending on the type of graphics used)

Presentations

Past efforts to conduct workshops for the general public have been sparsely attended. Therefore, staff does not recommend developing a workshop format for educational purposes only. However, City Council and staff should take every opportunity to speak to interested groups about the City's budget challenges. To be most effective, all speakers should use the same key messages and materials.

- Suggested Strategy: Enhance public speaking capacity
    - Consider engaging a consultant to advise City leaders regarding effective communication techniques with the goal of developing a speaker's bureau that can deliver a consistent and effective message

On the public involvement scale of participation, educating and communicating to the public is a means of informing the public. If the Council wants to involve the public in the decision to be made, then planning for a public involvement strategy is important.

PLANNING FOR PUBLIC PARTICIPATION – AN OVERVIEW

According to the International Association for Public Participation (IAP2), effective public participation acknowledges the desire for humans to participate in decisions that affect them, facilitates understanding and improves decisions. A formally planned public participation process has the potential to achieve:

- A clear definition of the problem/opportunity and development of clear, understandable information.
- A meaningful forum for sharing ideas and concerns and collaboration that focuses on the problem or opportunity and finding common ground.
- Incorporation of the public's issues (fears, concerns, needs and desires) into the decision process.
- A comprehensible decision process and clear decision criteria.
- Clear, understandable rationale for the decision.
- A better decision with improved public acceptance.

The Planning Process

Public participation planning requires a deliberate process that helps determine which approaches are appropriate or whether public participation is needed at all. A fundamental value of the Kirkland City Council is collaborative problem solving and decision making as evidenced in the Council Philosophy Statement and the City's history of collaboration and inclusiveness. Efforts such as the "Community Conversation-Kirkland 2022," the current Annexation Study outreach, the Public Safety Staffing Initiative communication effort and a variety of other education and outreach efforts have been used to inform the and/or involve the community.

The City Council is familiar with the International Association of Public Participation (IAP2) "Spectrum of Public Involvement" (*see* Attachment C). IAP2 views public participation as *"any process that involves the public in problem solving or decision making and uses public input to make the decision."* The public is any individual or group of individuals with an interest in the outcome of a decision. Often referred to as stakeholders, they are those who are affected directly or indirectly by the outcome of a decision (or perceive that they may be affected). Because different stakeholder groups have differing interests, a "one size fits all" approach to public involvement and communication is often ineffective. The appropriate level of engagement will depend on a clear definition of the decision to be made and the desired role of the public in making the decision. Once an appropriate level of engagement is chosen, a variety of tools can be used to engage stakeholder groups. A deliberative process to define the decision being made and to identify stakeholders and their needs is critical to planning a public involvement strategy that will provide meaningful and useful input to the decision and improve the decision itself. Organizations often proceed directly to choosing tools and taking actions, bypassing this important planning step. As a result, their efforts may fail to reach key stakeholders and may be ineffective in getting the desired input and public support they were seeking.

Defining the Decision to be Made and the Role of the Public

A fundamental principal from IAP2's perspective is that effective public involvement is decision-oriented. Before developing a public participation plan, the problem to be solved, the opportunity to be explored or the decision to be made should be clearly defined. If no tangible outcome or decision is anticipated, public participation is not advised. If input from the public cannot influence the decision or will not be used by the decision makers, it is not appropriate to ask the public to participate in making the decision.

IAP2 encourages considering the following questions that will help determine whether a public participation process is appropriate:

1. *What is the decision to be made and who will make the decision?*
2. *Can the public contribute to the decision?*
3. *If so, what is the public's role in the decision making?*

In public participation planning, it is vital that the outcome or decision be clearly defined.

Another key principal in the IAP2 model is that effective public participation is goal-driven. The series of statements below begin with the Finance Committee's suggested strategy and demonstrate how the desired outcomes or goals might be articulated before developing a public involvement strategy.

The City Council wants to EDUCATE the community about City finances . . .

. . . so that . . .

The City Council can INFORM the community about the City's financial condition . . .

. . . *so that (choose one or more of the following). . .*

The community will SUPPORT City Council's decisions, OR

The community can PROVIDE INPUT to the City Council's decision, OR

The community can PROVIDE GUIDANCE to the City Council's actions, OR

The community will APPROVE voted tax measures to support the level of service they desire.

It is important to note that the four possible outcomes shown above involve distinctly different levels of public involvement (ranging from "Inform" to "Empower" on the IAP2 spectrum of public involvement) and, therefore, will necessitate different approaches and tools. An individual's perspective regarding the decision to be made and who will ultimately make the decision will drive the outcome they expect. The desired outcomes in the example above may or may not reflect Council's objectives in this public engagement effort but serve to demonstrate this element of the planning process.

If the goal is to simply have a better informed community, then a communications strategy that only "pushes out" information, rather than receiving information in, may be all that is needed. If the City Council is ultimately looking for public support, this one-way communications strategy may miss the mark.

In Beyond Public Meetings, the authors discuss the risks of what they call the "expert method."

> *". . . whereby it is seen as the job of the technical expert to educate the masses so that they can understand the situation and come to agreement. . . .The model suggests that more information will invariably do the trick. If we get the people to listen to us, they will know what we know, and will therefore come to the same conclusion. This of course inspires the responses that suggest that the objective community engagement is about better explaining our position, or providing better information."*

Staff suggests that the City Council discuss a few key questions at its retreat so that efforts in developing public involvement approaches can be strategic. Later sections of this memo discuss some of the key challenges attendant to the topic of public finances and some suggested steps to take in moving forward.

What is the decision to be made?

Defining the decision (or series of decisions) will be helpful at the outset. As a starting point, staff suggests that the decision to be made could be one of the following:

- How to restore and maintain the financial capacity for the City to support the level of services desired by the community; or
- How to balance the 2009-2010 biennial budget; or
- How to balance the 2009-2010 biennial budget in a way that will lead to a more sustainable financial base.

Who will make the decision?

As it relates to the City Council's desire to inform and engage the public about the City's financial challenges, the planning process will most likely identify the City Council and/or citizens as the decision makers at different points in the process. The decision-maker can change during the process. For instance, a voted measure places the decision in the hands of the citizens. However, the decision about whether to put a measure on the ballot and the scope of the measure rests with the City Council. Ultimately, the City Council is responsible for the adoption of the budget and decisions associated with implementing tax increases or service level reductions (with or without a voted measure). Although there are limitations with regards to actions the City Council can take to balance the budget without a vote of the people, a ballot isn't required unless City Council wants to raise taxes beyond current statutory limits. Some tax increases or new revenue sources are within Council's legislative authority as are service level reductions. It is possible that the City Council could proceed on a "consult" strategy and later determine that they need to go to a vote.

Identifying the decision makers is generally accomplished by the sponsoring organization's decision maker(s), with input from management and project staff, public participation staff and other internal stakeholders. This initial step provides for gaining internal commitment to planning and implementing an effective public participation process.

How can the public contribute to the decision (and make it a better decision)?

It is important to understand how distinct stakeholder groups perceive the issues surrounding the problem/opportunity to be addressed and the decision to be made. Talking with a few key stakeholders will begin to identify issues and potential impacts about the problem/opportunity and will help identify other individuals and stakeholders that need to be invited to participate. This phase of public participation planning also helps to identify groups that may not typically be thought of as being part of the public and those who may be hard to reach.

What level of participation is appropriate?

IAP2 suggests a series of questions aimed at helping an organization clarify expectations and assess its readiness to proceed. Questions posed include:

- *What is the probable level of difficulty in addressing the problem/opportunity?* How difficult will it be to solve the City's financial challenges in the short and the long term?
- *What is the potential for public outrage related to the project?* Are the potential actions needed to balance the budget likely to be very concerning to a broad base of citizens?
- *How important are the potential impacts to the public?* In the form of higher taxes or reduced levels of services (or both)?
- *How much do major stakeholders care about the problem/opportunity to be addressed and decision to be made?* At what level of tax increase and/or service level reductions/eliminations will the public begin to become more concerned and involved?
- *What degree of participation does the public appear to want?*

The answers to these questions inform the decision about where on the public participation spectrum one should land. IAP2 uses a scoring sheet to evaluate the answers. A very low score may result in a decision to not do any public involvement or to just "inform." A moderate score might suggest "consult." A high score may suggest "involve" while a very high score would call for "involve" at the very least with consideration for "collaborate" or "empower." It should be noted that the considerations and questions described earlier do not have to take a long time to discuss or arrive at a conclusion. In fact, once the decision is identified and the role of the public in the decision is decided, the remaining design is more straightforward.

What tools and strategies should we use?

Using the IAP2 model, we are now at the step where many organizations typically start – choosing the correct tools to achieve the level of public participation appropriate to the decision. Once the goals of participation have been identified along with the appropriate level of involvement, it is possible to give considerable thought to the techniques that can be the most effective in achieving the goals of the process.

The next steps help to define the decision process and participation objectives by outlining action items, timelines, participants, decision makers and responsibilities involved. IAP2 suggests that "public participation must follow a logical and transparent process that allows the public to understand how and why the decision was made." This step also involves identifying the specific objectives for public participation at each step in the decision process. A copy of a matrix produced by IAP2 shows the range of tools that can be used and the pros and cons of each 9 (*see* Attachment D).

Goals are broad, brief statements of intent that provide focus or vision for planning (discussed earlier in this memo). Objectives are meant to be realistic targets of what will be done and should be "specific, measurable, achievable, relevant and time sensitive (S.M.A.R.T.)."

Examples of objectives for a communications strategy as it relates to the financial gap issue may include:

- To conduct briefing sessions for all neighborhood associations regarding City Finances and the City's financial condition.
- To reach every Kirkland resident and business through direct mail regarding City finances.

Examples of objectives related to a public participation strategy as it relates to the financial gap issue may include:

- To conduct a statistically valid survey of attitudes about taxation and levels of service.
- To develop a mechanism for involving opinion leaders in an advisory role to the City Council regarding actions to take to balance the budget.

These are simply examples of objectives. Clearly, the objectives would be based on the level of involvement chosen by the Council.

Public Participation Experiences of Other Municipalities

There are a range of tools and techniques that can be used obtain community input as part of a public participation process. This can be one-way (from the public to the City, such as a survey) or interactive (such as community forums or advisory groups). Below are some highlights of public participation efforts from various municipalities.

On-line Budget Calculator

Several years ago, the Association of Washington Cities (AWC) created an on-line tool called the Budget Calculator to help cities engage community members in helping to balance a budget, identifying service priorities or helping to reduce an imbalance between expenses and revenue. Below are comments from local and out-of-area cities that use this type of tool.

- **Spokane Valley, Washington:** Since 2004, the City has posted a customized budget calculator on its website (www.spokevalley.org). Spokane Valley's calculator allows for the browser to begin with a shortfall (deficit) amount. The browser can enter service reduction amounts by dollar amounts or by personnel. It is also possible to enter priorities for increasing revenue. For example, a browser using the Spokane Valley calculator could reduce or eliminate animal control services by a specified dollar amount and increase a utility tax by a certain percentage or by selecting "yes."

  The calculator remains on the website year-round and according to the Public Information Officer, it currently receives fewer than 5 hits per week. The City's Public Information Officer attributes low interest to minimal marketing of the calculator.

- **Mukilteo, Washington:** Beginning with its 2008 annual budget process, the City posted a customized budget calculator (based on Spokane Valley's model) on its website (www.ci.mukilteo.wa.us). The calculator remains on the site year round and resulted in about a dozen emails to the Finance Department.

  Note: Both cities require that the completed calculator to be saved to the browser's desk top, printed and mailed in.

- **St. Paul, Minnesota:** The City of St. Paul has used its "Budget Cruncher" online tool (http://www.stpaul.gov/initiatives/budgetcruncher/) for two years and has found it to be an effective tool during its annual budget development and adoption. (*see* Attachment E) The calculator is modeled after the League of Minnesota Cities simulation calculator. It has allowed web visitors "to juggle the actual dollar amounts" that the City uses in creating the budget and "see how tough it can be to close a multi-million dollar gap." "Calculations" can be submitted on-line and the browser can see results of other submittals. The 2007 Budget Cruncher received over 13,000 hits on the city's website. The City did extensive marketing of the calculator. An informative video of the Finance Director explaining the City's current financial gap and encouraging browsers to go to the calculator is also included on the St. Paul web page.

Public Opinion Surveys

A statistically valid survey is both accurate and a reflection of current attitudes. A survey conducted for the purpose of gaining input about how to balance the City budget would need to focus solely on that topic. The challenge of using a survey is that the budget and City financial issues are so complex many people don't have sufficient background information to provide valid feedback. The survey would need to provide some basic introductory information to establish a common base of knowledge. Phone surveys are expensive; mail-in surveys are time intensive.

Focus groups are often used in advance of a survey to help develop survey questions. In developing a survey, it would be important for the City Council to agree on what options are "off the table" and what options are feasible alternatives. Council would also have to agree on how the survey results will be used.

Pulse Pads

Pulse pads are a unique method used in community forums to get instant feedback on an issue. The audience may be a randomly selected group of citizens (lending statistical validity to the results) or a self-selected or invited group of participants. Typically, a brief overview of the situation is provided by staff following by a series of questions that the audience answers through their touch pads. The anonymous results are instantly projected on a screen in the form of graphs, charts or tables. This method requires planning and staff support and, again, the City Council would need to be clear with the audience about how the input would be used. Pulse pads are available on a reservation basis through AWC and at no charge (except shipping to return the devices).

A new "instant public poll" tool was recently used by the State Auditor's Office with the consulting services of Elway Research, Inc. Using a random dial out to statewide voters regarding Initiative 900/Performance Audits, participating callers used the phone dial pad to answer questions with instant results shown on screen. Non-polling callers could call in to ask questions of State Auditor Brian Sonntag. The program was aired on WTV, Washington State Public Affairs network (government access channel). The estimated cost for this type of survey is $20,000.

Community Conversations

There are many formats that could be used to engage the public in a conversation about City finances. These could range from using existing groups (e.g. KAN, business roundtable, Chamber of Commerce) to "open house" formats that invite the general public. The challenge here is getting the public to be interested or concerned enough to commit the time to attend a meeting, especially if it is unclear about how their input will be used. Self-selected attendance and existing groups also runs the risk of involving the "usual suspects" and may not reflect a broad representation of public opinion. If voter approval is sought or broad public support for significant tax increases or service level reductions, this method may fall short of the desired outcome.

Participatory Democracy – Eugene Decisions

In the early 1990s, the City of Eugene engaged in a process called "Eugene Decisions" that involved several public participation methods to enlist the help of the community in deciding how to balance the budget. The project utilized a series of surveys and questionnaires (contained in a direct mailing), followed by a series of community workshops where participants used a booklet and worksheet to generate their own recommendations.

In the initial forums, City representatives provided a basic lesson in the Budget and explained the $6 million budget shortfall. The subsequent forums were used to present the survey findings and to narrow the community's support for the alternatives to either:

- Remain at the same level of services

- Reduce services; increase fees
- Find new revenue sources

Although the Eugene City Council did not implement the community's recommendation to institute a restaurant tax, $4 million dollars of service reductions and increased fees were ultimately implemented. This process took about two years and had full-time staff dedicated to the effort. An article discussing the Eugene Decisions process is included (*see* Attachment F).

Advisory Committees

A number of City's have engaged citizen advisory committees to assist the City Council is making budget decisions. In Oregon, a Budget Committee composed of the City Council and an equal number of citizens appointed by the Council is required by statute. The Budget Committee is responsible for hearing staff presentations, holding public hearings and deliberating on the budget. The Budget Committee then makes a recommendation to the City Council for final adoption.

Cities in Washington, including Kirkland, have engaged advisory groups for various planning efforts. Cities that have used advisory groups for budget decisions have experienced differing levels of success. One of the challenges associated with advisory groups is the composition of the group. The group may be chosen because they possess a certain expertise in financial matters. In this case, they may be well-informed but may not represent the "opinion leaders" that will influence the general public. On the flip side, the issue of "usual suspects" should be avoided as they may not be representative of the community.

As a means to engage its community to help solve a 2007 mid-year budget crisis, a local King County city recruited and established a Blue Ribbon Citizen Advisory Panel. The panel's charter was to find long-term solutions to improving the fiscal health of the City's general fund budget. According to the City Administrator, there was a public perception that the City was mismanaging its money but the reality was that the City had significantly higher expenses, a major shortfall in revenues and had been unable to make payment on money it borrowed (which had resulted in an audit finding).

This City experienced the misfortunate of personality conflicts among panel members with members publicly rejecting the panel's mission and members calling for the termination of certain city staff. The City plans to reinstitute the panel with a new recruitment effort and will look more to opinion leaders (those community members who have connections to residents and a following) to serve on the committee.

The City of Shoreline is also working towards convening an advisory committee. A copy of the staff memo, the advisory committee charter and related documents are included (*see* Attachment G).

Should the Kirkland City Council pursue a public participation process, the key will be in achieving early agreement about the goal of the public involvement effort, an understanding of who will ultimately make the decision, how the public's input will be used to improve the decision and identification of resources needed to accomplish the program.

SUMMARY

The City Council plays a vital role in helping its citizens analyze issues and develop solutions and it values going beyond the usual means to receive public input. Typically, the community is more inclined to get involved when it is concerned. The recent phone survey indicates that citizens are not concerned about the City budget now. Consequently, it may be necessary for public confidence to be shaken (but not stirred) with "new" financial news in order to engage them.

Key questions for the City Council to consider at its retreat include:

1. What is the decision to be made and who will make the decision about the budget?
2. What is the goal of the public engagement strategy (e.g. educate, involve, empower)?
3. What level of public involvement does the City Council want to use, given the answers to numbers 1 and 2?
4. What are some of the key messages that are important for the City to communicate?
5. Which of the tools associated with the chosen level of public involvement is the City Council interested in pursuing?
6. Is the City Council interested in pursuing consulting/training on effective communication techniques for City officials (i.e. City Council and key management staff)?

Clearly there is a time and resource constraint in play. The City Council will begin its 2009-2010 Budget process in June with the mid-year budget study session during which it will provide general policy direction to the City Manager. Some of the techniques discussed in this memo take several months to develop and implement and may involve funding requests. It is hoped that the City Council can address some of the basic questions (in the order presented) so that staff can return with a more specific strategy.

Attachments:

Attachment A: City of Kirkland Budget in Brief and Fact Sheet
Attachment B: City of Shoreline "Currents" Newsletter, "Special 2008 Budget Issue"
Attachment C: International Association of Public Participation (IAP2) Public Involvement Spectrum
Attachment D: International Association of Public Participation (IAP2) Public Involvement Tools List
Attachment E: City of St. Paul, Minnesota, "Budget Cruncher"
Attachment F: Eugene Decisions
Attachment G: City of Shoreline Staff Memo regarding advisory committee.

2007-2008 Budget Fact Sheet

ATTACHMENT A-1 –

CITY OF KIRKLAND BUDGET IN BRIEF

WAS NOT REPRODUCED FOR THE ELECTRONIC VERSION OF THIS PACKET. COPIES ARE AVAILABLE UPON REQUEST FROM THE CITY CLERK'S OFFICE

2007-2008 Budget Fact Sheet

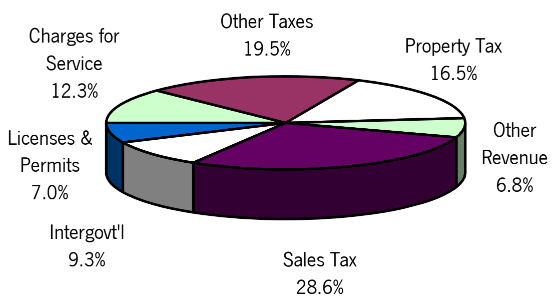
Population

1980 – 18,779	2004 – 45,800
1990 – 40,052	2005 – 45,740
2000 – 45,054	2006 – 47,180

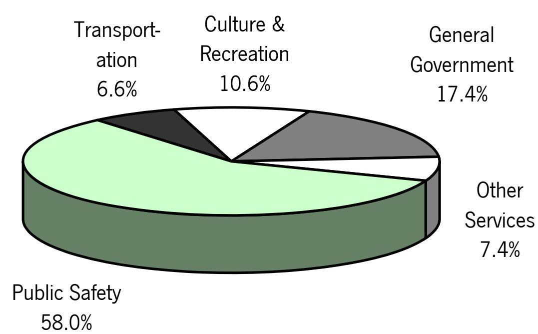
2007-2008 Budget

Total: $318,347,331
General Fund Budget: $107,829,861

General Fund Revenue



General Fund Expenditures

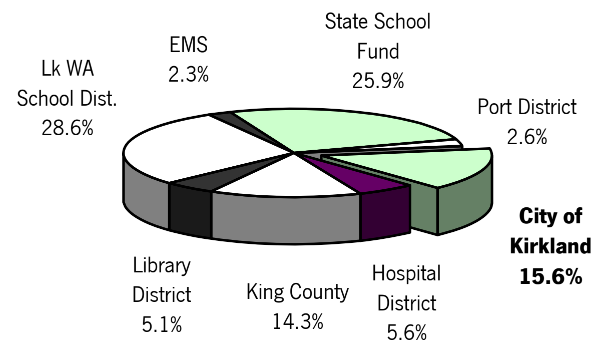


Employees – 2007-2008 Budget

220	Public Safety – Police, Fire & Court
38	Utilities – Water/Sewer & Surface Water
42	Transportation – Public Works & Street
44	Culture & Recreation – Parks
123	General Government
467	**TOTAL**

Property Tax Distribution (Based on 2007 Levy)

Total Assessed Valuation: $9,862,547,464
Tax Rate: $8.99 per $1,000 assessed value (AV)
City Share: 15.6% or $1.40 per $1,000 AV
Total Revenue $13,814,458



Optional Property Tax Increases Approved by Kirkland City Council						
2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
0.0%	0.0%	1.0%	1.0%	1.0%	9.86%*	2.4%**

*1.0% optional, 8.86% use of banked capacity.
**1.0% optional, 1.40% use of banked capacity.

Sales Tax

The City of Kirkland receives 0.85% of the 8.9% sales tax rate. For the 2007-2008 biennium this is budgeted at $32,569,685. The chart below shows the sales tax distribution as of 4/1/07.

Jurisdiction	Rate (%)
State of Washington	6.50
King County/METRO	0.90
King County Criminal Justice Levy	0.10
City of Kirkland (0.15% remitted to King Co.)	***1.00***
Regional Transit Authority	0.40
Total Sales Tax Rate	**8.90**
Additional 0.3% for automobile sales/leases (to fund transportation)	
Total Sales Tax Rate for Automobile Sales and Leases Only	**9.20**
Additional 0.5% Food and Beverage Tax (for Baseball Stadium Fund)	
Total Sales Tax Rate for Restaurant Food and Beverage Only	**9.40**

2007-2008 BUDGET FACTS AND ISSUES

- **The City budget is based on a set of services to the public supported by an income stream of different revenue sources**
  - Property tax is a major source of income for general services and the City Council has exercised its option to increase property taxes by 1% in recent years, as well as using "banked capacity" the last two years to fund increases in Public Safety staffing (8.9% in 2006 and 1.4% in 2007). Banked capacity is the amount of unused optional increases that has accumulated over previous years.
  - Sales tax is the largest source of revenue for general services and is dependent on economic conditions. The City experienced sales tax decreases in 2001 and 2002 (7.1% and 5.2% respectively), but revenues have increased since that time: 6.1% for 2003, 6.6% for 2004, 12.6% for 2005 and 14.8% for 2006. It is important to note that much of the increase has been driven by the high level of development activity in recent years, which makes this growth vulnerable to a downturn in the market.
  - The City's water, sewer, garbage and surface water utilities are separate from other government services and are self-supporting through fees.
  - The impact of tax limitation initiatives and volatility in the economy has led to a condition where expenses are increasing faster than revenues.

- **Kirkland offers a variety of services with the largest expenses going towards wages and benefits of employees**
  - Most tax dollars go to public safety (police, fire and court) which make up almost 60% of the General Fund. Wages and benefits for most public employees are covered by labor contracts.
  - Kirkland has one of the lowest ratios of employees to population of any comparable city in the area (9.9 FTE's per 1,000 population in Kirkland versus an average of 11.7 for neighboring cities of comparable size and scope).
  - Large increases in the cost of employee health care benefits caused higher-than-average cost increases in recent years (15% in 2003, 23% in 2004), although increases have moderated over the last two years (10% in 2006 and 5.9% in 2007).

- **The City has an operating budget (that pays for services) and a capital budget (that pays for the purchase and improvement of parks, construction and repair of streets, etc.**
  - Most taxes are used to support operations (a small portion is allocated to capital improvements).
  - The capital program is largely supported by revenue sources that are legally dedicated to capital purposes and cannot be used to support operations (e.g. impact fees and real estate excise tax).

- **The combination of revenue losses and the cost of maintaining services has created a gap between income and expenses each budget year. While there is reason to be optimistic looking forward to 2007-2008, the City will continue to pursue a conservative fiscal strategy.**
  - Based on the strong revenues in 2006 and the higher interest earnings on City reserves expected in 2007-2008, the City can make significant progress in replenishing reserves to target levels. This action is consistent with the City's approach to prudent fiscal planning, where reserves provide a cushion in bad economic times (such as 2002-2003) and should be rebuilt when economic performance improves.
  - Kirkland will continue to struggle with the competing demands for service and the need to control tax increases in the coming years. Kirkland is not alone and the problem cannot be easily solved.
  - Kirkland continues to face a variety of unfunded needs, including full implementation of police and fire strategic plans, meeting City facilities needs and other capital requirements, and funding high priority programs such as housing and environmental stewardship.

CITY OF SHORELINE
CURRENTS

November 2007 Vol. 9 No. 9

Inside:

Capital Improvements

Page 7

The Shoreline City Council adopted the 2008-2013 Capital Improvement Program this summer.

More Inside:

CITY OF SHORELINE

SPECIAL 2008 BUDGET ISSUE

Shoreline's finances rated "strong"

By Robert Olander
Shoreline City Manager

The City of Shoreline's budget adoption process began with the presentation of the 2008 Proposed Budget to the City Council on October 15. The budget is balanced as required by state law and the City continues to be financially stable.

Shoreline's annual budget is the City's plan for allocating resources to a variety of programs necessary to keep the community safe, enhance the quality of life and maintain and develop quality facilities, parks, roads and storm drainage systems.

Shoreline's proposed 2008 budget is $93.9 million, which is $1.7 million or 1.8% more than the current 2007 budget.

The 2008 budget directs resources to services that support the City Council Goals and Workplans identified in the "Shoreline Strategic Directions" for 2007-08. As directed by the City Council, the budget places primary emphasis on maintaining current services, investing in capital projects to enhance the facilities, transportation, surface water and environmental systems throughout the City, and implementing programs to enhance the economic development, environmental health and sustainability and human service programs within our community.

The City of Shoreline has maintained an excellent financial condition since incorporation through conservative financial planning, efficient management, restraint from using budget savings as a way to fund ongoing

See **2008** *page 2*

Schedule

Nov. 5 at 7:30 p.m.
Public Hearing & Department Reviews

Nov. 19 at 6:30 p.m.
Public Hearing on Revenue Sources & 2008 Property Tax Levy

Nov. 26 at 7:30 p.m.
Adoption of 2008 Budget & Property Tax Levy

All meetings are held on Mondays in the Mt. Rainier Room of the Shoreline Conference Center, 18560 1st Avenue NE. Call the Agenda Line at (206) 546-2190 or check online at www.cityofshoreline.com for updates to and details about Council meeting agendas.

2008 Proposed Budget *from page 1*

operations and modest budget increases. Shoreline's financially responsible practices have made it one of only five Washington cities receiving Standard & Poor's (S&P) highest financial management rating of "strong."

As our long-term forecasts have predicted for a number of years, we are reaching the point where the cost of providing basic services to the Shoreline community will be greater than the available resources. In light of this, our focus over the last few years has been on cost containment, expenditure reductions and improving service efficiencies. We have been very successful in this effort.

Yet even with these reductions and efficiencies it is apparent that the City can not continue providing the same level of service without additional revenue sources in the future. The community has expressed a desire to maintain, and in some cases increase, the level of services the City provides. Some areas where a higher level of service is desired include environmental sustainability, human services, code enforcement, traffic services, public safety and parks.

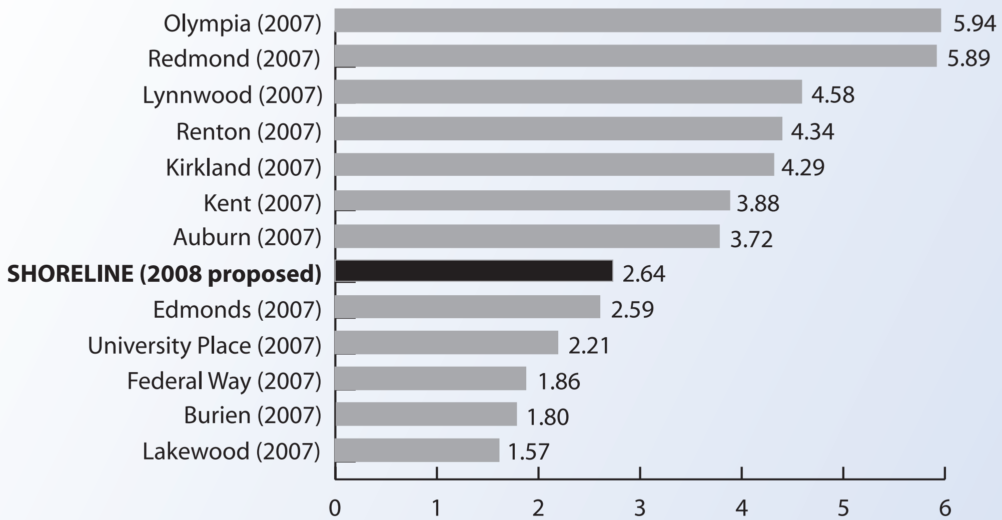
This year the City Council took steps to close projected budget gaps for 2008 and 2009 by approving baseline budget reductions and implementing an increase in cable utility tax and phasing in the Seattle City Light contract payment on electric distribution revenues.

But these newly adjusted revenue sources can only maintain the existing level of service through 2009. Beyond 2009 it will be a challenge to meet the community's desire to maintain current services much less increase service levels.

To help the City determine the best way to meet these coming challenges, we will be asking a broad-based community advisory committee to explore options that would allow the City to maintain its quality of services and financial stability. See the story on page 3 for more details.

We are very confident, given our past conservative financial planning and spending policies, that together we will develop a long-term financial strategic plan that will support the future vision and growth of our community.

Comparing employees per capita



One of the ways to measure a city's efficiency is to look at how many staff members it has per 1,000 residents. With 140.5 full-time equivalent employees and a population of about 53,000, Shoreline has 2.64 employees per 1,000 residents, well below average for other local cities.

Note: *This chart does not include police, fire, utility or special program personnel.*

2007-2008 City Council Goals

Each year, the City Council develops a list of goals that guide the City's work. Below are some of the strategies planned for 2008 to meet these goals.

1: Complete the projects approved in the 2006 Parks Bond.

- Improvements at Richmond Beach Saltwater Park and Cromwell Park.
- Improvements to current trail corridors throughout the City.

2: Implement the Economic Development Strategic Plan.

- Complete a planning charrette for Briarcrest commercial areas.
- Continue to provide business services through Community Capital Development.
- Develop additional programs with the Economic Development Advisory Council.

3: Implement an affordable Civic Center/City Hall project.

- Start construction of the new City Hall.

4: Complete the Aurora improvements from 165th to 205th Streets including, but not limited to, sidewalks, drainage and transit.

- Continue planning, design, and right-of-way acquisition processes through 2008.

5: Develop a comprehensive housing strategy.

- Affordable Housing Committee will bring recommendations to the City Council.

6: Create an "environmentally sustainable community."

- Initiate Ballinger Special Study Area Plan.
- Implement the Mayor's Climate Protection Agreement.
- Complete and implement the Forest Management Plan.

7: Provide safe and affordable transportation options to support land use plans including walking, bicycling, transit and vehicular options.

- Improve existing trail corridors throughout the City.
- Continue to implement the City's priority sidewalk program and work with neighborhoods on Neighborhood Traffic Action Plans.

8: Develop a Fircrest master plan in partnership with the State.

- Work with the State to complete the Fircrest master plan.

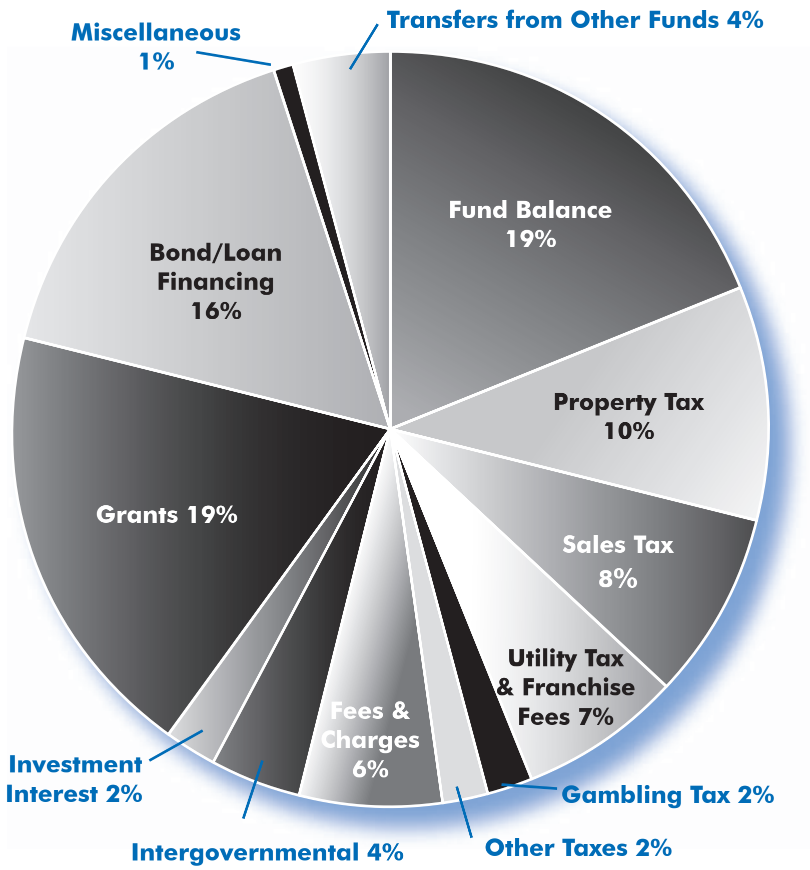
9: Increase emergency preparedness training and education.

- Continue to conduct table top and field earthquake preparedness drills.
- Implement priority elements of the Hazard Mitigation Plan.
- Continue to offer emergency preparedness training.

10: Increase opportunities for all residents, including our youth, to get more involved in neighborhood and improvement programs.

- Continue neighborhood and environmental mini-grant programs.
- Enhance City website features to make information more accessible.

Where Shoreline's revenue comes from



In 2008, the City of Shoreline projects it will receive $71.9 million in revenue from a variety of sources. Approximately 34% of that comes from taxes. The largest sources are property, sales and utility tax. The 2008 Budget includes the use of fund balance totaling $17.9 million. This primarily represents monies that have been saved to use for specific capital improvements.

Shoreline property tax

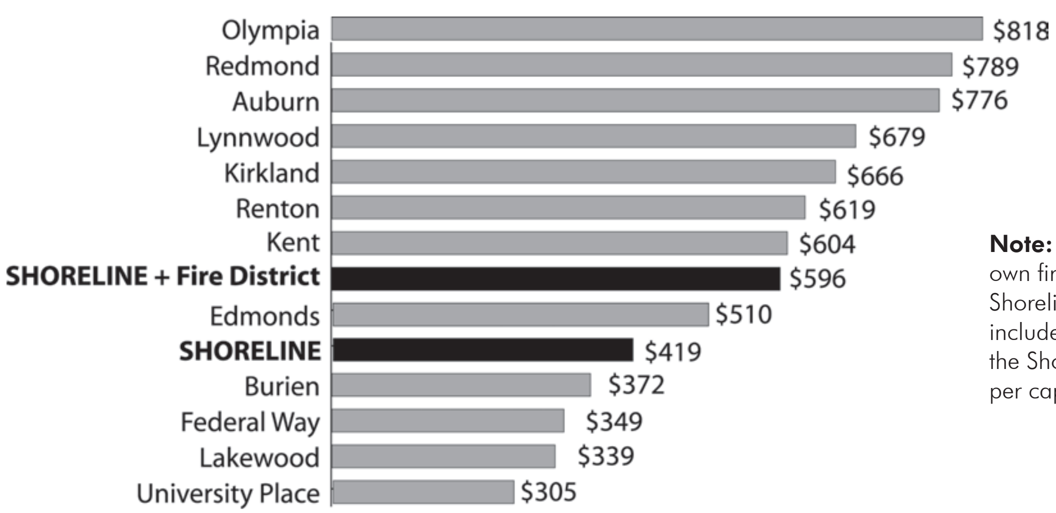
Property tax revenue for 2008 is projected at $7,236,228 and represents 25.2% of the General Fund operating revenues. The 2007 property tax is $7,066,510, which is 26.4% of adopted General Fund operating revenues.

The estimated property tax levy rate proposed for 2008 is $1.068 per $1,000 of assessed value, a reduction from this year's rate of $1.10 per $1,000 of assessed values. The primary reason for the decrease in the property tax rate is that the assessed values of

See **Property Tax** *page 5*

Comparing Shoreline tax collections

One way to compare cities is by the amount of tax collected per capita. To determine this figure, the total tax collected is divided by the number of residents. The most recent available comparable data for all cities is from 2005. During that year, the City of Shoreline collected $419 per capita from property, sales, gambling and utility taxes, utility franchise fees and utility contract payments.



Note: Some of these cities have their own fire department. If the City of Shoreline's per capita tax collection included the property tax collected by the Shoreline Fire District, Shoreline's per capita tax would be $596.

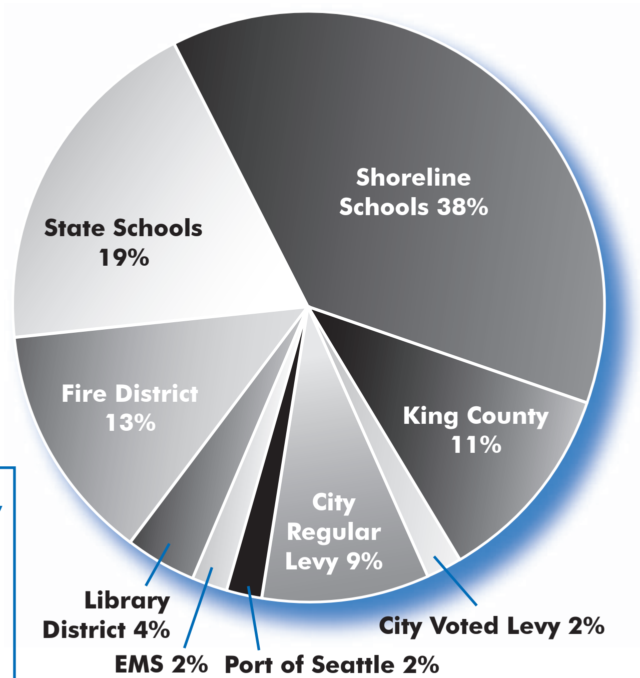
City of Shoreline property taxes *from page 4*

property in the City has increased, while collections are limited to a 1% increase due to the passage of Initiative 747.

This property tax levy rate information is for the City's general levy. In May 2006, Shoreline voters authorized the issuance of $18.795 million in general obligation bonds to fund park projects and open space acquisition. Property owners will be assessed a separate levy rate for the repayment of these bonds. Assuming that the average value of a home in Shoreline is $349,545, this levy rate is estimated to be $0.26 per $1,000 of assessed value or $91 per year for an average – value house.

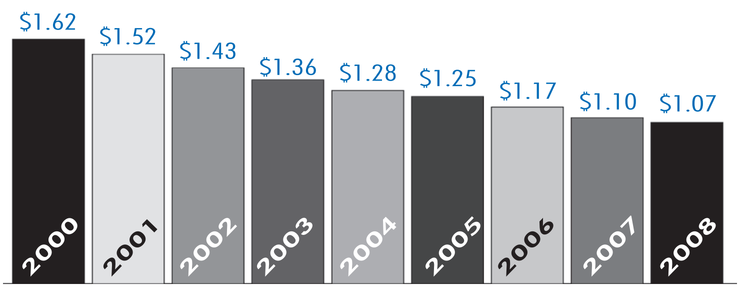
The charts on these pages provide a historical perspective of the City's property tax rate and a breakdown of City of Shoreline property taxes.

Shoreline residents' 2007 property tax allocations



As you can see in the pie chart above, the City of Shoreline is only one of the agencies that collects property taxes from local residents.

2000-2008 City of Shoreline Property Tax Levy Rate in dollars per $1,000 assessed value



Impact of the City's property tax on typical Shoreline homeowner

	2007	Change	2008
Home Value	**$336,100**	**$13,445 = 4%**	**$349,545**
Regular Tax Levy Rate	**$1.10**	**($0.03) = -3%**	**$1.07**
Total Regular Levy Paid to City	**$369.71**	**$4.30 = 1%**	**$374.01**
Voted Bond Tax Levy Rate	**$0.28**	**($0.02) = -7%**	**$0.26**
Total Voted Levy Paid to City	**$94.11**	**($3.23) = -3%**	**$90.88**
Total Tax Paid to City	**$462.06**	**$2.83 = 1%**	**$464.89**

How the City of Shoreline spends its money

The City provides a variety of services to the Shoreline community. The charts below illustrate how the City spends its resources and what services are provided.

Capital Projects restore, improve and expand publicly-owned assets such as roads, sidewalks, trails, drainage systems, parks and buildings.

Support Services
• City Council • City administration • Strategic planning • Legal services • Communications • Records management

Public Safety
• Patrol services/call response • Traffic enforcement & accident investigation • Criminal investigation • Neighborhood Police Centers • Prosecuting Attorney • Domestic violence assistance •Public Defender • Municipal Court • Jail services

Parks & Recreation
• Parks and open space maintenance • Recreation programs • Cultural services

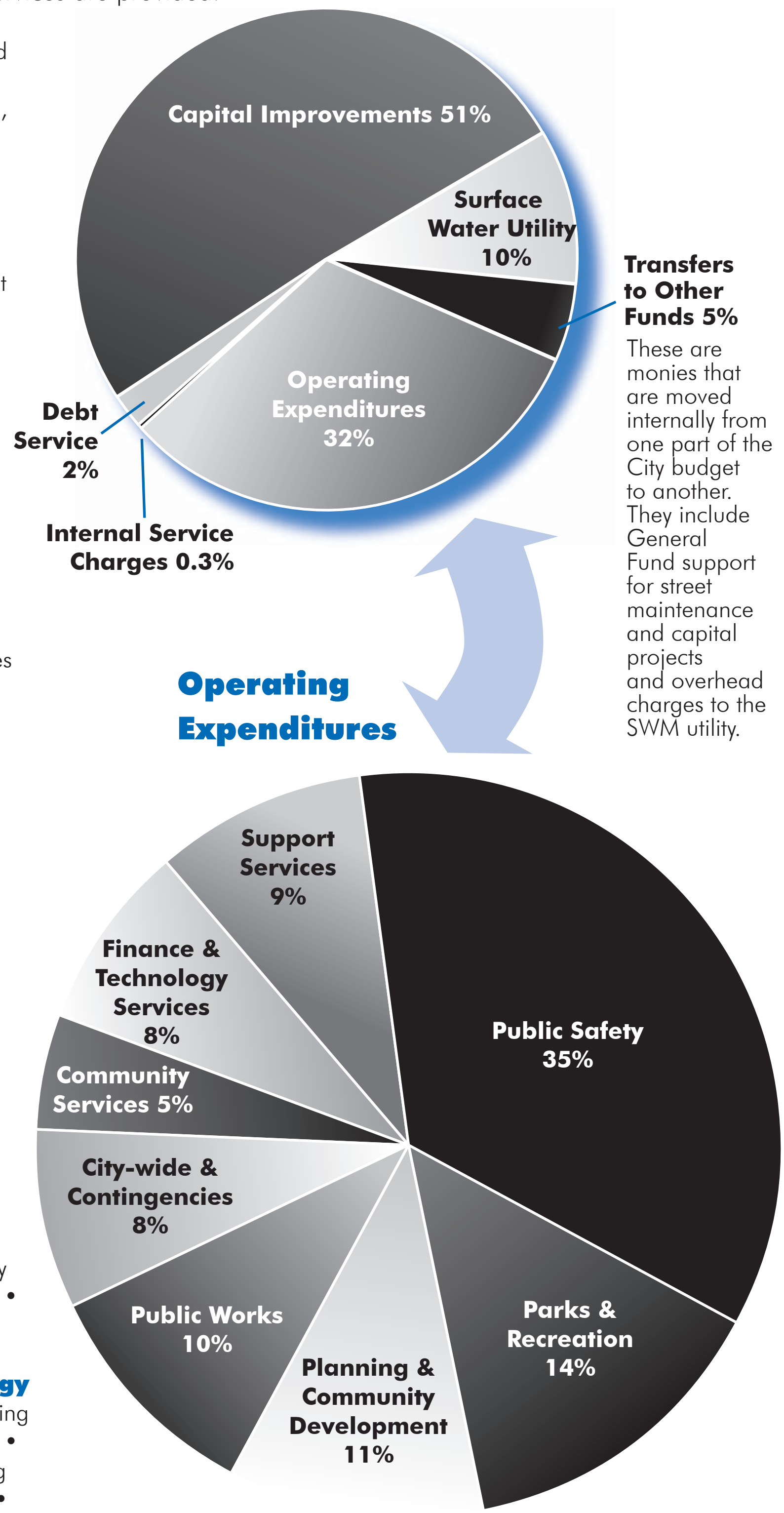
Planning & Community Development
• Code enforcement • Economic development • Permitting • Zoning • Comprehensive Plan

Public Works
• Street & right-of-way maintenance • Drainage & water quality maintenance & monitoring • Traffic management • Recycling events

City-wide & Contingencies
• Election services • Voter registration • Liability & property insurance • Equipment and vehicle maintenance, operations and replacement

Community Services
• Customer Response Team • Emergency management planning • Human Service • Neighborhoods

Finance & Information Technology
• State Audit • Budget & financial reporting • Accounts payable/receivable & payroll • Purchasing • Grant writing • Maintaining network, computer & telephone systems • Implementing technology improvements



Shoreline's 2008-2013 Capital Improvement Program

The City Council adopted the six-year, 2008-2013 Capital Improvement Program (CIP) in July 2007. The total 2008-2013 CIP is $172.2 million with $56.4 million in the 2008 budget for capital improvements.

The CIP covers projects over $10,000 and includes buildings, land acquisition, park facilities, road and transportation projects, and drainage system improvements. Much of the capital improvement activity is funded through contributions from the General Fund, Real Estate Excise Tax (REET), federal grants and Public Works Trust Fund Loans.

CIP highlights

• **City Hall** is the most significant project scheduled for construction in 2008. Total construction and development costs are budgeted at $19.2 million. Since the project is currently in the pre-design phase it is likely that the actual construction costs could increase as final parking options and building size decisions are made.

• The 2008-2013 CIP includes $1.6 million for the systematic **repair and replacement of existing park items** such as benches, tables, fences, paths and playground equipment. This amount is approximately half of what would be needed to fully fund all features of existing parks at their optimum life cycle replacement schedule.

• CIP **park projects funded by the bond issue** passed by voters in May 2006 include the installation of artificial turf at Twin Ponds soccer fields, improvements to Richmond Beach Saltwater, Cromwell and Hamlin parks, new pedestrian walkways and trail corridors, creation of an off-leash dog park and improvements to tennis courts and baseball fields. Total improvement costs included in the 2008-2013 CIP are approximately $8.7 million.

• Annual preservation projects for **roads, sidewalks and traffic small works projects** are funded at an annual average of $1.2 million.

• The 2008-2013 CIP includes $4.3 million for **walkways and sidewalks** on priority City routes. With an annual allocation of about $600,000, the City can only provide full funding through 2009. Beginning in 2010, alternative funding resources will be required as City resources can only support approximately 50% of the annual allocation.

• The most significant transportation project in the 2008-2013 CIP is the **Aurora Corridor Project, N 165th to N 205th Streets.** Planning, design, environmental assessment and right-of-way acquisition will continue throughout 2008 with construction expected to start in 2009. The total estimated cost for this project is $93.4 million, with $83 million being funded through grants and other agency participation.

The photo above shows the intersection at N 152nd Street and Aurora looking south. The City of Shoreline celebrated the completion of its first mile of Aurora from N 145th to N 165th Streets earlier this year. Planning and design is already underway to improve the next two miles from N 165th to N 205th Streets.

• The 2008 budget provides for the continuation of the **Neighborhood Traffic Safety Program** with an average of $216,500 funded annually for capital improvements and $40,000 funded within the operating budget for increased police traffic enforcement.

• In 2005 the City Council adopted the first **surface water** utility master plan including a 20-year operating and capital improvement plan for the utility. The capital projects for the first six to seven years of the plan are included in the 2008-2013 CIP and focus on improvements that support flood protection, water quality, stream rehabilitation and habitat enhancement.

Who, what, where in the City of Shoreline

City of Shoreline

Shoreline City Hall
17544 Midvale Ave. N., Suite 100
Shoreline, WA 98133-4921
(206) 546-1700
Fax (206) 546-7868
www.cityofshoreline.com

City Hall Annex
Home of Planning and Development Services Department and Public Works Department
Highland Plaza
1110 N. 175th St., Suite 105
Shoreline, WA 98133

Spartan Recreation Center
18560 1st Avenue NE
Shoreline, WA 98155
(206) 418-3383

Shoreline Pool
19030 1st Ave. NE
Shoreline, WA 98155
(206) 362-1307

City Council

Mayor Bob Ransom
Deputy Mayor Maggie Fimia
Rich Gustafson
Ron Hansen
Keith McGlashan
Cindy Ryu
Janet Way

Meeting Location
Shoreline Conference Center
18560 First Ave. NE
Mt. Rainier Room
Agenda Line: (206) 546-2190

Study Sessions
First & third Mondays 6:30 p.m.
Business Meetings
Second & fourth Mondays 7:30 p.m.

Televised City Council Meetings
Cable Channel 21
Tuesday noon and 8 p.m.
Wednesday through Sunday
6 a.m., noon and 8 p.m.
Also on www.cityofshoreline.com

Shoreline Police

Emergency: 911

Shoreline Police Station
Chief Tony Burtt
1206 N. 185th St.
Shoreline, WA 98133
(206) 546-6730

Westside Neighborhood Police Center
Officer Leona Obstler
624 NW Richmond Beach Road
Shoreline, WA 98177
(206) 546-3636

Eastside Neighborhood Police Center
Officer Sue Sherwood
521 NE 165th St.
Shoreline, WA 98155
(206) 363-8424

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CURRENTS
November 2007 Vol. 9 No. 9

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CITY OF SHORELINE

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IAP2 Spectrum of Public Participation

International Association for Public Participation

Increasing Level of Public Impact →

	Inform	Consult	Involve	Collaborate	Empower
Public participation goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
Promise to the public	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
Example techniques	▪ Fact sheets ▪ Web sites ▪ Open houses	▪ Public comment ▪ Focus groups ▪ Surveys ▪ Public meetings	▪ Workshops ▪ Deliberative polling	▪ Citizen advisory committees ▪ Consensus-building ▪ Participatory decision-making	▪ Citizen juries ▪ Ballots ▪ Delegated decision

IAP2's Public Participation Toolbox

Techniques to Share Information

Technique	Think It Through	What Can Go Right?	What Can Go Wrong?
BILL STUFFERS			
Information flyer included with monthly utility bill	Design bill stuffers to be eye-catching to encourage readership	Widespread distribution within service area Economical use of existing mailings	Limited information can be conveyed Message may get confused as from the mailing entity
BRIEFINGS			
Use regular meetings of social and civic clubs and organizations to provide an opportunity to inform and educate. Normally these groups need speakers. Examples of target audiences: Rotary Club, Lions Clubs, Elks Clubs, Kiwanis, League of Women Voters. Also a good technique for elected officials.	KISS! Keep it Short and Simple Use "show and tell" techniques Bring visuals	Control of information/ presentation Opportunity to reach a wide variety of individuals who may not have been attracted to another format Opportunity to expand mailing list Similar presentations can be used for different groups Builds community goodwill	Project stakeholders may not be in target audiences Topic may be too technical to capture interest of audience
CENTRAL INFORMATION CONTACTS			
Identify designated contacts for the public and media	If possible, list a person not a position Best if contact person is local Anticipate how phones will be answered Make sure message is kept up to date	People don't get "the run around" when they call Controls information flow Conveys image of "accessibility"	Designated contact must be committed to and prepared for prompt and accurate responses May filter public message from technical staff and decision makers May not serve to answer many of the toughest questions
EXPERT PANELS			
Public meeting designed in "Meet the Press" format. Media panel interviews experts from different perspectives. Can also be conducted with a neutral moderator asking questions of panel members.	Provide opportunity for participation by general public following panel Have a neutral moderator Agree on ground rules in advance Possibly encourage local organizations to sponsor rather than challenge	Encourages education of the media Presents opportunity for balanced discussion of key issues Provides opportunity to dispel scientific misinformation	Requires substantial preparation and organization May enhance public concerns by increasing visibility of issues

An IAP2 Tipsheet provides more information about this technique.
Tipsheets are included as part of the course materials for IAP2's Techniques for Effective Public Participation.

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
FEATURE STORIES			
Focused stories on general project-related issues	Anticipate visuals or schedule interesting events to help sell the story Recognize that reporters are always looking for an angle	Can heighten the perceived importance of the project More likely to be read and taken seriously by the public	No control over what information is presented or how
FIELD OFFICES			
Offices established with prescribed hours to distribute information and respond to inquiries	Provide adequate staff to accommodate group tours Use brochures and videotapes to advertise and reach broader audience Consider providing internet access station Select an accessible and frequented location	Excellent opportunity to educate school children Places information dissemination in a positive educational setting Information is easily accessible to the public Provides an opportunity for more responsive ongoing communications focused on specific public involvement activities	Relatively expensive, especially for project-specific use Access is limited to those in vicinity of the center unless facility is mobile
HOT LINES			
Identify a separate line for public access to prerecorded project information or to reach project team members who can answer questions/obtain input	Make sure contact has sufficient knowledge to answer most project-related questions If possible, list a person not a position Best if contact person is local	People don't get "the run around" when they call Controls information flow Conveys image of "accessibility" Easy to provide updates on project activities	Designated contact must be committed to and prepared for prompt and accurate responses
INFORMATION KIOSKS			
A station where project information is available.	Make sure the information presented is appropriately tailored to the audience you want to reach. Place in well traveled areas. Can be temporary or permanent.	Can reach large numbers of people. Can use computer technology to make the kiosk interactive and to gather comments.	Equipment or materials may "disappear". Information needs to be kept up to date.

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
INFORMATION REPOSITORIES			
Libraries, city halls, distribution centers, schools, and other public facilities make good locations for housing project-related information	Make sure personnel at location know where materials are kept Keep list of repository items Track usage through a sign-in sheet	Relevant information is accessible to the public without incurring the costs or complications of tracking multiple copies sent to different people Can set up visible distribution centers for project information	Information repositories are often not well used by the public
LISTSERVES AND E-MAIL			
Both listserves and email are electronic mailing lists. With listserves, anyone can register on the listserve to receive any messages sent to the listserve. With e-mail, someone needs to create and maintain an electronic distribution list for the project.	People read and share e-mail quite differently from hard copy mail. Thus you must write messages differently. Augment with hard copy mail for those who prefer it or who don't have ready e-mail access. To share information of any sort including notifying stakeholders when new material is posted to a Web site, inviting them to upcoming meetings, including comment and evaluation forms, sharing summaries of meetings, comments and input, etc.	As an inexpensive way to directly reach stakeholders When you hope people will pass on messages to others since electronic-based mail is much easier to share than hard copies	Can be difficult to maintain accurate, current e-mail addresses as these tend to change more frequently than postal addresses.
NEWS CONFERENCES			
	Make sure all speakers are trained in media relations	Opportunity to reach all media in one setting	Limited to news-worthy events
NEWSPAPER INSERTS			
A "fact sheet" within the local newspaper	Design needs to get noticed in the pile of inserts Try on a day that has few other inserts	Provides community-wide distribution of information Presented in the context of local paper, insert is more likely to be read and taken seriously Provides opportunity to include public comment form	Expensive, especially in urban areas

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
PRESS RELEASES & PRESS PACKETS			
Press Releases Press packets (provides resource and background information plus contact information)	Fax or e-mail press releases or media kits Foster a relationship with editorial board and reporters	Informs the media of project milestones Press release language is often used directly in articles Opportunity for technical and legal reviews	Low media response rate Frequent poor placement of press release within newspapers
PRINT ADVERTISEMENTS			
Paid advertisements in newspapers and magazines	Figure out the best days and best sections of the paper to reach intended audience Avoid rarely read notice sections	Potentially reaches broad public	Expensive, especially in urban areas Allows for relatively limited amount of information
PRINTED PUBLIC INFORMATION MATERIALS			
Fact Sheets Newsletters Brochures Issue Papers Progress Reports Direct Mail Letters	KISS! Keep It Short and Simple Make it visually interesting but avoid a slick sales look Include a postage-paid comment form to encourage two-way communication and to expand mailing list Be sure to explain public role and how public comments have affected project decisions. Q&A format works well	Can reach large target audience Allows for technical and legal reviews Encourages written responses if comment form enclosed Facilitates documentation of public involvement process	Only as good as the mailing list/ distribution network Limited capability to communicate complicated concepts No guarantee materials will be read
RESPONSIVENESS SUMMARIES			
A form of documentation that provides feedback to the public regarding comments received and how they are being incorporated	May be used to comply with legal requirements for comment documentation. Use publicly and openly to announce and show how all comments were addressed	Responsiveness summaries can be an effective way to demonstrate how public comments are addressed in the decision process.	With a large public, the process of response documentation can get unwieldy, especially if Web-based comments are involved.
TECHNICAL INFORMATION CONTACTS			
Providing access to technical expertise to individuals and organizations	The technical resource must be perceived as credible by the audience	Builds credibility and helps address public concerns about equity Can be effective conflict resolution technique where facts are debated	Limited opportunities exist for providing technical assistance Technical experts may counter project information

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
TECHNICAL REPORTS			
Technical documents reporting research or policy findings	Reports are often more credible if prepared by independent groups	Provides for thorough explanation of project decisions	Can be more detailed than desired by many participants May not be written in clear, accessible language
TELEVISION			
Television programming to present information and elicit audience response	Cable options are expanding and can be inexpensive Check out expanding video options on the internet	Can be used in multiple geographic areas Many people will take the time to watch rather than read Provides opportunity for positive media coverage at groundbreaking and other significant events	High expense Difficult to gauge impact on audience
WORLD WIDE WEB SITES			
Web site provides information and links to other sites through the World Wide Web. Electronic mailing lists are included.	A good home page is critical Each Web page must be independent Put critical information at the top of page Use headings, bulleted and numbered lists to steer user	Reaches across distances Makes information accessible anywhere at any time Saves printing and mailing costs	Users may not have easy access to the Internet or knowledge of how to use computers Large files or graphics can take a long time to download

Techniques to Compile and Provide Feedback

Technique	Think It Through	What Can Go Right?	What Can Go Wrong?
COMMENT FORMS			
Mail-In-forms often included in fact sheets and other project mailings to gain information on public concerns and preferences Can provide a Web-based or e-mailed form	Use prepaid postage Include a section to add name to the mailing list Document results as part of public involvement record	Provides input from those who would be unlikely to attend meetings Provides a mechanism for expanding mailing list	Does not generate statistically valid results Only as good as the mailing list Results can be easily skewed
COMPUTER-BASED POLLING			
Surveys conducted via computer network	Appropriate for attitudinal research	Provides instant analyses of results Can be used in multiple areas Novelty of technique improves rate of response	High expense Detail of inquiry is limited
COMMUNITY FACILITATORS			
Use qualified individuals in local community organizations to conduct project outreach	Define roles, responsibilities and limitations up front Select and train facilitators carefully	Promotes community-based involvement Capitalizes on existing networks Enhances project credibility	Can be difficult to control information flow Can build false expectations
DELPHI PROCESSES			
A method of obtaining agreement on forecasts or other parameters by a group people without the need for a face-to-face group process. The process involves several iterations of participant responses to a questionnaire and results tabulation and dissemination until additional iterations don't result in significant changes.	Delphi processes provide an opportunity to develop agreement among a group of people without the need for meeting Delphi processes can be conducted more rapidly with computer technology. You can modify the Delphi process to get agreement on sets of individuals to be representatives on advisory groups, to be presenters at symposia, etc.	Can be done anonymously so that people whose answers differ substantially from the norm can feel comfortable expressing themselves. A Delphi process can be especially useful when participants are in different geographic locations.	Keeping participants engaged and active in each round may be a challenge.
IN-PERSON SURVEYS			
One-on-one "focus groups" with standardized questionnaire or methodology such as "stated preference"	Make sure use of results is clear before technique is designed	Provides traceable data Reaches broad, representative public	Expensive

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
INTERNET SURVEYS/POLLS			
Web-based response polls	Be precise in how you set up site; chat rooms or discussion places can generate more input than can be reviewed	Provides input from individuals who would be unlikely to attend meetings Provides input from cross-section of public, not just those on mailing list Higher response rate than other communication forms	Generally not statistically valid results Can be very labor intensive to look at all of the responses Cannot control geographic reach of poll Results can be easily skewed
INTERVIEWS			
One-to-one meetings with stakeholders to gain information for developing or refining public involvement and consensus-building programs	Where feasible, interviews should be conducted in person, particularly when considering candidates for citizens committees	Provides opportunity for in-depth information exchange in non-threatening forum Provides opportunity to obtain feedback from all stakeholders Can be used to evaluate potential citizen committee members	Scheduling multiple interviews can be time consuming
MAILED SURVEYS & QUESTIONNAIRES			
Inquiries mailed randomly to sample population to gain specific information for statistical validation	Make sure you need statistically valid results before making investment Survey/questionnaire should be professionally developed and administered to avoid bias Most suitable for general attitudinal surveys	Provides input from individuals who would be unlikely to attend meetings Provides input from cross-section of public, not just activists Statistically valid results are more persuasive with political bodies and the general public	Response rate is generally low For statistically valid results, can be labor intensive and expensive Level of detail may be limited
RESIDENT FEEDBACK REGISTERS			
A randomly selected database of residents created to give feedback to an agency, business, or organization about its services, priorities, project or contentious issues.	Think through what terms the participants should have. In the United Kingdom, 2 years is common. Using an independent company to select the participants will help allay any cynical concerns of "handpicking" residents to get the answer sponsors want	Useful in gathering input from "regular" citizens, on an ongoing basis, instead of just from representatives of interest groups or those who more typically come to meetings, participate on advisory groups, etc. Provides useful input without requiring people to come to meetings	Panel may not be credible with the larger community if people feel they have not been selected fairly.

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
TELEPHONE SURVEYS/POLLS			
Random sampling of population by telephone to gain specific information for statistical validation	Make sure you need statistically valid results before making investment Survey/questionnaire should be professionally developed and administered to avoid bias Most suitable for general attitudinal surveys	Provides input from individuals who would be unlikely to attend meetings Provides input from cross-section of public, not just those on mailing list Higher response rate than with mail-in surveys	More expensive and labor intensive than mailed surveys

TECHNIQUES TO BRING PEOPLE TOGETHER

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
APPRECIATIVE INQUIRY PROCESSES			
Appreciative inquiry is a systematic process that uses the art and practice of asking questions and building upon narrative communications to surface imagination, innovation and commitment to action.	Requires "whole system" involvement; participants should be a microcosm of the potentially affected public. Process requires an especially high level of engagement by core team members.	Creates high level of engagement and commitment to change as an ongoing process, not a one-time event. Fosters positive, grassroots level action Connects the community by celebrating stories that reflect the best of what is and has been.	Participants need to "own" and co-create the process. Core team members may burn out. Given the high level of engagement, people expect to see changes as a result of the process. The sponsor of the process needs to be truly committed to the outcomes.
CHARRETTES			
Intensive session where participants design project features	Best used to foster creative ideas Be clear about how results will be used	Promotes joint problem solving and creative thinking	Participants may not be seen as representative by larger public
CITIZEN JURIES			
Small group of ordinary citizens empanelled to learn about an issue, crossexamine witnesses, make a recommendation. Always non-binding with no legal standing More Info: Citizen Jury® The Jefferson Center www.jefferson-center.org or www.soc.surrey.ac.ul/SRU/SRU37.html	Requires skilled moderator Commissioning body must follow recommendations or explain why Be clear about how results will be used	Great opportunity to develop deep understanding of an issue Public can identify with the "ordinary" citizens Pinpoint fatal flaws or gauge public reaction	Resource intensive
COFFEE KLATCHES – KITCHEN TABLE MEETINGS			
Small meetings within neighborhood usually at a person's home	Make sure staff is very polite and appreciative	Relaxed setting is conducive to effective dialogue Maximizes two-way communication	Can be costly and labor intensive
COMPUTER-ASSISTED MEETINGS			
Any sized meeting when participants use interactive computer technology to register opinions	Understand your audience, particularly the demographic categories Design the inquiries to provide useful results Use facilitator trained in the technique and technology	Immediate graphic results prompt focused discussion Areas of agreement/disagreement easily portrayed Minority views are honored Responses are private Levels the playing field	Software limits design Potential for placing too much emphasis on numbers Technology failure

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
DELIBERATIVE DIALOGUES			
A systematic dialogic process that brings people together as a group to make choices about difficult, complex public issues where there is a lot of uncertainty about solutions and a high likelihood of people polarizing on the issue. The goal of deliberation is to find where there is common ground for action.	Considerable upfront planning and preparation may be needed. The deliberation revolves around 3 or 4 options described in an Issue or Options booklet. Process should be facilitated by a trained moderator. Deliberation should occur in a relatively small group, about 8 to 20 people. A larger public may need to break into several forums, requiring more moderators.	Participants openly share different perspectives and end up with a broader view on an issue. A diverse group identifies the area of common ground, within which decision makers can make policies and plans.	Participants may not truly reflect different perspectives. Participants are not willing to openly discuss areas of conflict.
DELIBERATIVE POLLING PROCESSES			
Measures informed opinion on an issue More Info: The Center for Deliberative Democracy http://cdd.stanford.edu	Do not expect or encourage participants to develop a shared view Hire a facilitator experienced in this technique	Can tell decision makers what the public would think if they had more time and information Exposure to different backgrounds, arguments and views	Resource intensive Often held in conjunction with television companies 2- to 3-day meeting
DIALOGUE TECHNIQUES			
An intentional form of communication that supports the creation of shared meaning.	Dialogue requires discipline to intentionally suspend judgment and fully listen to one another. Participants need to be open to communication that engages both thinking and feeling. Participants need to feel safe to speak truthfully. It is important to carefully craft questions to be addressed in dialogue.	The group engages in "the art of thinking together" and creates shared meaning on a difficult issue. A new understanding of a problem or opportunity emerges.	Participants are "ready" to engage in dialogic communication. They may not able to move from individual positions and reflectively listen to each other.
FAIRS & EVENTS			
Central event with multiple activities to provide project information and raise awareness	All issues — large and small — must be considered Make sure adequate resources and staff are available	Focuses public attention on one element Conducive to media coverage Allows for different levels of information sharing	Public must be motivated to attend Usually expensive to do it well Can damage image if not done well

Technique	Think It Through	What Can Go Right?	What Can Go Wrong?
FISHBOWL PROCESSES			
A meeting where decision makers do their work in a "fishbowl" so that the public can openly view their deliberations.	The meeting can be designed so that the public can participate by joining the fishbowl temporarily or moving about the room to indicate preferences.	Transparent decision making. Decision makers are able to gauge public reaction in the course of their deliberations.	The roles and responsibilities of the decision makers and the public may not be clear.
FOCUSED CONVERSATIONS			
A structured approach to exploring a challenging situation or difficult issue by using a series of questions arranged in four stages: Objective — Review facts Reflective —Review emotional response Interpretive — Review meaning Decisional — Consider future action	Plan the series of questions ahead of time and don't skip a step. May be used in many different settings, from debriefing a process to exploring the level of agreement on a given topic. Be clear on the intent of the conversation.	People learn new information and insights on a complex issue. People learn to respect and understand other views. The decisional steps leads to individual or collective action.	People jump ahead to interpretation or decisions and lose the meaning of the structured process.
FOCUS GROUPS			
Message testing forum with randomly selected members of target audience. Can also be used to obtain input on planning decisions	Conduct at least two sessions for a given target Use a skilled focus group facilitator to conduct the session	Provides opportunity to test key messages prior to implementing program Works best for select target audience	Relatively expensive if conducted in focus group testing facility May require payment to particpants
FUTURE SEARCH CONFERENCES			
Focuses on the future of an organization, a network of people or community More Info: Future Search Network www.futuresearch.net	Hire a facilitator experienced in this technique	Can involve hundreds of people simultaneously in major organizational change decisions Individuals are experts Can lead to substantial changes across entire organization	Logistically challenging May be difficult to gain complete commitment from all stakeholders 2- to 3-day meeting
MEETINGS WITH EXISTING GROUPS			
Small meetings with existing groups or in conjunction with another group's event	Understand who the likely audience is to be Make opportunities for one-on-one meetings	Opportunity to get on the agenda Provides opportunity for in-depth information exchange in non-threatening forum	May be too selective and can leave out important groups

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
ONGOING ADVISORY GROUPS			
A group of representative stakeholders assembled to provide public input to the planning process. May also have members from the project team and experts.	Define roles and responsibilities up front Be forthcoming with information Use a consistently credible process Interview potential committee members in person before selection Use third-party facilitation	Provides for detailed analyses for project issues Participants gain understanding of other perspectives, leading toward compromise	General public may not embrace committee's recommendations Members may not achieve consensus Sponsor must accept need for give-and-take Time and labor intensive
OPEN HOUSES			
An open house encourages the public to tour at their own pace. The facility should be set up with several informational stations, each addressing a separate issue. Resource people guide participants through the exhibits.	Someone should explain format at the door Have each participant fill out a comment sheet to document their participation Be prepared for a crowd all at once — develop a meeting contingency plan Encourage people to draw on maps to actively participate Set up stations so that several people (6-10) can view at once	Foster small group or one-on-one communications Ability to draw on other team members to answer difficult questions Less likely to receive media coverage Builds credibility	Difficult to document public input Agitators may stage themselves at each display Usually more staff intensive than a meeting
OPEN SPACE MEETINGS			
Participants offer topics and others participate according to interest More Info: H.H. Owens & Co. www.openspaceworld.com	Important to have a powerful theme or vision statement to generate topics Need flexible facilities to accommodate numerous groups of different sizes Ground rules and procedures must be carefully explained for success	Provides structure for giving people opportunity and responsibility to create valuable product or experience Includes immediate summary of discussion	Most important issues could get lost in the shuffle Can be difficult to get accurate reporting of results
PANELS			
A group assembled to debate or provide input on specific issues	Most appropriate to show different news to public Panelists must be credible with public	Provides opportunity to dispel misinformation Can build credibility if all sides are represented May create wanted media attention	May create unwanted media attention

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
PUBLIC HEARINGS			
Formal meetings with scheduled presentations offered. Typically, members of the public individually state opinions/positions that are recorded.	May be required by sponsor and/ or legal requirement	Provides opportunity for public to speak without rebuttal	Does not foster constructive dialogue Can perpetuate an "us vs. them" feeling
PUBLIC MEETINGS			
An organized large-group meeting usually used to make a presentation and give the public an opportunity to ask questions and give comments. Public meetings are open to the public at large	Set up the meeting to be as welcoming and receptive as possible to ideas and opinions and to increase interaction between technical staff and the public. Review all materials and presentations ahead of time.	Participants hear relevant information and have an open opportunity to ask questions and comment. People learn more by hearing others' questions and comments. Legal requirements are met	The meeting escalates out of control because emotions are high. Facilitators are not able to establish an open and neutral environment for all views to be shared.
REVOLVING CONVERSATIONS (ALSO KNOW AS SAMOAN CIRCLES)			
Leaderless meeting that stimulates active participation More Info:Larry Aggens www.involve.com	Set room up with center table surrounded by concentric circles Need microphones Requires several people to record	Can be used with 10 to 500 people Works best with controversial issues	Dialogue can stall or become monopolized
STUDY CIRCLES			
A highly participatory process for involving numerous small groups in making a difference in their communities.	Study circles work best if multiple groups working at the same time in different locations and then come together to share. Study circles are typically structured around a study circle guide	Large numbers of people are involved without having them all meet at the same time and place. A diverse group of people agrees on opportunities for action to create social change.	Participants may find that the results are hard to assess and may feel that the process didn't lead to concrete action. It may be difficult to reach and engage some segments of the community.
SYMPOSIA			
A meeting or conference to discuss a particular topic involving multiple speakers.	Provides an opportunity for presentations by experts with different views on a topic. Requires upfront planning to identify appropriate speakers. Needs strong publicity.	People learn new information on different sides of an issue. Provides a foundation for informed involvement by the public.	Experts don't represent different perspectives on an issue. Controversial presenters may draw protests.

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
TASK FORCES – EXPERT COMMITTEE			
A group of experts or representative stakeholders formed to develop a specific product or policy recommendation	Obtain strong leadership in advance Make sure membership has credibility with the public	Findings of a task force of independent or diverse interests will have greater credibility Provides constructive opportunity for compromise	Task force may not come to consensus or results may be too general to be meaningful Time and labor intensive
TOURS AND FIELD TRIPS — GUIDED AND SELF-GUIDED			
Provide tours for key stakeholders, elected officials, advisory group members and the media	Know how many participants can be accommodated and make plans for overflow Plan question/answer session Consider providing refreshments Demonstrations work better than presentations Can be implemented as a self-guided with an itinerary and tour journal of guided questions and observations	Opportunity to develop rapport with key stakeholders Reduces outrage by making choices more familiar	Number of participants is limited by logistics Potentially attractive to protestors
TOWN MEETINGS			
A group meeting format where people come together as equals to share concerns.	Town meetings are often hosted by elected officials to elicit input from constituents. There are cultural and political differences in the understanding of the term "town meeting." It may be interpreted differently wherever you are working.	Views are openly expressed. Officials hear from their constituents in an open forum.	The meeting escalates out of control because emotions are high. Facilitators are not able to establish an open and neutral environment for all views to be shared.
WEB-BASED MEETINGS			
Meetings that occur via the Internet	Tailor agenda to your participants Combine telephone and face-to-face meetings with Web-based meetings. Plan for graphics and other supporting materials	Cost and time efficient Can include a broader audience People can participate at different times or at the same time	Consider timing if international time zones are represented Difficult to manage or resolve conflict

TECHNIQUE	THINK IT THROUGH	WHAT CAN GO RIGHT?	WHAT CAN GO WRONG?
WORKSHOPS			
An informal public meeting that may include presentations and exhibits but ends with interactive working groups	Know how you plan to use public input before the workshop Conduct training in advance with small group facilitators. Each should receive a list of instructions, especially where procedures involve weighting/ ranking of factors or criteria	Excellent for discussions on criteria or analysis of alternatives Fosters small group or one-to-one communication Ability to draw on other team members to answer difficult questions Builds credibility Maximizesfeedbackobtainedfrom participants Fosters public ownership in solving the problem	Hostile participants may resist what they perceive to be the "divide and conquer" strategy of breaking into small groups Several small-group facilitators are necessary
WORLD CAFES			
A meeting process featuring a series of simultaneous conversations in response to predetermined questions Participants change tables during the process and focus on identifying common ground in response to each question.	Room set-up is important. The room should feel conducive to a conversation and not as institutional as the standard meeting format. Allows for people to work in small groups without staff facilitators. Think through how to bring closure to the series of conversations.	Participants feel a stronger connection to the full group becausetheyhavetalkedtopeople at different tables. Good questions help people move from raising concerns to learning new views and co-creating solutions.	Participants resist moving from table to table. Reporting results at the end becomes awkward or tedious for a large group. The questions evoke the same responses.

City of Saint Paul - Microsoft Internet Explorer

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Address http://www.stpaul.gov/taxes/

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- 2008 Republican National Convention
- Saint Paul Police Foundation
- Top 10 Online Services
- Central Corridor
- Sustainable Saint Paul
- Ford Site Planning
- Residents
- Business
- Explore Saint Paul
- Mayor
- Council
- Departments
- Diversity
- Parks & Recreation
- Como Zoo and Conservatory Society
- Libraries
- Education
- Saint Paul for Kids
- Where in St. Paul
- City Job Openings
- City Contracts
- Housing & Property Info
- Licensing/Permits
- Police
- Fire
- Public Works
- Maps
- City Charter and Codes
- Documents
- Official Publications
- Other Government Sites
- Ramsey County
- State of Minnesota

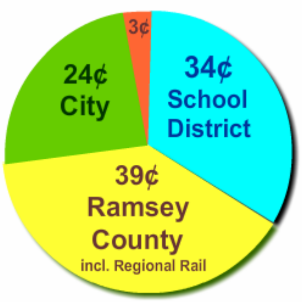
Property Tax Resource Site

Your Property Taxes are based on the City's Budget Process

Mayor Chris Coleman and your City Council want you to understand how your city property tax is determined and where your property tax dollar goes. The Council is reviewing department budget proposals till mid-December. The calendar on the right lets you follow the topics that are important to you, and we've created a wealth of materials below to help you understand exactly what goes into your tax bill, including links to tax relief programs.

LEARN ABOUT YOUR PROPERTY TAXES

- The Truth-in-Taxation statement never matches your property tax bill. Find out why.
- You've read in the papers that the city tax levy may be increased almost 15%, but that doesn't necessarily mean your tax bill is going up by that amount. Find out why 15% is not 15%.
- Residential Property Tax Calculator
  A simple tool for searching residential addresses that shows the proposed change in the city and library portion of your property taxes.



Here's how your Property Tax Dollar breaks out

What does the City do with their 24 cents?

Based on a typical home with a taxable value of $174,800, using tax rates payable in 2007.

Budget Calendar

This calendar shows milestones in the budget process, and department presentations to the Council. Browse by date or topic, and click the links to play video.

Sort by: Date

- [+] January
- [+] March
- [+] April
- [+] May - July
- [+] August
- [+] September
- [+] October
- [+] November
- [+] December

Presentation schedule subject to change. If you like, you can also subscribe to the budget calendar and receive it each time it is updated.

Common Terms

Tax levy: The amount of money that a government unit must raise in order to cover the cost of their services. The budget planning process estimates what services will cost for the next year, and the tax levy is one of the funding sources for that budget.

Estimated market value: The assessor assigns a market value for your property based on an estimate of its likely selling price.

Taxable market value: You pay taxes on your property

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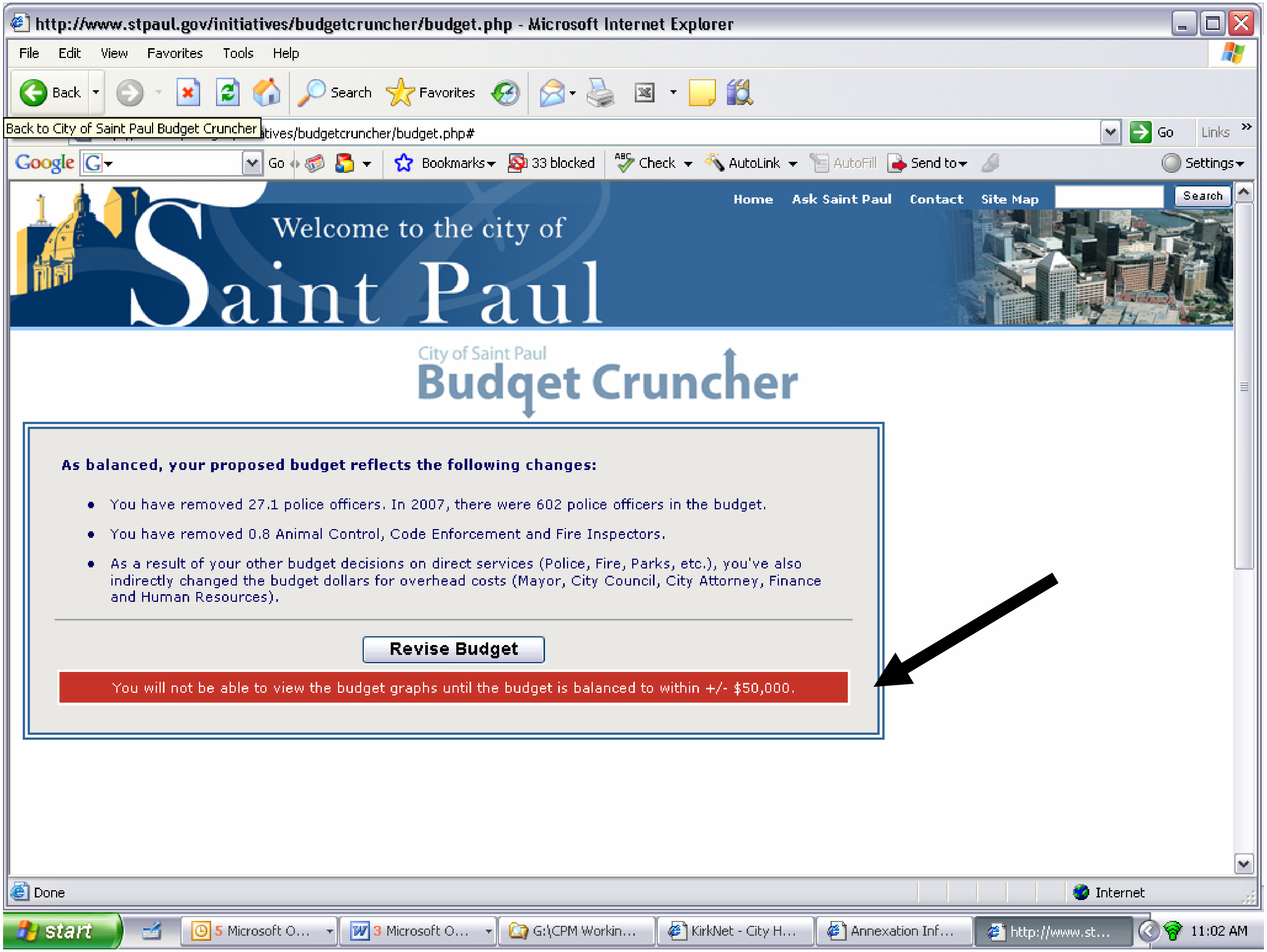
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Welcome to the city of
Saint Paul
City of Saint Paul
Budget Cruncher
As balanced, your proposed budget reflects the following changes:
You have removed 27.1 police officers. In 2007, there were 602 police officers in the budget.
You have removed 0.8 Animal Control, Code Enforcement and Fire Inspectors.
As a result of your other budget decisions on direct services (Police, Fire, Parks, etc.), you've also indirectly changed the budget dollars for overhead costs (Mayor, City Council, City Attorney, Finance and Human Resources).
Revise Budget
You will not be able to view the budget graphs until the budget is balanced to within +/- $50,000.
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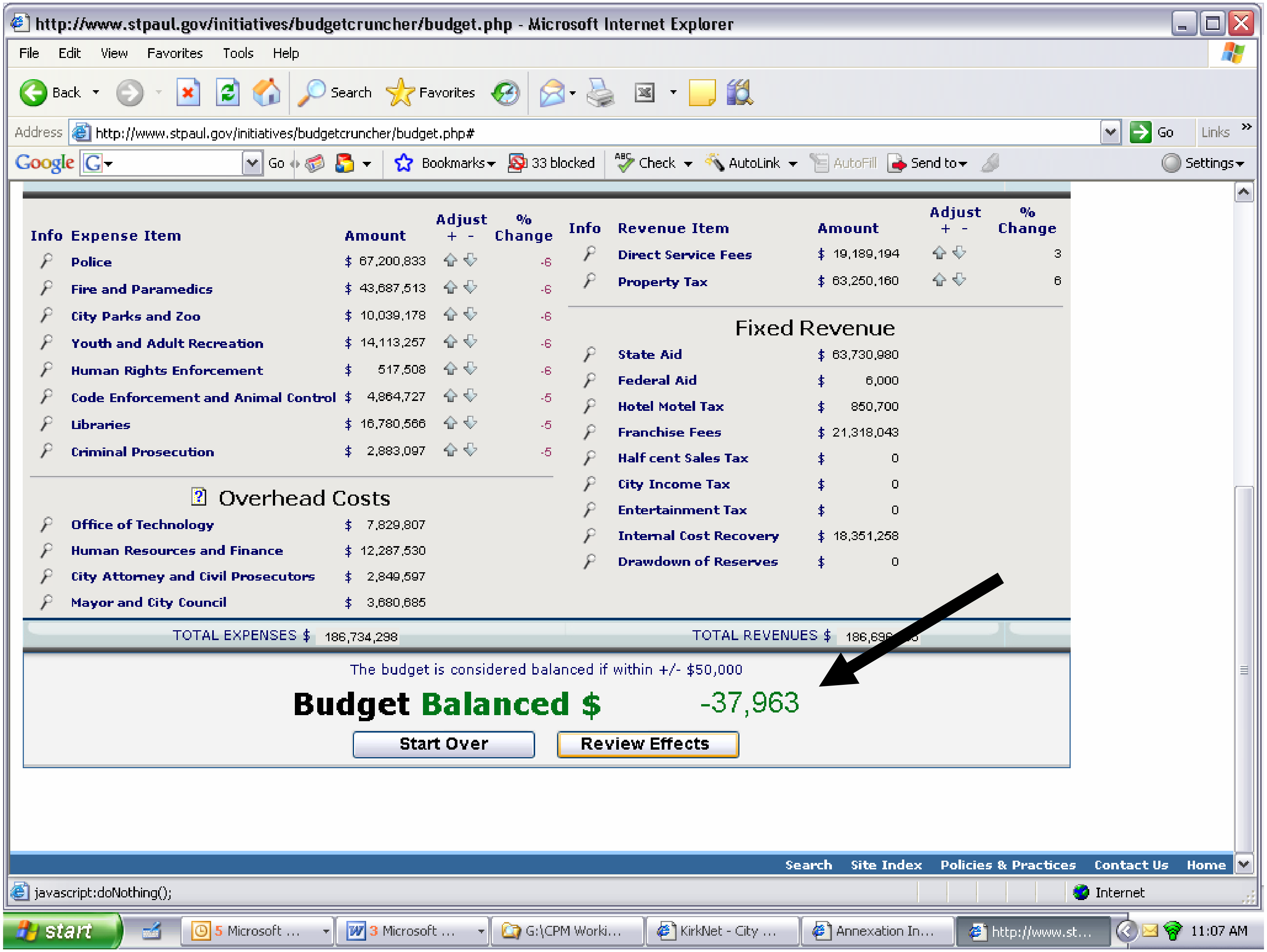

Info	Expense Item	Amount	Adjust + -	% Change
	Police	$ 67,200,833		-6
	Fire and Paramedics	$ 43,687,513		-6
	City Parks and Zoo	$ 10,039,178		-6
	Youth and Adult Recreation	$ 14,113,257		-6
	Human Rights Enforcement	$ 517,508		-6
	Code Enforcement and Animal Control	$ 4,864,727		-5
	Libraries	$ 16,780,566		-5
	Criminal Prosecution	$ 2,883,097		-5

Overhead Costs

Info	Expense Item	Amount
	Office of Technology	$ 7,829,807
	Human Resources and Finance	$ 12,287,530
	City Attorney and Civil Prosecutors	$ 2,849,597
	Mayor and City Council	$ 3,680,685

Info	Revenue Item	Amount	Adjust + -	% Change
	Direct Service Fees	$ 19,189,194		3
	Property Tax	$ 63,250,160		6

Fixed Revenue

Info	Revenue Item	Amount
	State Aid	$ 63,730,980
	Federal Aid	$ 6,000
	Hotel Motel Tax	$ 850,700
	Franchise Fees	$ 21,318,043
	Half cent Sales Tax	$ 0
	City Income Tax	$ 0
	Entertainment Tax	$ 0
	Internal Cost Recovery	$ 18,351,258
	Drawdown of Reserves	$ 0

TOTAL EXPENSES $ 186,734,298 TOTAL REVENUES $ 186,69[illegible]

The budget is considered balanced if within +/- $50,000

Budget Balanced $ -37,963

Start Over | Review Effects

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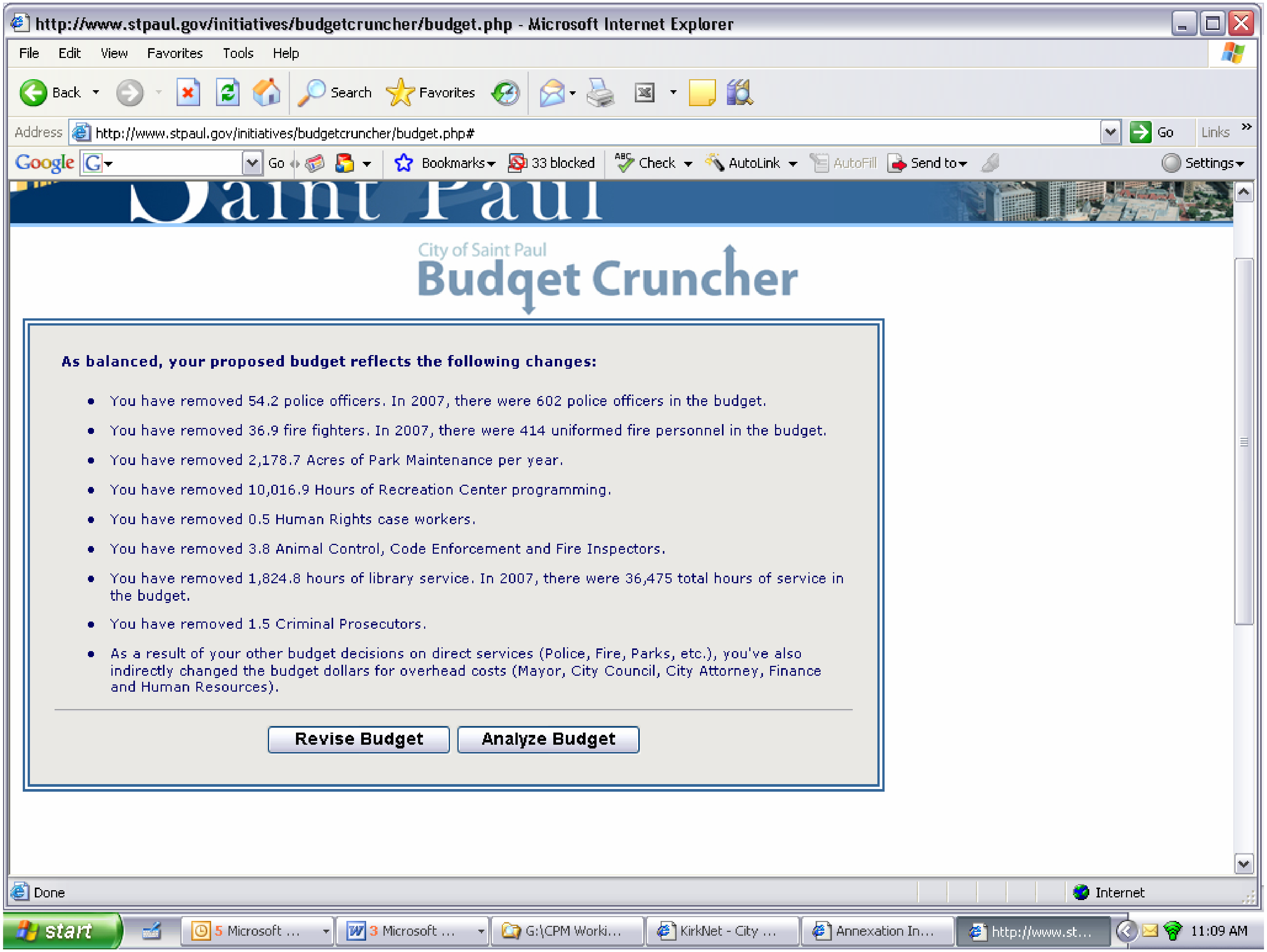
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Saint Paul
City of Saint Paul
Budget Cruncher
As balanced, your proposed budget reflects the following changes:
You have removed 54.2 police officers. In 2007, there were 602 police officers in the budget.
You have removed 36.9 fire fighters. In 2007, there were 414 uniformed fire personnel in the budget.
You have removed 2,178.7 Acres of Park Maintenance per year.
You have removed 10,016.9 Hours of Recreation Center programming.
You have removed 0.5 Human Rights case workers.
You have removed 3.8 Animal Control, Code Enforcement and Fire Inspectors.
You have removed 1,824.8 hours of library service. In 2007, there were 36,475 total hours of service in the budget.
You have removed 1.5 Criminal Prosecutors.
As a result of your other budget decisions on direct services (Police, Fire, Parks, etc.), you've also indirectly changed the budget dollars for overhead costs (Mayor, City Council, City Attorney, Finance and Human Resources).
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Analyze Budget
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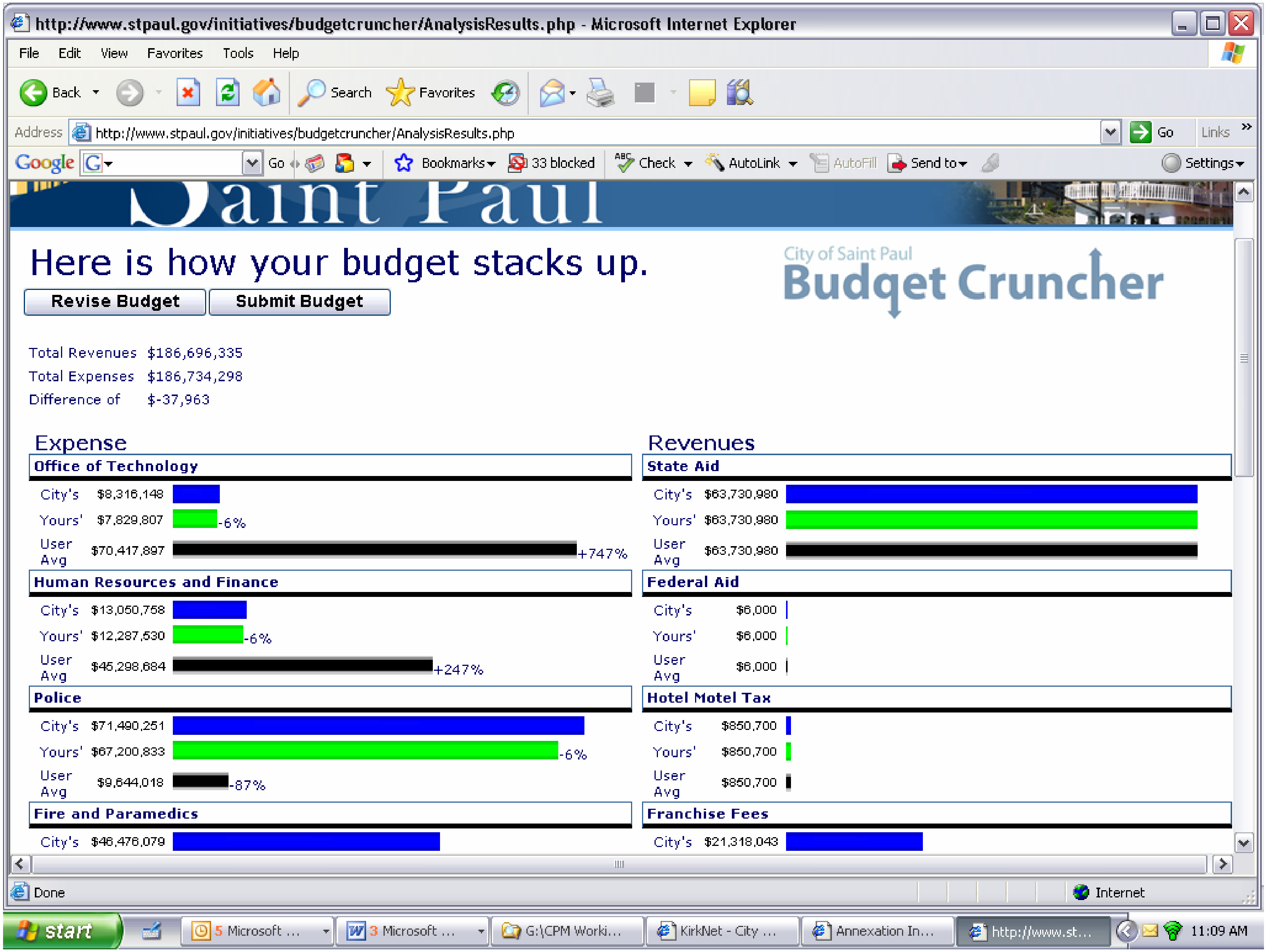
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Saint Paul
Here is how your budget stacks up.
Revise Budget
Submit Budget
City of Saint Paul
Budget Cruncher
Total Revenues $186,696,335
Total Expenses $186,734,298
Difference of $-37,963
Expense
Office of Technology
City's $8,316,148
Yours' $7,829,807 -6%
User Avg $70,417,897 +747%
Human Resources and Finance
City's $13,050,758
Yours' $12,287,530 -6%
User Avg $45,298,684 +247%
Police
City's $71,490,251
Yours' $67,200,833 -6%
User Avg $9,644,018 -87%
Fire and Paramedics
City's $46,476,079
Revenues
State Aid
City's $63,730,980
Yours' $63,730,980
User Avg $63,730,980
Federal Aid
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Yours' $6,000
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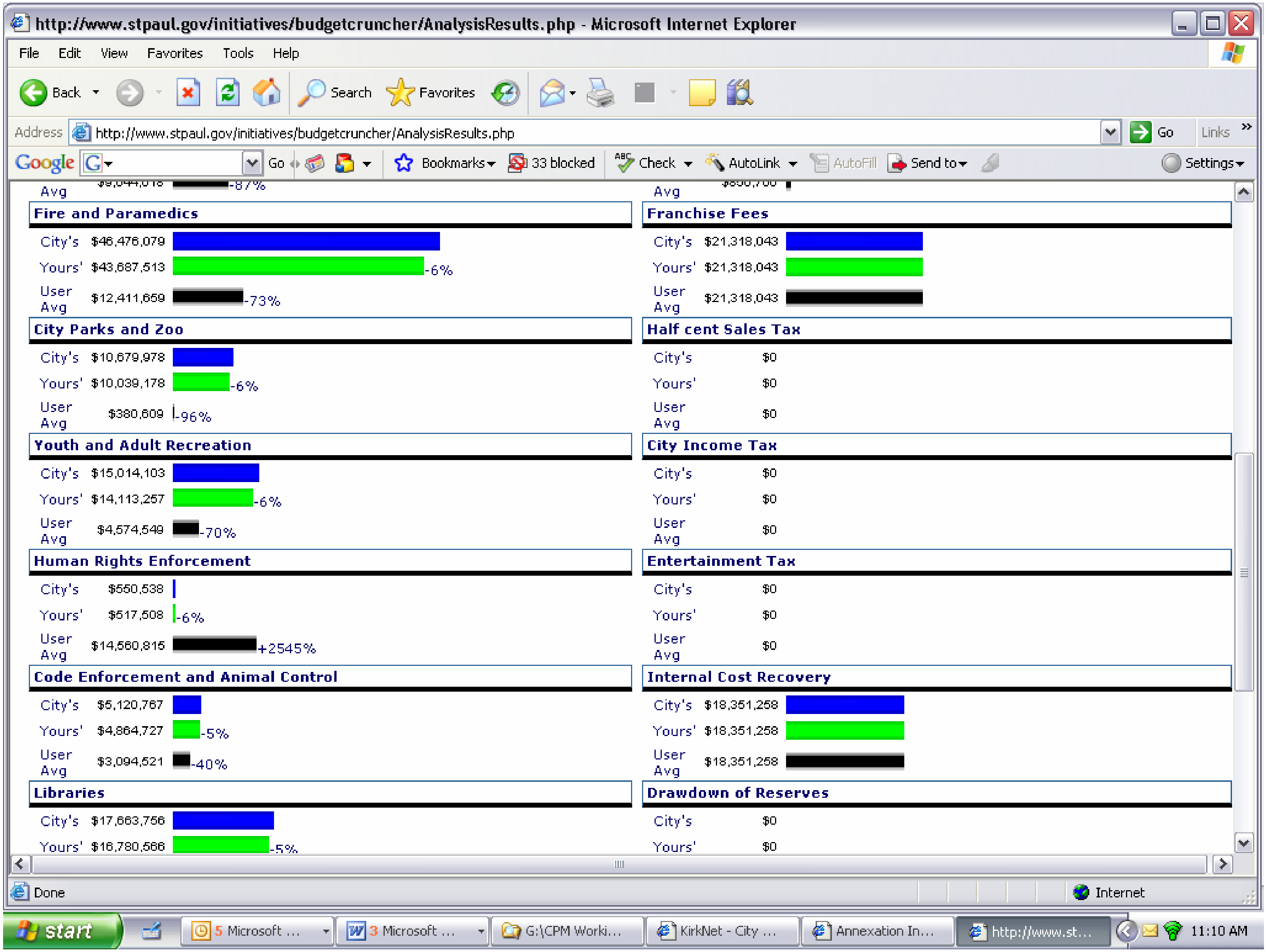
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Fire and Paramedics
City's $46,476,079
Yours' $43,687,513 -6%
User Avg $12,411,659 -73%
City Parks and Zoo
City's $10,679,978
Yours' $10,039,178 -6%
User Avg $380,609 -96%
Youth and Adult Recreation
City's $15,014,103
Yours' $14,113,257 -6%
User Avg $4,574,549 -70%
Human Rights Enforcement
City's $550,538
Yours' $517,508 -6%
User Avg $14,560,815 +2545%
Code Enforcement and Animal Control
City's $5,120,767
Yours' $4,864,727 -5%
User Avg $3,094,521 -40%
Libraries
City's $17,663,756
Yours' $16,780,566 -5%
Avg
Franchise Fees
City's $21,318,043
Yours' $21,318,043
User Avg $21,318,043
Half cent Sales Tax
City's $0
Yours' $0
User Avg $0
City Income Tax
City's $0
Yours' $0
User Avg $0
Entertainment Tax
City's $0
Yours' $0
User Avg $0
Internal Cost Recovery
City's $18,351,258
Yours' $18,351,258
User Avg $18,351,258
Drawdown of Reserves
City's $0
Yours' $0
Done
Internet
start
5 Microsoft ...
3 Microsoft ...
G:\CPM Worki...
KirkNet - City ...
Annexation In...
http://www.st...
11:10 AM

Bringing Rigor to cutback management: Eugene's constrained prioritization process.

by Petry, Jeff
Government Finance Review • Feb, 2004 •

A shrinking revenue base and increased demand for public services has made the need to prioritize government services critical the last few years. The federal budget has gone from a $127 billion surplus in fiscal 2001 to an estimated $480 billion deficit in fiscal 2004 because of the recession, ongoing military actions, and expansionary fiscal policy. (1)

While the federal government can run a deficit, state governments must maintain a balanced budget. Despite ongoing spending reductions and a host of revenue measures, the states' yearend balances decreased from a combined total of $38 billion in fiscal 2001 to an estimated $16 billion in fiscal 2004. (2) States employed several strategies to balance their budgets, including across-the-board cuts (28 states), use of rainy day funds (22 states), and employee layoffs (17 states).

The State of Oregon has been under extreme fiscal duress for the past several years. The technology bust of 2001 hit the timber turned high-tech state hard. There is no sales tax, so state coffers were not buffered by unrelenting consumer activity. A significant reliance on income tax revenue did not help matters in a state with one of the nation's highest unemployment rates. Further adding to fiscal instability is the lack of a rainy day fund to stabilize state services during economic downturns. The combination of these factors forced legislative action to reduce spending by $1.7 billion (15 percent) at the end of fiscal 2003.

Local governments nationwide must also juggle resources and expenditures. Many local governments are buffered from income tax issues, but rely on state aid and fees and charges for services. State budget problems have reduced aid to local governments and indirectly forced costs on municipalities as they absorb public safety and social service cuts. Further, municipalities find it difficult to raise fees and charges for services during difficult times.

Balancing a budget in this environment is a most difficult proposition–one that necessitates difficult resource allocation decisions concerning public services and programs. Formal priority-setting methods can make this process a little easier by introducing a degree of objectivity and rationality. This article describes a priority-setting framework used by the City of Eugene, Oregon, to balance its fiscal 2004 budget.

A HISTORY OF PRIORITIZATION

Eugene is a community of 140,000 located in the western part of central Oregon. The city's service system was prioritized twice in the 1990s in response to citizen-initiated changes in the state's tax structure. Oregonians are known for their civic involvement and willingness to challenge decisions made by the state's legislative body. The most visible vehicle for citizens to propose and enact statewide changes is through state ballot initiatives and referendums. As taxation is a prominent issue, several state ballot measures (BM) have changed local property tax calculations and significantly limited local government's ability to collect property tax revenue.

The first budget prioritization came about because of the passage of BM 5 (1990), which established constitutional limits on local property tax rates for all taxing districts and established state funding for education. (3) The property tax rate limits reduced the amount of revenue collected by local governments. The projected impact on Eugene was a 13 percent reduction in general fund revenue. In preparation for potential service reductions to respond to this loss of revenue, the city undertook a large citizen involvement budget building exercise called Eugene Decisions that spanned 18 months. The basic premise of the exercise was for citizens to build their own budget and submit it to the city. Eugene Decisions was a multi-layered process involving a budget balancing survey, two tax option surveys, and a set of community workshops.

The first part of the process asked citizens how to balance the city's budget. The survey walked citizens through the budget shortfall and asked them to specify needed service improvements, as well as the dollar amounts of service reductions and/or new revenue options. In the second step, citizens selected from the identified options to balance the fiscal year 1994 budget. The Eugene Decisions process produced three budget balancing strategy options, including the one the City Council ultimately used to balance the fiscal 1994 budget. This process also was the catalyst for developing a service view of the operating budget to supplement the traditional department view.

The second need to prioritize Eugene's service system came as a result of the passage of BM 47 (1996) and BM 50 (1997). BM 47 rolled back property taxes paid (not assessed value) to 90 percent of their 1995-1996 level, required a double majority to pass local tax levies, and capped existing assessed value growth at 3 percent per year. BM 50 (1997) repealed BM 47 and corrected a number of problems in its enactment, but worked to maintain the emphasis on property tax relief. BM 50 enacted permanent tax rates, reduced assessed values to 90 percent of their 1995-1996 level, allowed for time-limited local option levies, and maintained the double majority and 3 percent cap tenets of BM 47. The projected impact on Eugene's general fund was a 13 percent budget shortfall in the fiscal 1998 budget. The city again needed a method for developing sustainable budget reductions.

The first step in this process was to prioritize services. A new priority instrument was needed, as the Eugene Decision process was dated by then. The mayor and each member of the City Council were asked to rank 36 general fund services on two dimensions. In the first dimension, the elected officials rated each service on a four-point scale, with the low end of the scale representing community amenities and the high end community health and safety services. In the second dimension (also a four-point scale), the officials indicated whether each service should be maintained, subject to a moderate or major reduction, or eliminated. Next, five town hall meetings were held to educate the public on the impact of the ballot measures on the general fund budget and to obtain public input on the service rankings. Through this process, the city identified core services that should be preserved either at their current funding levels or with minor reductions. The other services received reductions based on their priority level.

A third and most recent need to prioritize city services stems from rising service costs and weak revenue growth that is expected to continue over the forecasted six-year horizon. As Eugene began developing the fiscal 2004 budget, the city was looking at a $3.8 billion general fund deficit. It was clear that reserves were inadequate to fill the budget gap and balance the service system for three years. Even after $1.8 million in service reductions, the service system was balanced for only two years. (4)

In light of the grim financial outlook and growing concerns about whether the last service priority rankings reflected the priorities of current policymakers, Eugene's Budget Office created a new survey instrument for policymakers to use in prioritizing general fund direct services. The new priority-setting process departed from past practices in that it did not include a citizen involvement component. Instead, it relied on survey responses from members of the city's Budget Committee. To streamline what was a difficult budget building process for policymakers, the Budget Committee was consulted at key decision-making points during the process, such as the formulation of reduction strategy options.

CONSTRAINED PRIORITIZATION

The Budget Office distributed the priority-setting survey to each member of the Budget Committee, which is comprised of eight members of the City Council and eight citizens. (5) The task of each of these officials was to categorize 27 general fund direct services into four groups. The highest priority services were to be assigned to Priority Level 1, the next most important services to Priority Level 2, and so on down the line to Priority Level 4. (6)

The survey package consisted of a service priority precis, the survey instrument itself, and instructions. The service priority precis included summary information on each general fund service, such as mission statement, goals, general fund versus non-general fund net reliance in terms of dollars and FTEs, and service level changes over the past two years. The survey instrument consisted of four sheets of paper, each bearing a watermark denoting one of the four priority levels, as well as a committee member's name. The 27 general fund services were printed on re-attachable labels that could be applied to the paper in designated spaces and pulled off and reapplied elsewhere. The committee members used these labels to assign each service to one of the priority levels. Only a specific number of services could be assigned to each priority level, thus creating a constrained prioritization process.

The survey instrument also ascertained from the committee members each service's target level of funding for fiscal 2004. In a space next to the label placement spot, respondents were asked to indicate whether the general fund budget for that service should be increased, maintained at the current level, or reduced by either a small amount or a large amount. Reducing any given service meant reducing that service's reliance on the general fund, which could be accomplished through fee increases, alternative funding sources, or service level reductions. Exhibit 1 illustrates the system used by members of the Budget Committee to prioritize general fund services and funding (the blue rectangles represent the labels referred to in the last paragraph).

The Budget Committee reviewed the results (shown in Exhibit 2) of the constrained prioritization activity at a public meeting. (7) To focus the discussion on the most controversial service rankings, each committee member was provided two green dots and two red dots. If, for example, one of the committee members felt that a particular service deserved a higher priority ranking, he or she would place a green dot next to that service on one of four poster board-sized priority levels. This action would then be offset by placing a red dot next to a second service, indicating that the service merited a lower priority ranking. The green and red dots were to be used as pairs to maintain the constrained prioritization process. Previously agreed upon rules required that a service receive at least five dots for discussion to occur. As no service received five dots, the Budget Committee passed a motion adopting the general fund service priority level rankings for direction in building the fiscal 2004 budget.

BUDGET BALANCING STRATEGIES

The next step in the budget building process was to obtain Budget Committee support for a service reduction method. The Budget Committee was presented with three options for balancing the fiscal 2004 budget (Exhibit 3). The first option, the city manager's proposal, was based on the funding targets from the survey. The survey results clearly indicated that funding for Priority Level 1 services, which represent approximately half of the general fund budget, should either be maintained at the 2003 level or increased. Under this option, the $1.8 million of needed spending reductions would be spread over the remaining three priority levels, with the percentage reduction progressively increasing for lower-priority services.

A second option was to spread the reduction target evenly across all service categories. Spreading the $1.8 million reduction across the entire general fund budget would have a lesser impact on 21 of the 26 services in the lower priority levels. While this strategy appeared to be an equitable way to balance the budget, it ran counter to the Budget Committee's preference for holding Priority Level 1 services harmless.

The third option presented to the Budget Committee was a hybrid of the first two. It proposed a small reduction across all service categories, then allotted an additional reduction based on the city manager's proposed strategy. Applying a small across-the-board reduction would lessen the impact of the target reductions in Priority Levels 2, 3, and 4, since Priority Level 1 services represent half of the general fund budget.

Indirect services, such as city administration, central business functions, and internal service funds, were not part of the prioritization process because they support all services. (8) Instead, reductions in indirect services were based on their share of the total budget. Since indirect services represent about 31 percent of the total budget, these services absorbed 31 percent of the $1.8 billion reduction target.

PRIORITIZING CAPITAL TRANSFER AND ONE-TIME REVENUES

The city manager's budget balancing strategy included a reduction in the transfer from the general fund to the capital projects fund. However, the Budget Committee wanted to prioritize the general fund capital transfer, thus treating the capital program just like general fund services. A simple survey was created to prioritize the two capital categories: preservation and maintenance and site improvement. The survey communicated the city manager's intent to reduce the transfer by 5 percent and asked committee members to circle an additional percentage reduction to apply to the fiscal 2004 transfer. The percentage options were the same reduction percentages applied to the general fund priority levels. In the end, the city reduced the general fund capital transfer by an additional 4.5 percent ($185,000), thereby classifying the transfer as a Priority Level 2 service.

The prioritization process and budget balancing strategies provided helpful direction for formulating the fiscal 2004 budget. Executive managers had some discretion in meeting their proposed targets; for example, they were not held to the exact targets for their services. If eliminating one position more than achieved the targeted reduction for a service, the savings could be used to offset a targeted reduction elsewhere in the same department. The reductions proposed by the departments in the city manager's budget corresponded closely to the priorities established by the Budget Committee in the constrained prioritization exercise.

For the fiscal year 2004 budget, the Budget Committee identified a little over $300,000 of one-time resources to reallocate. Half of these resources were used to restore funding to a few services and the other half was used to help reduce future deficits. The services that received temporary funding included social services (Priority Level 2), animal control (Priority Level 4), and aquatics (Priority Level 4).

CONCLUSION

The constrained prioritization process was relatively simple for the City of Eugene to implement because a service view of the budget was already in place. It was also inexpensive to create the survey materials, requiring only one staff person with access to word processing and data management programs. Still, the process is not a perfect one. Simply stated, the constrained prioritization process is a blunt instrument for ordering service priorities. It did not involve citizen input, group discussions, or follow-up questions on survey results. For Eugene, the process represented a departure from the large-scale citizen participation efforts of previous years.

In the end, however, the constrained prioritization process accomplished what it was meant to do: streamline a difficult budget year by focusing committee and staff resources. Priorities were set early in the budget process, the Budget Committee supported the city manager's proposed budget reduction strategy, the proposed budget reflected Budget Committee priorities, and resources were identified before restoring a few services. Even though the process was not without flaw, it worked for Eugene and provided a fresh framework for balancing the city's budget.

The constrained prioritization process is scalable to smaller and larger governments. Its minimalism and straightforward construction is ideal for smaller communities with limited staff resources. Larger government entities can also benefit. For example, the State of Washington utilized a similar concept, developed independently, during the past budget season to prioritize programs within state agencies to close a large budget shortfall. In Eugene, the constrained prioritization process created a structure for policymakers to make hard decisions during difficult fiscal conditions. I

Exhibit 2: General Fund Service Priority Levels Fiscal Year 2004 Budget

Priority Level I Services Call Taking/Dispatch Fire & Emergency Medical Services Police Records Police Services Transportation

Priority Level 2 Services Affordable Housing & Job Creation Library Metro & Community Planning Municipal Court Parks & Open Space Public Buildings & Facilities Social Services

Priority Level 3 Services Construction Permits Greater Downtown Services Land Use Permits Senior Program Specialized Recreation Youth & Family Recreation Services Zoning & Nuisance Administration

Priority Level 4 Services Animal Control Aquatics Athletics Community Arts & Services Hult Center/Cuthbert Amphitheater Neigborhood Services Urban Forestry Exhibit 1: Prioritization Worksheet First Most Important Set of Services Provided by the City of Eugene (Select 5) City Service Target Level of Funding of (Place service labels FY04 General Fund Bufget in this column) Circle one option for each service) Police Services Increase Maintain

Small Reduction Large Reduction Police Records Increase Maintain Mgmt & Analysis Small Reduction Large Reduction Fire & Emergency Increase Maintain Medical Services Small Reduction Large Reduction Public Buildings Increase Maintain & Facilities Small Reduction Large Reduction Transportation Increase Maintain

Small Reduction Large Reduction Exhibit 3: Budget Balancing Strategy Options Service Priority City Manager Across the Board Hybrid Level 1 0.0% 1.7% 0.3%; 0.0% Level 2 4.5% 1.7% 0.3%; 2.0% Level 3 10.5% 1.7% 0.3%; 6.0% Level 4 21.3% 1.7% 0.3%; 13.1% Capital Transfer 5.0% 1.7% 5.0% Indirect 31% of 1.7% 31% of

reduction reduction

target target

Notes:

(1.) Data is from the Congressional Budget Office, The Budget and Economic Outlook. An Update (August 2003) and The Budget and Economic Outlook: Fiscal Years 2004-2013 (January 29, 2003).

(2.) National Association of State Budget Officers and National Governors Association, Fiscal Survey of the States (December 2003).

(3.) BM 5 separated school district rates from other entities, as the state centralized school funding. Property taxes for schools were capped at $15 per $1,000 of real market value and gradually lowered to $5 per $1,000 of real market value. Property taxes for other purposes, such as municipal governments, were capped at $10 per $1,000 of real market value. The end result is a total cap of $15 per $1,000 of real market value.

(4.) The annual budget building process includes a six-year general forecast. The city's practice is to balance the general fund budget three years out.

(5.) Oregon law requires that an equal number of citizens and councilors meet in a public setting to discuss the city manager's proposed budget. The Budget Committee then sends the budget to the City Council for formal adoption. The mayor is only directly involved at the council level and is not a member of the Budget Committee.

(6.) The final number of prioritized services was reduced to 26, as the solid waste and recycling service category is cost neutral to the general fund.

(7.) Each of the four priority levels received a point value (Priority Level 1 = 1, Priority Level 2 = 2, Priority Level 3 = 3, Priority Level 4 = 4). For each survey, all of the services in each priority level received the point value of that priority level. An average value for each service was then calculated and ordered from lowest to highest. Fortunately, this produced four distinct categories. Qualitative zero-sum budgeting was a general survey result. That is, funding for Priority Level 1 services was to be maintained or increased, while funding for Priority Level 4 services was to be reduced.

(8.) Indirect services are composed of the department administration service categories (government, financial, human resources, and information services) and the internal service funds of facilities, fleet, and information systems.

JEFF PETRY is a senior budget analyst for the City of Eugene, Oregon. Previously, he worked as an economist for the Ohio General Assembly and for an economic consulting firm. He holds a bachelor's degree in economics and environmental studies from Oberlin College and a master's degree in economics from the University of Wyoming. For more information on Eugene's constrained prioritization process, including documents and other materials, visit the city's Web site at www.ci.eugene.or.us/ASD/Finance/Budget_com/Svc_Priorities/index.htm.

NOTE: All illustrations and photos have been removed from this article.

Attachment G

CITY OF SHORELINE

Memorandum

DATE: **October 12, 2007**

TO: **City Councilmembers**

FROM: **Debbie Tarry, Finance Director**

RE: **Long-Range Financial Planning**

CC: **Leadership Team**
Patti Rader, Finance Manager

During the April 2007 City Council retreat staff and Council discussed establishing a community advisory committee to develop recommendations to the City Council regarding the City's long-term financial strategy. As Council is aware, during the last twelve years of incorporation we have focused City resources towards improvements to the City's roads, parks, surface water, and pedestrian infrastructure. We have developed a level of City services that has resulted in 92% of our residents feeling safe in their neighborhoods during the day and 83% of residents responding to the City survey rating their overall quality of life in Shoreline as excellent or good. This has been done by allocating City resources in a very efficient and fiscally conservative manner. Until recently the City had not issued any debt to make improvements, but rather used locally generated revenues and grants. Operating services, such as public safety, parks, zoning, and many others were provided within existing resources and when those were not adequate the staff and City Council focused on service efficiencies and base budget reductions to balance its budget.

During this time period the City Council continued to focus on the City's long-term financial health and stability. In 2006 it became apparent that to continue to provide the services our community values that additional resources would be required in 2008 and beyond. In 2007 the City Council authorized an increase in the cable utility tax rate and authorized the City Manager to notify Seattle City Light (SCL) that we would phase in the SCL contract payment on the distribution portion of electric revenues during 2008 and 2009. Beyond that time period the City is projected to have on-going budget gaps, as revenues continue to grow at an overall slower pace than what is necessary to maintain even the current level of basic services.

The City Council has committed to developing a strategy to address the community's long-term service needs and a financial plan to meet those needs. The attached draft work plan recommends a process and schedule to develop the long-term plan.

Alternatives

The Council could decide how to address the long-term financial needs of the City without the involvement of a community advisory group, but this would not be in line with the City's strategic objective of effective citizen communication and engagement. Also it is likely that options for either increasing revenues through voter approval or decreasing critical services will need community understanding and support.

Another option could be to just "wait and see" if the projections change to the point that the budget gaps do not occur or that they are delayed. Although we will continue to monitor our long-term projections, it is unlikely, or probably even remote, that the projections will change significantly. Our revenue and expenditure trends are fairly consistent and for the most part not subject to large swings upward or downwards. By waiting the Council would only put off the decision making process and would most likely have to make decisions in crisis mode, rather than in the planning mode that has served the Council well for the last twelve years.

Financial Impact

Staff is working with NW Public Affairs, a firm that specializes in assisting cities with public processes, to determine the cost for our scope of services, but we estimate that the cost will not exceed $30,000 for their work. Additional costs may be incurred for community surveys depending on the recommendation developed by the Citizens Advisory Committee. There are funds in the 2007 budget to initiate this process and staff has included funds within the 2008 budget to cover the majority of the contract costs.

Recommendation

Staff recommends that the City Council review and discuss the attached work plan and schedule and provide further direction to staff.

COMMUNITY ADVISORY COMMITTEE PROCESS

Establish a Shoreline Community Advisory Committee to review and make recommendations to the City Council regarding the long-term strategy to provide City services and the funding of those services.

Problem Statement

The City Council and the community have identified a vision of the City that includes safe neighborhoods, active partnerships, diverse culture, quality businesses, natural resources, and responsive government. This can be accomplished if the City provides services that promote the following:

- Safe and attractive neighborhoods and business districts
- Quality services, facilities, and infrastructure
- Safe, healthy and sustainable environment
- Government excellence
- Economic vitality and financial stability
- Human services
- Effective citizen communication and engagement

The City's long-term financial forecasts indicate that by 2010 the City's current resources will not be adequate to continue to provide the services that are currently being provided to the Shoreline community.

Project Goal
The overall goal of the Community Advisory Committee (SCAC) will be to develop a recommendation to the City Council on the long-term strategy to provide community services and the funding mechanisms to provide those services.

Project Steps
1. *Establish the SCAC (October – November 2007)*: Staff recommends that the committee be limited to 24 to 28 members. The committee should include representatives from major stakeholder groups along with some positions that are at-large from the community and selected through an application process. Some of the major stakeholder groups should include the Senior Center, Museum, Art Council, Chamber of Commerce, Forward Shoreline, Shoreline Community College, Shoreline School District, City Commissions and Boards, other City advisory committees, Human Service Agencies, Neighborhood Councils, Special Districts and the business community.
2. *Service Level and City Financing Educational Phase (November 2007 – February 2008)*: The goal of this phase will be to provide information to the SCAC on current City services and finances and to identify unmet community

service levels. Staff will utilize existing information within the City budget, information gained from the Community prioritization exercise completed in 2004-2005, citizen survey results, and information gathered from the major stakeholders.

3. *Review and Analysis (March – May 2008)*: The goal of this phase will be to have the SCAC refine the list of City services and list of unmet service needs and look at financing options for those services. This may include identifying services that the SCAC recommends be maintained at current service levels, increased to meet unmet demand, reduced to shift funding to more critical services, or eliminated as the service is a lower priority and projected funding is not adequate. Staff will review proposed service level recommendations against long-range financial forecasts and identify which service levels can be funded through available City revenues. Staff can provide information to the SCAC on revenue sources available to provide services, analyze potential impacts of reduced service levels, or information on service delivery alternatives. The SCAC may explore additional efficiencies that could be achieved by the City in its service deliver. At this stage it may be necessary to complete additional community survey work to gather information from residents and businesses on any proposed service level or revenue changes.
4. *City Council Review (June-July 2008)*: At this stage the City Council receives the advice and research from the Advisory Committee. The goal is for the City Council to discuss and decide on which, if any, service levels to adjust and or revenue sources to submit to the voters in order to support the services identified by the committee. The Council would need to determine, based on recommendations from the Advisory Committee, of the timing of possible ballot measures. Several key factors in the decision matrix are:

   - Public opinion
   - Local and regional economy
   - Competing tax measures
   - Timing
   - Key constituencies and stakeholders
   - Active community support for campaign and fundraising
   - Adequate time for ballot campaign
   - Possible opposition
   - Strong City Council support

5. *Election Strategy and Campaigns (If Council chooses to pursue based on a recommendation from the SCAC)*: At this phase the election strategy and campaign is turned over to citizen volunteers. Under Public Disclosure Commission rules, City involvement is limited to drafting the ballot title and providing strictly factual information to the electorate. The ballot title, however, crucial in that most measures fail due to voter confusion. In general, at least four to five months lead-time is needed for a good citizen campaign. As with any election, a strong core of active volunteers is needed to raise funds and run the campaign.

Communication

Throughout the process the City Council will be briefed by staff and the Advisory Committee to ensure that the project is meeting the objectives of the City Council. A communications plan will also be developed to inform the public, neighborhood councils, citizen groups and stakeholders about the process and how to provide input.

Advisory Committee

It is recommended that the committee be limited to 24 to 28 members. The committee should include representatives from major stakeholder groups along with some positions that are at-large from the community and selected through an application process. Some of the major stakeholder groups should include the Senior Center, Museum, Art Council, Chamber of Commerce, Forward Shoreline, Shoreline Community College, Shoreline School District, City Commissions and Boards, other City advisory committees, Human Service Agencies, Neighborhood Councils, Special Districts and the business community.

Roles and Responsibilities

The City Manager will appoint the members of the SCAC with City Council confirmation. The City Council will set the charter and parameters for the SCAC, receive the final recommendations on possible service level changes and funding scenarios. The SCAC may also provide recommendations to the City Council on voted issues, timing, and amounts. The SCAC will receive input from staff, consultants, public survey results, and provide recommendations to the City Council. Staff will provide information to the SCAC, staff the SCAC, manage consultants and surveys, and ensure good communications to and from the public during this process.

Community Advisory Committee
Long-Range Financial Planning

The City welcomes your interest in the City's Long-Range Financial Planning Community Advisory Committee. The overall goal of the Community Advisory Committee will be to develop a recommendation to the City Council on the long-term strategy for the City to provide services to the Shoreline community and the funding mechanisms to provide those services.

The group will be appointed by the City Manager and confirmed by City Council. It is expected to consist of 24 to 28 members with a balance of community interests. The committee will meet January 2008 through July 2008 to develop an initial recommendation to the City Council.

The City Council and the community have identified a vision of the City that includes safe neighborhoods, active partnerships, diverse culture, quality businesses, natural resources, and responsive government. This can be accomplished if the City provides services that promote the following:

- **Safe and attractive neighborhoods and business districts**
- **Quality services, facilities, and infrastructure**
- **Safe, healthy and sustainable environment**
- **Government excellence**
- **Economic vitality and financial stability**
- **Human services**
- **Effective citizen communication and engagement**

The City's long-term financial forecasts indicate that by 2010 the City's current resources will not be adequate to continue to provide the services that are currently being provided to the Shoreline community.

This Advisory Committee will be asked to work with staff to identify service priorities and the funding of services for the long-term.

It is expected that there will be one or two meeting per month of the committee plus up to three at-large community meetings. It is important that if you apply to the Advisory Committee that you can commit to regular attendance at these meetings.

When filling out the attached application and supplemental questionnaire, please take the time to explain your interests in the services provided to the Shoreline community for the long-term and what you would bring to the committee.

The applications are due January 25 at 4pm in the City Clerk's Office.

If you have questions about the application process, please contact Debbie Tarry at dtarry@ci.shoreline.wa.us or call 546-0787.

Thank you!

COMMUNITY SERVICE APPLICATION

FOR MEMBERSHIP ON THE: **Community Advisory Committee - Long-Term Financial Planning**

(Please type or print)

A. Required Information

Name ____

Are you a Shoreline property owner?____

Are you a Shoreline resident?____

Length of residence or ownership of property: _________________________________

Are you a Shoreline business owner or manager or do you work for or represent a Shoreline business? ____

Business Address and Location in Shoreline: _________________________________

____

Type of Business and Size: ____

____

____

____

Length of business activity in Shoreline: ____________________________________

B. Supplemental Questionnaire:

1. List your educational background. ______________________________

2. Please state your occupational background, beginning with your current occupation and employer. ______________________________

3. Describe your involvement in the Shoreline community. ______________________________

4. Describe any special expertise you have which would be applicable to the position for which you are applying. ______________________________

5. Describe your experience serving on any public or private boards or commissions.

6. List the addresses of property you own in Shoreline and the type of property (single-family residential, multi-family residential, commercial land or buildings).

7. Are you affiliated with any other organizations which receive direct funding from the City of Shoreline (such as the Shoreline Museum, Shoreline-Lake Forest Park Arts Council, Human Services Organizations, etc.)?

8. Describe why you are interested in serving in this position.

9. Additional Comments

Appointment to this committee will require your consistent attendance at regularly scheduled meetings from January 2008 through July 2008. It is expected that there will be one or two meeting per month of the committee plus up to three at large community meetings.

Are you available for evening meetings? __________ Daytime meetings? __________

****

Please return this application by the deadline of January 25, 2008, to:

City of Shoreline, City Clerk
17544 Midvale Avenue North
Shoreline, WA 98133
(206) 546-8919

Disclosure Notice: *Please note that your responses to the above application questions may be disclosed to the public under Washington State Law. The Personal Information form (page 3), however, is not subject to public disclosure.*

Thank you for taking the time to fill out this application.
Volunteers play a vital role in the Shoreline government. We appreciate your interest.

PERSONAL INFORMATION

Name ____

Home Address ____

____________________________________Zip Code ________________

Home Telephone Number ___________________________

Work Address ____

____________________________________Zip Code________________

Work Telephone Number ___________________________

E-mail address____________________________________

I declare under penalty of perjury under the laws of the State of Washington that the information provided herein is true and correct.

____ ___________________
Signature **Date**

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: **Dorian Collins, Senior Planner**
Dawn Nelson, Planning Supervisor
Arthur Sullivan, ARCH Program Manager
Eric Shields, Planning Director

Date: **March 6, 2008**

Subject: **Council Retreat Discussion: Affordable Housing**
File ZON07-00037

RECOMMENDATION

Staff recommends that the City Council hear presentations and give staff direction on the questions identified in sections 1.G, 2 and 3 of this memorandum. The questions focus on the next steps for affordable housing regulations, public involvement in this process, priorities for housing preservation and housing goals for transit-oriented-development at the South Kirkland Park and Ride.

BACKGROUND DISCUSSION

The purpose of this memo is to provide a status report to the City Council on staff work on the top priority affordable housing strategies identified at last year's Council retreat discussion on this topic, and to receive input on the next steps as staff moves forward in the implementation of these strategies.

At the first meeting of the Council's committee on affordable housing, the group suggested that the materials for the Council's retreat discussion be preceded by a summary of the City's targets for affordable housing, as context for the discussion to follow on specific affordable housing approaches the Council may choose to consider. Kirkland's Housing Element (See Attachment 19) adopts the targets established in the Countywide Planning Policies for low and moderate income housing. These goals are summarized in the table below:

Affordable Housing Goals City of Kirkland										
	Annual Countywide Targets		1993-2005 Creation of Affordable Housing							
	Low Income: (<50% of Median Income: $38,950 for family of 4)	Mod Income (50-80% of Median Income: $38,950-$62,320 for family of 4)	Low Income				Moderate Income			
			Ann. Avg. .	Ann. Target	Total Units Created	Total Target	Ann. Avg.	Ann. Target	Total Units Created	Total Target
Kirkland	24%	17%	12	60	159	780	20	42	264	546

1. Affordable Housing Regulations

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 Attachment 1). 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 contained in these regulations apply only in zones that have an established maximum density, such as the RM and PR zones (see Attachment 2). 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. For a 10 unit project, one affordable unit would be required, and two additional market rate units would be allowed as a bonus, resulting in a 12 unit project. These incentives have not yet been used.

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 3 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.

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 and the Juanita Business District. 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.

C. New State Legislation for Affordable Housing

The State Legislature adopted Engrossed Substitute House Bill 2984 in 2006, creating RCW 36.70A.540 (see 4) 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.

- Zoning Changes
- Density bonuses
- Height and bulk bonuses

- Fee waivers or exemptions
- Parking reductions
- Expedited permitting
- Mixed use projects
- Other regulatory changes

While this statute removes some of the legal uncertainty that previously surrounded mandatory affordable housing regulations, Kirkland's City Attorney's office remains cautious about the extent to which Kirkland can adopt mandatory affordable housing regulations. Guidance from the City Attorney's office is provided in Section F on page 7 of this memorandum.

Subsection 3 of the recently-adopted 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 (see discussion in Section F).

The Housing Partnership paper "The Ins and Outs – A Policy Guide to Inclusionary and Bonus Housing Programs in Washington" is included as Attachment 5. It provides a good summary of the legal, economic and practical issues that surround inclusionary and incentive programs.

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.

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.

F. Washington Legal Framework

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).

The Washington Supreme Court invalidated a number of City of Seattle ordinances relating to housing preservation and affordable housing in the 1980s and the early 1990s. The Court relied on both statutory and constitutional grounds to do so. With respect to statutes, the Court ruled that Seattle's housing preservation ordinance violated RCW 82.02.020. *See R/L Associates, Inc. v. City of Seattle, 113 Wn.2d 402, 780 P.2d 838 (1989); San Telmo Associates v. City of Seattle, 108 Wn.2d 20, 735 P.2d 673 (1987).* RCW 82.02.020 provides that a municipality may not impose taxes, fees or charges on construction activity unless expressly authorized by statute. For example, transportation or park impact fees are authorized by statute, and are therefore permissible under RCW 82.02.020. On the other hand, there is not a similar provision for affordable housing under state law (except for RCW 36.70A.540).

From a constitutional standpoint, the Washington Supreme Court has found that aspects of the Seattle housing preservation ordinance violated an applicant's substantive due process rights and constituted a potential taking of private property. *See Robinson v. City of Seattle, 119 Wn.2d 34, 830 P.2d 318 (1992) (substantive due process violation established); Sintra v City of Seattle, 119 Wn.2d 1, 829 P.2d 765 (1992) (possible takings violation).*

Although the constitutional and statutory analysis in the Seattle cases is lengthy and complex, there is one theme that runs through all of the cases. It is the idea that housing preservation or affordable housing regulations are intended to serve broad social goals, the costs of which should be borne by society as a whole instead of being placed on individual property owners. Put another way, the courts have observed that there is typically not a nexus between a particular development and the overall need for affordable housing. For example, in the *San Telmo* case, the Court observed that:

> [T]he City may not constitutionally pass on the social costs of the development of the downtown Seattle area to current owners of low income housing. The problem

> must be shared by the entire city, and those who plan to develop their property from low income housing to other uses cannot be penalized by being required to provide more housing.

San Telmo, 108 Wash.2d at, 25. It should be noted that the Seattle cases addressed situations in which affordable housing was being converted to other uses, resulting in a reduction in the amount of available affordable housing. The Court's concern about who bears the cost of providing affordable housing would be even more applicable to a situation in which no affordable housing is lost as a result of a proposed development.

The Seattle cases impact the current legal framework in another important respect. As various aspects of Seattle's housing preservation ordinance were struck down in the 1980s, the City of Seattle continued to apply the ordinance to developers. The City, for example, claimed that the court rulings were erroneous or that the rulings were binding only on the parties to the particular lawsuit. The result was a second phase of lawsuits which alleged that City officials violated the civil rights of applicants by continuing to enforce ordinances that had been struck down by the Court. The Washington Supreme Court ruled that continued enforcement of the housing preservation ordinance by City of Seattle officials, in light of court decisions to the contrary, constituted contempt of court and a civil rights violation. *Robinson, 119 Wn.2d at 60-63.* Furthermore, the Court ruled that the City officials who continued to enforce the ordinance were individually liable and not protected by qualified immunity. *Robinson, 119 Wn.2d at 63-70.*

The Seattle cases are relevant to current consideration of affordable housing regulations because they present an unusually stark reminder of the limits of a city's authority to *require* a developer to provide (or pay a fee in lieu of providing) affordable housing. In the aftermath of the Seattle cases, most cities that have affordable housing regulations have used incentives instead of imposing requirements. Incentives are far less problematic than mandatory affordable housing requirements because a developer is given the option of developing to the base zoning without providing affordable housing or utilizing incentives and providing affordable housing. Nexus issues do not come into play because the developer retains the choice of whether to provide affordable housing.

The legislature provided welcome clarification in adopting RCW 36.70A.540. That statute provides that an affordable housing program that complies with its provisions will not violate RCW 82.02.020. In addition to authorizing incentive programs, RCW 36.70A.540(3) allows for mandatory affordable housing requirements in situations where residential density is increased in connection with a rezone. The City Attorney's Office is of the opinion that the City's current affordable housing regulations comply with the provisions of RCW 36.70A.540. Because of the troubled history of Seattle's housing preservation program, the City Attorney's Office recommends that any future affordable housing regulations adopted by the City comply with the provisions of RCW 36.70A.540.

Therefore, the City Attorney's Office advises against making the incentives already provided by the City in the Totem Lake and Rose Hill Business District zones mandatory, since the affordable housing incentives for these areas have already been provided. Similarly, the City Attorney's Office advises against converting the voluntary affordable housing incentives provided for in Chapter 112 of the Kirkland Zoning Code into mandatory requirements. Finally, the City Attorney's Office recommends that mandatory requirements for affordable housing only be established when they are associated with concurrent increases in density or building height, or any of the other elements specifically set forth in RCW 36.70A.540 (fee waivers or exemptions, parking reductions, expedited permitting, mixed use projects, or other regulatory changes).

G. Next Steps for Affordable Housing Regulations

Prior to moving forward with specific development regulations that include mandatory affordable housing elements, consultation with the City Attorney's office to confirm the City's legal position on each of the strategies will be necessary. The City may also choose to solicit input and assistance from other cities in Washington State where inclusionary programs are in place. Also the City could retain additional professional services (e.g. economic, legal, development) to assist the city in looking at all options and developing an approach that is acceptable within the legal and statutory framework.

If the Council concludes that it is interested in pursuing mandatory regulations, this could be accomplished by providing for increased building height where density limits are not in place, or in areas where density maximums exist, through allowing for increased residential density. RCW 36.70.540 also identifies other mechanisms that may be appropriate (fee waivers, parking reductions or other regulatory changes). Prior to recent conversations with the City Attorney's office, staff had explored various housing regulations that could be considered due to recent State legislation that included some mandatory affordable housing elements to be added to existing regulations. A list of these potential programs is included in Attachment 6. Questions for the Council are posed for each of the programs. ***Staff recommends that following additional conversations regarding the City's ability to move forward with some of these, staff could begin to work through these ideas and options with the Council's Affordable Housing Committee.***

Other programs that could be considered at this time include the expansion of existing incentives to include other zones, provisions for increased building height in zones that do not have a maximum residential density (such as the CBD and Juanita Business District), as well as possible rezones in multifamily areas to allow for greater density, accompanied by a mandatory requirement for some percentage of affordable housing to be provided.

Question: Should the incentives currently in place for multifamily zones be expanded to other zones where no incentives are currently available?

Identification of appropriate development capacity increases in commercial and office zones that allow housing but do not currently have affordable housing incentives. Attachment 7 is a summary of options available for many of these zones that staff developed in the fall of 2004 for discussion with the Planning Commission. Because intense development is already allowed in many of these zones, additional height may be the only feasible increase in development capacity that is available to offset affordable housing requirements to a similar degree as provided in the affordable housing incentives. This raises several questions:

Question: Is the City willing to allow an extra story of height in the CBD and other business districts? Existing height limits range from 2 to 5 stories depending on the subarea.

The chart in Attachment 7 identifies multifamily, office and commercial zones that allow residential development but do not currently have affordable housing incentives in place. It describes the basic development allowances in each zone and notes unique characteristics and opportunities to create affordable housing incentives. These zones do not have density limitations, so one of the primary ways to increase development capacity or provide incentives for development of affordable housing is by allowing more height, as noted above. In some instances, such as the CBD and NRHBD, height is limited by the number of stories allowed. In others, height is limited by the number of feet allowed above a fixed point. Heights are specifically identified in the neighborhood plan in almost all of these zones, meaning that Comprehensive Plan amendments would be required to revise the height allowances.

Where height is limited by the number of stories allowed, the following standard story heights are established in the Zoning Code:

- Ground floor retail – 13 feet minimum and 15 feet maximum;
- Office and retail above the ground floor – no minimum and 13 feet maximum;
- Residential – no minimum and 10 feet maximum.

All of the CBD zones allow office, retail and residential uses. Some of the zones restrict office and residential uses on the street level or ground floor of a building to ensure that there is a vibrant streetscape that provides visual interest for pedestrians. Limiting the number of stories in a development rather than the absolute height in feet, with standard story heights, creates an opportunity to increase the number of stories allowed for residential use without necessarily resulting in significantly taller buildings. This logic was used several years ago when the CBD 1A and CBD 1B subareas were amended to allow an extra story of residential development with specific design considerations.

- ***Staff recommends that this allowance be considered for the remaining CBD zones in order to provide incentive or additional capacity for affordable housing.***

- ***In zones that currently allow 3 stories of height, an additional story of residential development could be achieved in a mixed use building that is four feet taller than a retail or mixed retail and office building.***

- ***In zones that currently allow 4 stories of height, an additional story of residential development could be achieved in a mixed use building that is one foot taller than a retail or mixed retail and office building.***

Other zoning districts identified in the chart have height limits established for specific reasons, such as encouraging mixed use development or keeping business district development in scale with surrounding zones that allow less intensive development.

- In these areas, Staff recommends that one of the following two approaches be pursued:

- ***Increase height by approximately 10 feet to allow an extra story of residential development in exchange for affordable housing.***

- ***Where intensity of development is of particular concern, allow access to the development standards flexibility in Chapter 112, including:***

    - Increase in maximum lot coverage by 5%
    - Reduction in parking requirement to 1 stall per affordable unit
    - Increase in structure height by 6 feet, except within 100 feet of a low density zone
    - Encroachment up to 5 feet into required setbacks, resulting in no less than a 5 foot setback
    - Reduction in common recreational open space by 50 square feet per affordable unit.

Question: Is the City willing to rezone multifamily areas to allow for greater density, to enable mandatory affordable housing programs in these zones? For example the RM 3.6 zone could be changed to an RM 3.0 zone, (to allow one unit for every 3,000 square feet rather than 3,600 square feet – specific minimum area to be determined), with accompanying mandatory affordable housing requirements?

H. Public Involvement in Development of Mandatory Affordable Housing Program

If the City Council chooses to pursue mandatory affordable housing regulations, then it must be acknowledged that adoption of mandatory affordable housing requirements can be very controversial. Housing developers may be concerned with the imposition of additional requirements and citizens may be concerned with the idea that additional development will be allowed to accommodate affordable housing. Therefore, a critical question at the outset of the process is what level of public participation is desired? Should the City inform various groups about the changes, or should the process be more collaborative? Would a consultative process similar to the one used in creating the current affordable housing incentives, which included developer and neighborhood focus groups, be appropriate?

The International Association for Public Process has developed the IAP2 Spectrum of Public Participation included as Attachment 8. Staff would like the Council to discuss this spectrum and provide direction on the appropriate level of participation for this project.

Question: What approach to public participation on this topic does the Council support?

2. Preservation and Land Acquisition

A Background – Data Collection to Date

Preservation of Existing Affordable Rental Housing

Preservation of affordable housing in Kirkland was identified as a high priority strategy at last year's Council retreat. As a first step in identifying properties that may be good candidates for preservation, staff has compiled a database of all existing rental properties. The following information has been collected:

- 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.

A map included in Attachment 9 indicates where the properties are located within identified ranges of land to improvement ratios.

Ratio of actual units built to units allowed by current zoning. A second sort was done on the ratio of actual units built to the number that would be permitted under current zoning. 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 (see Attachment 10, map).

Two additional maps displaying the locations of multifamily developments in the City by age and size of project are included in Attachments 11 and 12.

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-profit 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. Attachment 13 displays the tax exempt parcels by ownership type.

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 the ultimate goal of creating or preserving housing, tasks can be broken down into three areas:

- Identifying potential priority sites or properties.
- Working with owners to secure properties.
- Creating financing strategy(ies) to purchase land and/or existing properties.

i. Identifying potential priority sites or properties

a) Evaluation of Data. The evaluation of the data collected indicates that using the data may not be as simple as picking one or two factors for identifying priority properties. Instead it may be more of an iterative process involving the following:

- Sorting and mapping by several factors. This would lead to developing lists of potential priority buildings or properties. The background section above described some initial sorting of data that has already been done. Based on the evaluation done to date, staff believes that some promising factors to sort by include:

  - Building age
  - Number of units (or size of project)
  - Ratio of actual to permitted number of units
  - Ratio of land to improvement value
  - Date of last sale
  - Residence of property owner

  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 of potential opportunities, and help to narrow down searches.

- Field testing priority lists. This would include visual inspections of properties to assess neighborhood, property and building conditions.
- Reassessing/modifying priority. Based on the results of field testing and potentially additional sorting of data, the priority lists could be refined.

Direction from the City Council would be helpful in the process of undertaking this work.

Question: Should the City prioritize certain types of housing? Examples could include:
- **Housing that serves homeless or other special needs populations**
- **Permanent housing with larger units for families**
- **No priority. Select best opportunity that arises.**

Factors to be considered in this discussion are the priorities of potential public funders, and the objective to not eliminate any potential opportunity that is available at a reasonable price. Furthermore, if the City prioritizes certain types of housing, then there are certain groups that are more logical partners.

Question: To what extent should the City coordinate its efforts with these potential housing partners? Options could include:
- **Seek one or two housing partners to coordinate local effort, or**
- **Coordinate with a larger number of housing partners, or**
- **Choose not to have explicit coordination with housing partners, but to inform housing groups of the City's efforts.**

While it may be advantageous to pursue all efforts simultaneously, the City should also be aware that there are limited financing resources available for affordable housing and presumably, any properties identified by a City would to some extent be an immediate priority for ARCH and potentially other funders. Another consideration that might argue for less coordination is that by working with certain groups, the opportunities may be narrowed to those most consistent with their missions. At a minimum, it would be advisable that the City let other potential community partners be aware of the City's efforts and to invite those partners to provide some level of input to the City as it moves forward.

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

A primary constraint to this strategy is that it requires the cooperation of private property owners or another public agency 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 and developing a working relationship with property owners.

Staff recommends that the Council Affordable Housing Committee convene a meeting to discuss strategies for approaching owners once properties are identified. This meeting should include persons from the private sector (realtors and owners) as well as church and other public land owners and potential housing partners. It may be appropriate to divide this into two separate meetings: one for existing rental property and one for land opportunities. The discussion should specifically discuss the best ways to approach owners, such as who should contact the owners (City, housing partner, realtor), whether a realtor should be hired to assist with contacting owners, etc.).

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 for 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 unlikely to be sufficient, and therefore will still need local and/or private dollars as part of a financing package to secure a property. ARCH has on several occasions in the past, made early commitments to projects prior to other funds being available. The point is that there is increasing discussion around this topic, and therefore there may be other resources that could partially help if needed. The recommended first step is to invite experts with experience with acquiring existing properties (e.g. housing authority, not for profit groups, public and private lenders) to meet with City officials to discuss potential strategies to finance local properties. This would include getting a better understanding what financing tools already exist and exploring how those tools may need to be augmented to deal with market conditions in Kirkland. Based on the outcome of these discussions, the City may want to explore facilitating development of additional financing tools to secure local properties.

Staff recommends that the Council Affordable Housing Committee work to develop financing strategies. This should include a series of meetings with various parties (other public funders including the Housing Finance Commission, housing providers and private lenders) to develop a financing strategy for securing properties. This will also require thinking through how the City will identify a housing provider for specific properties.

3. South Kirkland Park and Ride

At the City Council meeting on February 19, staff from Kirkland and King County provided a brief presentation to the Council on the concept for transit-oriented-development at the South Kirkland Park & Ride. The development of a considerable level of affordable housing at the site could be incorporated into the expansion of the site planned due to grant funding available for this expansion and other transportation improvements (see Attachments 14 and 15).

The 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 amendments. Both cities would need to work cooperatively to make this a feasible affordable housing/transit oriented development project. Preliminary concepts for development of the site include between 1,000 and 1,500 parking stalls, a transit facility, up to 500 housing units and a small amount of retail development, likely oriented to the users of the Park & Ride and residents of the site.

Staff from Kirkland, Bellevue and King County Metro have been meeting to explore the potential for this type of project. As discussed with the City Council, it is on Kirkland's Planning Work Program and staff is poised to move forward. King County has submitted an application for a Comprehensive Plan Amendment to the City of Bellevue, which will likely be evaluated for a threshold determination by the Bellevue City Council in March or April. If the City of Bellevue chooses to move forward with study of the amendment, one of the first steps would be to develop some "principles of agreement" for all parties involved (Bellevue, Kirkland, King County and ARCH).

Based on direction provided by the Council at the February meeting, staff will initially work with the Affordable Housing Committee to develop Kirkland's objectives for the TOD project. Guidance from the committee will also be critical in developing an approach for involving the Houghton Community Council throughout these discussions.

At the retreat, however, direction from the general Council would be helpful for both the Affordable Housing Committee and staff on the following question:

Questions: **What percentage of the housing units at the TOD, if it is to be developed, should be affordable? What level of affordability should be required?**

As the City proceeds with discussions with Bellevue and King County regarding objectives for development at the Park and Ride, it would be helpful to have a sense of the general parameters the City would like to see in terms of the share of affordable housing to be included in a mixed use development, and the optimal target population the housing would serve. The Council may wish to discuss the factors that may influence these parameters, such as the requirement for a greater share of affordability as building heights and densities increase.

The City could consider following some of the following approaches in establishing general principles or expectations for affordable housing at the site:

- Application of existing countywide goals for affordable housing (as shown in the table on page 2 of this memorandum):
    - 24% to be affordable to low income households (up to 50% or median income) and
    - 17% to be affordable to moderate income households (between 50% and 80% of median income) or
- Application of eligibility requirements consistent with those provided under the City's property tax exemption provisions for 12 year exemption (KMC, Section 5.88):
    - 20% affordable to households whose income does not exceed 80% of median income (rental units) or
    - 10% affordable to households whose income does not exceed 70% of median income, <u>and</u> 10% affordable to households at 100% of median income (ownership units)
- Application of similar affordable housing requirements to those required in other TOD projects in the region. Attachment 16 provides some comparative information, and more complete information as well as additional examples should be available at the retreat. Attachment 17 contains more detailed information about the projects from the King County website.

<u>City Council Affordable Housing Committee</u>

The City Council's newly formed committee on affordable housing issues met for the first time on February 27th. From this point forward, the committee will meet on the first Tuesday of each month. While the group has just begun to consider the affordable issues facing the city, they have discussed a value shared among the committee members and possibly by the greater Council, which is that *"everyone who works here should be able to live here"*.

The Affordable Housing Committee will hold a special meeting on March 24th. At that time, the committee may develop recommendations for the Council to consider on the issues addressed in this memo at the Council retreat.

Attachments

1. Zoning Code, Chapter 112 Regulations
2. Map: Affordable Housing Incentives in Multifamily, Office and Commercial Zones
3. Affordable Housing in TL and RH Zones
4. RCW 36.70A.540
5. "The Ins and Outs – A Policy Guide to Inclusionary and Bonus Housing Programs in Washington" prepared by The Housing Partnership
6. List of Potential Mandatory Affordable Housing Programs for Kirkland
7. Mixed Use Subarea Comparison
8. International Association for Public Participation, Spectrum of Public Participation
9. Map: Land to Improvement Ratio
10. Map: Actual Units to Permitted Units
11. Map: Multifamily Projects by Year Built (Age)
12. Map: Multifamily Projects by Size
13. Map: Tax Exempt Parcels by Ownership Type
14. Letter from King County: South Kirkland Park & Ride
15. Aerial Map of South Kirkland Park & Ride Property
16. Transit-Oriented-Development in King County – Summary Chart
17. TOD Summaries from King County website
18. Background Reading on Inclusionary Zoning
19. Housing Element – Kirkland Comprehensive Plan

The following attachments to the memorandum on Affordable Housing are not available electronically, but may be reviewed with the entire packet of materials on this topic at City Hall or the Kirkland Public Library:

Attachment 2:	Map: Affordable Housing Incentives in Multifamily, Office and Commercial Zones
Attachment 5:	"The Ins and Outs – a Policy Guide to Inclusionary and Bonus Housing Programs in Washington" prepared by The Housing Partnership
Attachment 7:	Mixed Use Subarea Comparison
Attachment 8:	International Association for Public Participation, Spectrum of Public Participation
Attachment 9:	Map: Land to Improvement Ratio
Attachment 10:	Map: Actual Units to Permitted Units
Attachment 11:	Map: Multifamily Projects by Year Built (Age)
Attachment 12:	Map: Multifamily Projects by Size
Attachment 13:	Map: Tax Exempt Parcels by Ownership Type
Attachment 17:	TOD Summaries from King County Website
Attachment 18:	Background Reading on Inclusionary Zoning

Chapter 112 – AFFORDABLE HOUSING INCENTIVES – MULTIFAMILY

Sections:

112.05 User Guide

This chapter offers dimensional standard flexibility and density and economic incentives to encourage construction of affordable housing units in commercial zones, high density residential zones, medium density zones and office zones.

If you are interested in proposing affordable housing units in commercial zones, high density residential zones, medium density zones or office zones, or you wish to participate in the City's decision on a project including affordable housing units, you should read this chapter.

112.10 Voluntary Provisions

The provisions of this chapter are available, at the sole discretion of the property owner as incentives to encourage the construction of multifamily affordable housing units. There is a limited stock of land within the City zoned and available for residential development and there is a demonstrated need in the City for housing which is affordable to persons of low and moderate income. Therefore, this chapter provides development incentives in exchange for the public benefit of providing affordable housing units in commercial zones, high density residential zones, medium density zones and office zones.

112.15 Applicable Use Zones

The affordable housing incentives described in this chapter may be used in commercial, high density residential, medium density and office zones that allow dwelling units.

112.20 Defined Affordable Housing Incentives

1. Approval Process – The City will process an application for the affordable housing incentives identified in this section through the same required review process as if no affordable housing units were provided.

2. Density Bonus

a. Bonus Units. In use zones where the number of dwelling units allowed on the subject property is determined by dividing the lot size by the required minimum lot area per unit, two additional units (‘bonus units’) may be constructed for each affordable housing unit provided. (See Plate 32 for example of bonus unit calculations.)

b. Bonus FAR. In use zones where the density allowed on the subject property is expressed as a maximum floor area ratio (FAR), two additional square feet of floor area (’bonus FAR’) may be constructed for each square foot of floor area constructed in affordable housing units. (See Plate 32 for example of bonus FAR calculations.)

c. Alternative Calculation of Density Bonus. Except in those zones that have an established affordable housing requirement, an applicant may propose alternative affordability levels for the affordable housing units. The ratio of bonus units or bonus floor area per affordable housing unit for alternative affordability levels will be as follows:

Affordability Level	Density Bonus to Affordable Ratio
Renter Occupied Housing	
60% of median income	1.33 to 1
70% of median income	1 to 1
Owner Occupied Housing	
80% of median income	1.6 to 1
60% of median income	2.67 to 1

Depending on the level of affordability provided, the affordable housing units may not be eligible for the impact fee waivers described in subsections (4)(a) and (4)(b) of this section.

d. Maximum Bonuses. The maximum number of bonus units or amount of bonus FAR achieved through a defined affordable housing incentive shall be 25 percent of the number of units or floor area allowed based on the underlying zone of the subject property.

e. Density Bonus for Assisted Living Facilities. The affordable housing density bonus may be used for assisted living facilities to the extent that the bonus for affordable housing may not exceed 25 percent of the base density of the underlying zone of the subject property.

3. Dimensional Standards Modification – The following requirements of the Kirkland Zoning Code may be modified through the procedures outlined in this subsection, to the extent necessary to accommodate the bonus units on-site. These modifications may not be used to accommodate the units resulting from the base density or FAR calculation.

a. Maximum Lot Coverage. The maximum lot coverage may be increased by up to five percentage points over the maximum lot coverage permitted by the underlying use zone. Maximum lot coverage may not be modified through this provision on properties with streams, wetlands, minor lakes or their buffers.

b. Parking Requirement. The required parking may be reduced to 1.0 space per affordable housing unit. No additional guest parking is required for affordable housing units. If parking is reduced through this provision, the owner of the affordable housing unit shall sign a covenant, in a form acceptable to the City Attorney, restricting the occupants of each affordable housing unit to a maximum of one automobile.

c. Structure Height. Maximum height for structures containing affordable housing units may be increased by up to six feet for those portions of the structure(s) that are at least 20 feet from all property lines. Maximum structure height may not be modified through this provision for any portion of a structure that is adjoining a low density zone.

d. Required Yards. Structures containing affordable housing units may encroach up to five feet into any required yard except that in no case shall a remaining required yard be less than five feet.

e. Common Recreational Space. Common recreational open space per unit, when required, may be reduced by 50 square feet per affordable housing unit.

4. Permit Fee Calculation

a. Applicants proposing affordable housing units may request an exemption from payment of road impact fees for the affordable housing units as established by KMC 27.04.050.

b. Applicants proposing affordable housing units may request an exemption from payment of park impact fees for the affordable housing units as established by KMC 27.06.050.

c. Applicants proposing affordable housing units are eligible for exemption from various planning, building, plumbing, mechanical and electrical permit fees and sewer capital facility charges for the bonus units as established in KMC 5.74.070 and 15.12.063 and KMC Title 21.

5. Property Tax Exemption – A property providing affordable housing units may be eligible for a property tax exemption as established in Chapter 5.88 KMC.

112.25 Additional Affordable Housing Incentives (Non-Defined)

1. Approval Process for Additional Affordable Housing Incentives (Non-Defined) – An applicant may request that the City grant affordable housing incentives in addition to or in place of the defined affordable housing incentives allowed in KZC 112.20 due to specific site conditions. Such a request shall be reviewed and decided upon using Process IIA, described in Chapter 150 KZC. If the development, use, or activity requires approval through Process IIB or Process III, the entire proposal will be decided upon using that other process.

2. Density Bonus – An applicant may propose more than two bonus units or two additional square feet of floor area for every affordable housing unit or square foot of affordable housing unit, as applicable. However, in no event may a project receive a bonus that would result in a total number of units or floor area that

exceeds 50 percent of the number of units or floor area allowed based on the underlying zone of the subject property.

3. Dimensional Standards Modification – An applicant may request further modification from the dimensional standards listed in KZC 112.20(3). Approval of any further modification of the dimensional standards will be based on the applicant's demonstration that the subject property cannot reasonably achieve the permitted density, including the bonus units.

4. Criteria for Approving Additional Affordable Housing Incentives (Non-defined) – The City may approve one or more of the additional affordable housing incentives listed in KZC 112.25(2) or 112.25(3), in addition to or in place of the defined affordable housing incentives, if one or more of the following requirements are met:

   a. The additional incentive is necessary to provide sufficient economic incentive to the applicant to offset the cost of providing the affordable housing units.

   b. The additional incentive is necessary to reasonably achieve the permitted density, including the bonus units.

   c. The additional incentive is necessary to achieve a greater number of affordable housing units than the defined affordable housing incentives would prescribe or a greater level of affordability than is defined by the term affordable housing unit.

   In making its decision on additional incentives, the City will consider the value of any property tax exemptions available to the project from the City as established in Chapter 5.88 KMC, as well as other fee waivers or reductions as established in the Kirkland Municipal Code.

112.30 Alternative Compliance

1. Approval Process for Alternative Compliance – As an alternative to providing some or all of the affordable housing units on the subject property, the Planning Director may approve a request for alternative compliance. Alternative compliance may include providing affordable housing units at another location within the City of Kirkland or such other means proposed by the applicant and approved at the discretion of the Planning Director, consistent with the following criteria for alternative compliance.

2. Criteria for Alternative Compliance – The City may approve a request for alternative compliance if both of the following requirements are met:

   a. The applicant demonstrates that the proposed alternative compliance method achieves an affordable housing benefit to the City equal to or better than providing the affordable housing units on-site.

b. The affordable housing units provided through the alternative compliance will be based on providing the same type of ownership of units as would have been provided on-site.

3. Requirements for Off-Site Alternative Compliance – Off-site affordable housing units are subject to the following requirements:

a. The off-site location chosen for the affordable housing units shall not lead to an undue concentration of affordable housing either at the off-site location or in any particular area of the City.

b. Any building permits required for off-site affordable housing units shall be submitted prior to submittal of building permits for the subject property. Certificates of occupancy for off-site affordable housing units shall be issued prior to issuance of the final certificate of occupancy for the subject property.

112.35 Affordability Provisions

1. Approval of Affordable Housing Units – Prior to the issuance of any permit(s), the City shall review and approve the location and unit mix of the affordable housing units consistent with the following standards:

a. The affordable housing units shall be intermingled with all other dwelling units in the development.

b. The type of ownership of the affordable housing units shall be the same as the type of ownership for the rest of the housing units in the development.

c. The affordable housing units shall consist of a range of number of bedrooms that are comparable to units in the overall development.

d. The size of the affordable housing units, if smaller than the other units with the same number of bedrooms in the development, must be approved by the Planning Director. In no case shall the affordable housing units be more than 10 percent smaller than the comparable dwelling units in the development, based on number of bedrooms, or less than 600 square feet for a one bedroom unit, 800 square feet for a two bedroom unit, or 1,000 square feet for a three bedroom unit, whichever is less.

e. The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the dwelling units in the development.

f. The exterior design of the affordable housing units must be compatible and comparable with the rest of the dwelling units in the development.

g. The interior finish and quality of construction of the affordable housing units shall at a minimum be comparable to entry level rental or ownership housing in the City of Kirkland.

2. Affordability Agreement – Prior to issuing a certificate of occupancy, an agreement in a form acceptable to the City Attorney that addresses price restrictions, homebuyer or tenant qualifications, long-term affordability, and any other

applicable topics of the affordable housing units shall be recorded with King County Department of Records and Elections. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant.

Affordable housing units that are provided under this section shall remain as affordable housing for a minimum of 30 years from the date of initial owner occupancy for ownership affordable housing units and for the life of the project for rental affordable housing units.

112.40 Regulatory Review and Evaluation

At least every two years, the Planning Department shall submit a report that tracks the use of these regulations to the Houghton Community Council, Planning Commission and City Council.

Existing Affordable Housing Incentives[1]

I. Totem Lake and Rose Hill Business District Zones

Zone	Zone Type	Base Height Limit[2]	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

II. RM Zones

Zone	Bonus	Incentive
Defined Applicable Zones with Density Limit[3]	Additional Units	Two additional market-rate units are allowed for each affordable housing unit provided.
Defined Applicable Zones with FAR Limit[4]	Bonus FAR	Two additional square feet of floor area are allowed for each square foot of floor area constructed in affordable housing units.
Additional flexibility is provided for development incorporating affordable housing. Modifications to dimensional standards such as maximum lot coverage, parking requirements and structure height are available to the extent necessary to accommodate the bonus units on site.		

[1] *A property providing affordable housing units in any area of the city may be eligible for a property tax exemption (KMC 5.88).*

[2] *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.*

[3] *Applicable zones include all medium and high density residential zones, as well as office and commercial zones that allow dwelling units.*

[4] *Applicable zones include all medium and high density residential zones, as well as office and commercial zones that allow dwelling units.*

RCW 36.70A.540
Affordable housing incentive programs — Low-income housing units.

(1)(a) Any city or county planning under RCW 36.70A.040 may enact or expand affordable housing incentive programs providing for the development of low-income housing units through development regulations. An affordable housing incentive program may include, but is not limited to:

(i) Density bonuses within the urban growth area;

(ii) Height and bulk bonuses;

(iii) Fee waivers or exemptions;

(iv) Parking reductions;

(v) Expedited permitting, conditioned on provision of low-income housing units; or

(vi) Mixed use projects.

(b) The city or county may enact or expand such programs whether or not the programs may impose a tax, fee, or charge on the development or construction of property.

(c) If a developer chooses not to participate in an optional affordable housing incentive program adopted and authorized under this section, a city, county, or town may not condition, deny, or delay the issuance of a permit or development approval that is consistent with zoning and development standards on the subject property absent incentive provisions of this program.

(2) Affordable housing incentive programs enacted or expanded under this section shall comply with the following:

(a) The incentives or bonuses shall provide for the construction of low-income housing units;

(b) Jurisdictions shall establish standards for low-income renter or owner occupancy housing, including income guidelines consistent with local housing needs, to assist low-income households that cannot afford market-rate housing. Low-income households are defined for renter and owner occupancy program purposes as follows:

(i) Rental housing units to be developed shall be affordable to and occupied by households with an income of fifty percent or less of the county median family income, adjusted for family size; and

(ii) Owner occupancy housing units shall be affordable to and occupied by households with an income of eighty percent or less of the county median family income, adjusted for family size. The legislative authority of a jurisdiction, after holding a public hearing, may establish lower income levels. The legislative authority of a jurisdiction, after holding a public hearing, may also establish higher income levels for rental housing or for owner occupancy housing upon finding that higher income levels are needed to address local housing market conditions. The higher income level for rental housing may not exceed eighty percent of the county area median family income. The higher income level for owner occupancy housing may not exceed one hundred percent of the county area median family income. These established higher income levels must be considered "low-income" for the purposes of this section;

(c) The jurisdiction shall establish a maximum rent level or sales price for each low-income housing unit developed under the terms of a program and may adjust these levels or prices based on the average size of the household expected to occupy the unit. For renter-occupied housing units, the total housing costs, including basic utilities as determined by the jurisdiction, may not exceed thirty percent of the income limit for the low-income housing unit;

(d) Low-income housing units shall be provided in a range of sizes comparable to those units that are available to other residents. To the extent practicable, the number of bedrooms in low-income units must be in the same proportion as the number of bedrooms in units within the entire building. The low-income units shall generally be distributed throughout the building, except that units may be provided in an adjacent building. The low-income units shall have substantially the same functionality as the other units in the building or buildings;

(e) Low-income housing units developed under an affordable housing incentive program shall be committed to continuing affordability for at least fifty years. A local government, however, may accept payments in lieu of continuing affordability. The program shall include measures to enforce continuing affordability and income standards applicable to low-income units constructed under this section that may include, but are not limited to, covenants, options, or other agreements to be executed and recorded by owners and developers;

(f) Programs authorized under subsection (1) of this section may apply to part or all of a jurisdiction and different standards may be applied to different areas within a jurisdiction. Programs authorized under this section may be modified to meet local needs and may include provisions not expressly provided in this section or RCW 82.02.020; and

(g) Low-income housing units developed under an affordable housing incentive program are encouraged to be provided within market-rate housing developments for which a bonus or incentive is provided. However, programs may allow units to be provided in an adjacent building and may allow payments of money or property in lieu of low-income housing units if the payment equals the approximate cost of developing the same number and quality of housing units that would otherwise be developed. Any city or county shall use these funds or property to support the development of low-income housing, including support provided through loans or grants to public or private owners or developers of housing.

(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.

[2006 c 149 § 2.]

Notes:

Findings -- 2006 c 149: "The legislature finds that as new market-rate housing developments are constructed and housing costs rise, there is a significant and growing number of low-income households that cannot afford market-rate housing in Washington state. The legislature finds that assistance to low-income households that cannot afford market-rate housing requires a broad variety of tools to address this serious, statewide problem. The legislature further finds that absent any incentives to provide low-income housing, market conditions will result in housing developments in many areas that lack units affordable to low-income households, circumstances that can cause adverse socioeconomic effects.

The legislature encourages cities, towns, and counties to enact or expand affordable housing incentive programs, including density bonuses and other incentives, to increase the availability of low-income housing for renter and owner occupancy that is located in largely market-rate housing developments throughout the community, consistent with local needs and adopted comprehensive plans. While this act establishes minimum standards for those cities, towns, and counties choosing to implement or expand upon an affordable housing incentive program, cities, towns, and counties are encouraged to enact programs that address local circumstances and conditions while simultaneously contributing to the statewide need for additional low-income housing." [2006 c 149 § 1.]

Construction -- 2006 c 149: "The powers granted in this act are supplemental and additional to the powers otherwise held by local governments, and nothing in this act shall be construed as a limit on such powers. The authority granted in this act shall extend to any affordable housing incentive program enacted or expanded prior to June 7, 2006, if the extension is adopted by the applicable local government in an ordinance or resolution." [2006 c 149 § 4.]

Potential Mandatory Affordable Housing Programs

(note: These programs , as presented here, are not currently considered advisable by the City Attorney's office)

Question: Does the City Council want to pursue mandatory affordable housing regulations?

1. Conversion of the existing density and height incentives in the various zones where they exist into mandatory requirements (see Attachment 2, summary chart of existing regulations). This could be a fairly straight forward process building on the current incentives. However, a key consideration should be whether the package of incentives provided to encourage development of affordable housing is more generous than it needs to be in a mandatory situation. Other issues that should be addressed include:

   - The minimum development threshold for requiring affordable housing (e.g. 10 units)
   - The minimum affordable housing requirement (e.g. 10% of units)
   - The amount of density bonus provided to offset the affordable units (e.g. 2:1)
   - The maximum density bonus allowed (e.g. 25%)
   - Affordability requirements (e.g. 50% of median income for rental, 80% for ownership)
   - Options for alternative compliance, such as off-site construction of affordable units or fee-in-lieu allowances
   - Analysis of fiscal impact on City of permit and impact fee waivers for affordable units

Question: Does the Council want staff to move forward with regulations to change the existing affordable housing incentives in Totem Lake and the Rose Hill Business District to mandatory requirements that would apply in all cases, even when the bonus is not used in development?

Question: Does the Council want staff to prepare options for requirements that would mandate affordable housing in multifamily zones where incentives currently apply (Chapter 112)?

2. Expansion of development standard flexibility incentives to zones that do not currently have any affordable housing incentives as an interim step until mandatory requirements can be developed. Several owners of property that do not have incentives available have recently inquired about flexibility that might allow them to include affordable housing units in their proposed developments. The incentives currently include the following minor deviations from code requirements:

   - Increased lot coverage by five percentage points
   - Decreased setbacks by five feet (resulting in no setback less than five feet)
   - Reduced parking to one stall for affordable units

- Increased height by six feet (will not affect heights in CBD and other zones that limit the number of stories allowed)
- Reduced common recreational open space by 50 square feet per affordable unit

Question: What level of increase in development capacity does the City want or need to provide to comply with RCW 36.70A.540?

King County
Department of Transportation
Transit Oriented Development
201 South Jackson Street, M/S KSC-TR-0815
Seattle, WA 98104-3856
Fax: (206) 263-3187

February 4, 2008

Mr. Jim Lauinger
Mayor, City of Kirkland
123 5th Avenue
Kirkland, WA 98033

Dear Mayor Lauinger:

Redevelopment of the South Kirkland Park and Ride is a unique opportunity for a Transit Oriented Development (TOD) project at a major transit facility. Consolidating housing at major transit facilities is an effective strategy to increase transit ridership and reduce the harmful effects of congestion and greenhouse gas emissions. To this end, King County has submitted an application for a Comprehensive Plan Amendment and Concurrent Rezone for the South Kirkland Park and Ride with the City of Bellevue. King County is interested in pursuing a similar process in the City of Kirkland. We intend to work with both cities and ARCH to make a TOD with affordable housing a reality.

The South Kirkland Park and Ride is adjacent to SR520 and close to Interstate 405. The Park and Ride is bisected by the boundaries of Kirkland and Bellevue. Neither city's zoning currently allows high density housing on the parcel. King County Metro Transit requests that the cities of Kirkland and Bellevue consider amendments to their Comprehensive Plans and Zoning Codes that would enable redevelopment of the parcel for a TOD project with a housing component.

Expansion of the South Kirkland Park and Ride is also a key component of the Urban Partnership Grant award recently received by King County, PSRC, and WSDOT. This grant award including funding for the replacement of the SR520 bridge, increased transit service, expansion of park and ride capacity at South Kirkland, and other measures. The award is pending legislation action in Olympia and final federal approval.

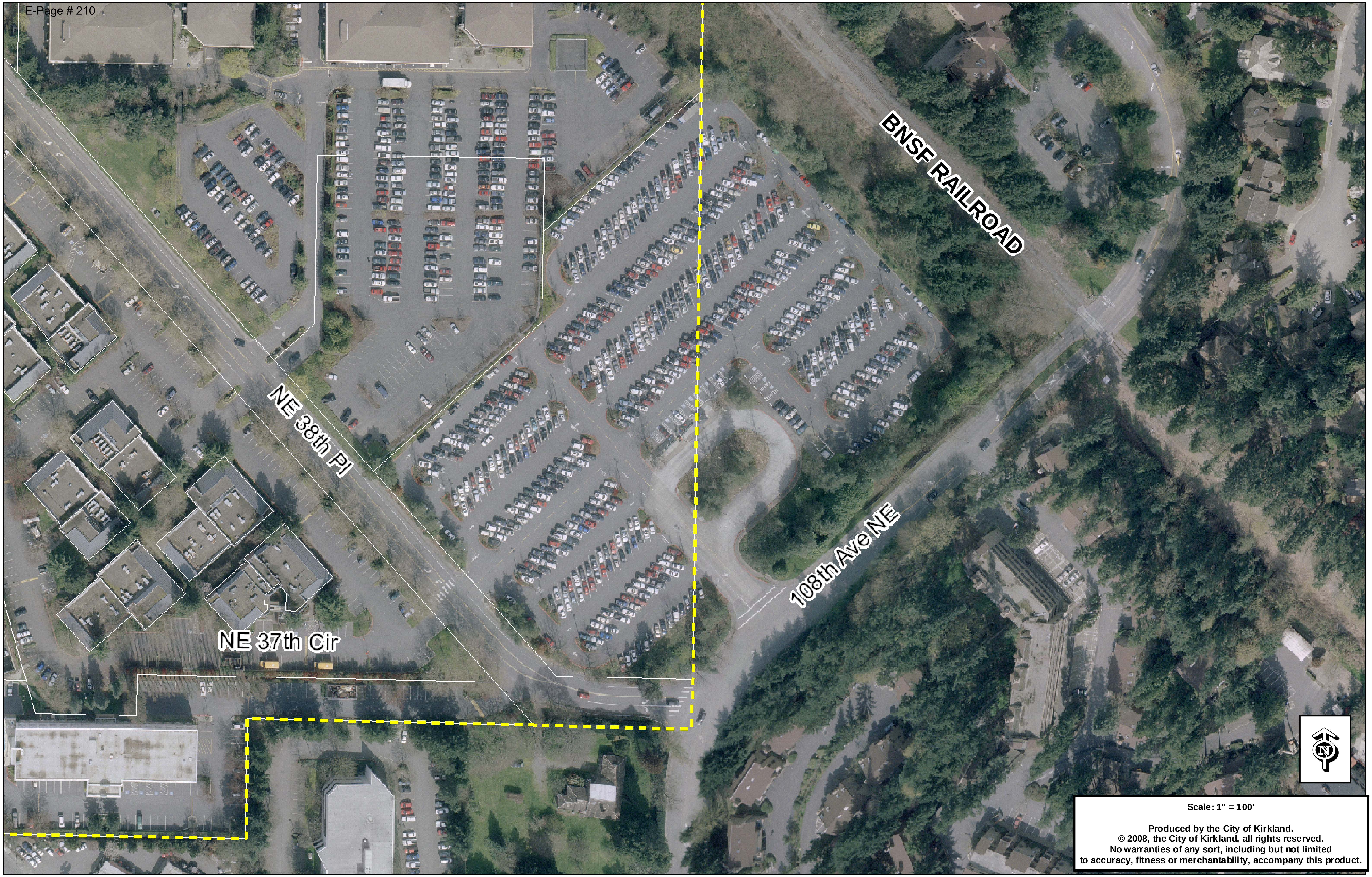
We understand that TOD with a significant housing component at the South Kirkland Park and Ride has already been included on the City's adopted planning work program. We would very much appreciate assistance from the City of Kirkland in our efforts to coordinate this task with the City of Bellevue

Amendments to both the City of Kirkland and the City of Bellevue Comprehensive Plans and related rezoning of this parcel is necessary for this project to proceed. Design details for the project have not been developed but the concept for the project includes a bus transit facility, park and ride, housing, incidental office and retail, and potentially rail facilities related to the adjacent BNSF right-of-way.

We look forward to working with the City of Kirkland.

Sincerely,

Gary Prince, Senior Project Manager
Transit Oriented Development



Scale: 1" = 100'

Produced by the City of Kirkland.

TOD Projects in King County
DRAFT

	Overlake	Renton	Auburn	Burien	Kent	Northgate	Redmond	Kenmore
	Completed	Completed	Underway	Underway	Underway	Underway	Underway	Contemplated
Uses	P&R, moderate income housing, day care	P&R, affordable apartments, retail	P&R, housing and retail anticipated	Transit Center, retail, office and housing anticipated	Not decided	Shared use parking is mixed use project		
#Affordable Units	308	45	Not decided	Not decided	Not decided	20% of 266-286 units, depending on number of condos.	20% of total	20%
Affordability Level	60% of median	80% of median	Not decided	30% at 80% of median (rental or own) or 60% at 120% (of all own.)	Not decided	80% median income (rental)	80% median income (rental)	80% median income
Participants	K.C., Housing Authority, Private Developer	King County, Private Developer	Not decided	Not decided	Not decided	Lorig Associates	Trammel-Crow	Private (Kenmore partners) & Urban Partners (non-profit)
Financing	Tax-exempt financing and federal housing tax credits	Conventional financing	Not decided	Not known. City does provide prop. tax exemption program	Not decided	Conventional financing	Conventional financing	Conventional (for market rate) & public (affordable)

VII. Housing

Charting a Future Course

◆ RELATIONSHIP TO THE FRAMEWORK GOALS ◆

The **Housing Element** highlights the following Framework Goals:

✓ **FG-1 Maintain and enhance Kirkland's unique character.**

FG-2 Support a strong sense of community.

✓ **FG-3 Maintain vibrant and stable residential neighborhoods and mixed-use development, with housing for diverse incomes, ages, and lifestyles.**

FG-4 Promote a strong and diverse economy.

FG-5 Protect and preserve environmentally sensitive areas, and a healthy environment.

FG-6 Identify, protect and preserve the City's historic resources, and enhance the identity of those areas and neighborhoods in which they exist.

FG-7 Encourage low impact development and sustainable building practices.

FG-8 Maintain and enhance Kirkland's strong physical, visual, and perceptual linkages to Lake Washington.

FG-9 Provide accessibility to pedestrians, bicyclists, and alternative mode users within and between neighborhoods, public spaces, and business districts and to regional facilities.

FG-10 Create a transportation system that allows the mobility of people and goods by providing a variety of transportation options.

FG-11 Maintain existing park facilities, while seeking opportunities to expand and enhance the current range and quality of facilities.

FG-12 Ensure public safety.

FG-13 Maintain existing adopted levels of service for important public facilities.

✓ **FG-14 Plan for a fair share of regional growth, consistent with State and regional goals to minimize low-density sprawl and direct growth to urban areas.**

✓ **FG-15 Solve regional problems that affect Kirkland through regional coordination and partnerships.**

FG-16 Promote active citizen involvement and outreach education in development decisions and planning for Kirkland's future.

✓ **FG-17 Establish development regulations that are fair and predictable.**

VII. Housing

A. Introduction

Existing Conditions

Kirkland is a largely residential community, as housing remains the City's predominant land use. About 64 percent of the City's land area is devoted to residential uses. In the early 1990s, about half of the housing in Kirkland was single-family homes. That has dropped to just 45 percent of the City's housing over the past 10 years. We have also seen an increase in mixed-use developments that combine housing with other uses, such as office and retail. The City has a wide variety of other housing styles including zero lot line, townhomes, multifamily flats, and accessory dwelling units (also known as mother-in-law apartments). Neighborhoods are well established and are one of the City's most desirable assets. Numerous neighborhood associations and homeowners' associations contribute to the livability of the community.

Just as there are a variety of housing types in Kirkland, there are a range of housing densities – from large residential estates of close to one acre in size near Bridle Trails State Park to over 100 units per acre in some Downtown condominiums and apartments, where the number of units is limited only by the building envelope allowed on the site. The City's most dense neighborhoods are Totem Lake and Moss Bay, which includes Downtown, where a high proportion of the housing is multifamily units.

Future Needs

Critical housing needs facing Kirkland from 2004 to 2022 include the preservation of neighborhood quality, the creation and retention of housing that is affordable, and the provision of housing for residents with special needs.

Kirkland's future will also include the need to accommodate additional growth. The challenge will be to find ways to develop additional housing that is compatible with existing neighborhoods and the environment. While much of the new housing will be located in existing areas of higher densities, other housing will occur in predominantly low-density residential neighborhoods as infill. The Housing Element contains goals and policies designed to promote and protect neighborhood quality as growth occurs.

The City's role in ensuring neighborhood quality will be to provide a compatible mix of land uses in and around residential areas, and to ensure that the physical elements inherent in a well-designed neighborhood are maintained and established. The Land Use and Housing Elements work together to achieve these goals.

In addition to preserving the character of neighborhoods while providing for growth, Kirkland faces the weighty challenge of supplying housing affordable to all economic segments of the population. The issue of affordable housing reaches most people in a community, since the quality of life in a city is tied, to a large extent, to the ability of its residents to find the kind of housing they desire at a price they can afford.

Affordable housing is generally discussed in two contexts: that of "affordability" in general, or how well the general population can afford a home, and that of "affordable housing," which is defined as housing affordable to all economic segments of the community. Housing is affordable if a household spends no more than 30 percent of monthly income for total housing cost (including costs such as taxes, insurance, and utilities).

In 2000, about one third of the City's residents earned less than 80 percent of median income and faced 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). Therefore, the Housing Element promotes policies designed to:

VII. Housing

- Increase the supply of rental units affordable to low-income households; and
- Increase first-time homeowner opportunities for moderate-income households.

In comparison to Countywide averages, Kirkland in 2003 is home to relatively few persons with special needs. While this may be true for a number of reasons, one reason is likely to be the lack of appropriate housing. A range of strategies to address this problem is contained in the Housing Element.

In the spring of 2000, the City Council appointed a Housing Task Force to examine and make strategy recommendations in five issue areas: market provision of affordable housing, innovative housing styles to increase housing supply and affordability, transit-oriented development, preservation of existing affordable housing, and subsidization of affordable housing. The Task Force's recommendations on these issues are incorporated in the goals and policies contained in the Housing Element. The goals and policies are interrelated to, and must be balanced with, those included in the other Comprehensive Plan Elements. The location, density, and design of housing is intended to serve community objectives such as affordable housing, housing affordability, environmental quality, support for transit, and the effective use of existing public facilities and utilities. Overarching all of these objectives is a need to increase awareness of housing issues in our community.

B. The Housing Concept

The central goal of the Housing Element is to preserve neighborhood quality while improving housing opportunities for all residents. To accomplish this, the Element:

- Promotes neighborhood quality through the continuation of the existing residential land use pattern, and through the application of standards where infill development occurs to ensure compatibility;
- Provides for diversity in housing types and options to serve all economic segments and those with special housing needs; and
- Supports the creative use of land where greater residential capacity can be achieved, while protecting environmentally sensitive areas.

C. Housing Goals

Goal H-1: Maintain and enhance the unique residential character of each City neighborhood.

Goal H-2: Promote the creation of affordable housing and provide for a range of housing types and opportunities to meet the needs of all segments of the population.

Goal H-3: Provide for greater housing capacity and home ownership opportunities.

Neighborhood Quality

North Kirkland Community Center Park

As the Vision Statement and Framework Goals describe, Kirkland's citizens consider the preservation and enhancement of neighborhoods to be strong community values.

Kirkland encompasses many distinct neighborhoods that can be differentiated on the basis of density, age of structures, size of detached homes or multifamily structures, and a variety of visible features. The City's neighborhoods, with their own unique residential characters, offer a choice of living environments. This diversity adds to the community's ability to meet a wide variety of residential needs.

The following goals and policies are designed to ensure that new development meets the high standards for livability of Kirkland neighborhoods, and that the preferred community character is preserved.

Goal H-1: Maintain and enhance the unique residential character of each City neighborhood.

Policy H-1.1: Retain the character of existing neighborhoods by incorporating neighborhood character and design principles into standards for new development.

Because change will take place in all neighborhoods between 2004 and 2022, design standards for new development to be incorporated into existing neighborhoods will be important to the preservation of neighborhood quality. Standards should address how new development, particularly when sited on smaller lots or at greater densities than surrounding development, can occur in a manner compatible with existing neighborhood character.

These standards can encourage structures to integrate sensitively with the surrounding area by addressing issues such as scale and bulk, setbacks which reinforce those of surrounding residences, as well as landscape buffers where appropriate.

Housing Diversity

This Element contains policies designed to address the housing needs of all Kirkland residents, who vary greatly in terms of income and personal need.

Housing Affordability

The policies strive to improve housing affordability at all income levels, and emphasize a combination of appropriately zoned land, regulatory incentives, financial subsidies, and innovative planning techniques, in order to ensure that the needs of moderate-income and low-income persons are adequately served. Housing for these groups is least likely to be provided by the private housing market.

Kirkland's population within each of the defined income groups (based on King County median income) in 2000 was as follows:

- Low-Income Households: Households making up to 50 percent of median income ($26,500 or less annually)
  - Percent of Kirkland's population in 2000: 15 percent
- Moderate-Income Households: Households with incomes between 50 percent and 80 percent of median income ($26,501 to $42,500 annually)
  - Percent of Kirkland's population in 2000: 16 percent
- Median-Income Households: Households with incomes between 80 percent and 120 percent of median income ($42,501 to $63,800 annually)
  - Percent of Kirkland's population in 2000: 21 percent
- Above-Median-Income Households: Households with incomes above 120 percent of median income (above $63,800 annually)
  - Percent of Kirkland's population in 2000: 48 percent

As these figures show, nearly one third of the City's residents fall within the low- and moderate-income categories. This is about the same proportion as in 1990, although there has been a shift in the upper-income categories. In 2000, about seven percent more households earned more than the median income and about five percent fewer households were in the median income category.

In 2000, 71 percent of Kirkland's lowest-income households, those earning $20,000 per year or less, paid more than 35 percent of their income toward housing costs. It is known that as households overpay to this extent, they may be forced to forgo other necessities, or be unable to save to buy a home because their housing expenses consume such a large portion of their income.

Typically, the lower the household income, the greater percentage of income is paid to housing costs. The higher percentage of income paid toward housing, the more vulnerable a household is to actually losing their housing if someone in the household loses a job, suffers a medical emergency, or incurs some other major expense. As a result, these households may become homeless, displaced, or reside in overcrowded or substandard housing.

The vast majority of housing affordable to low- and moderate-income families in Kirkland, as in most communities, is rental housing. This housing is typically multifamily. In 2000, just over 60 percent of the City's rental housing was affordable to moderate-income families, including about 16 percent that was also affordable to low-income families.

While housing affordability does not appear to be as great a problem among Kirkland's higher-income residents, meeting the needs of the higher economic segments of the population with housing they can afford serves those at the lower levels as well.

For example, potential first-time home buyers earning incomes over 80 percent of median income but less than 100 percent of median find it difficult to purchase a home in Kirkland without some form of assistance. These groups may be forced to remain in rental housing and to delay home purchases. Increasing rents, in turn, make it even more difficult for them to save down payments, thus further delaying plans for home purchases.

These individuals or families may then displace the lower-income groups in the rental market, by paying higher rents than would otherwise be charged, if appropriate lower-cost housing were available for them in the ownership market. Consequently, the supply of rental housing is restricted and rents are inflated to a point out of reach for the lowest-income families.

The housing needs analysis identified moderate-income first-time home buyers as one of the groups least served by Kirkland's housing market. Greater housing choices and opportunities can be provided for this group.

Special Needs Housing

Policies aimed at meeting the demand for special needs housing of residents are also included. These approaches generally include providing funding, research, and coordination assistance to social service agencies providing housing to these populations, as well as adding flexibility to the City's land use policies and regulations to provide a greater range of housing options that may meet the demands for special needs housing.

Short-term special needs housing is needed to provide shelters for victims of domestic violence, or transitional housing for homeless families, for example. Long-term housing with appropriate supportive services, such as single-family homes shared by adults with developmental disabilities, apartments adapted to serve the frail elderly, or efficiency units for the mentally ill, are also needed to prevent the cycle of homelessness.

Goal H-2: Promote the creation of affordable housing and provide for a range of housing types and opportunities to meet the needs of all segments of the population.

Policy H-2.1: Strive to meet the targets established and defined in the Countywide policies for low- and moderate-income housing as a percentage of projected net household growth.

The targets established by the Countywide Planning Policies maintain that housing plans for Kirkland must be designed to provide for:

- Seventeen percent of growth in new households affordable to moderate-income households; and
- Twenty-four percent of growth in new households affordable to low-income households.

These targets have proven to be a challenge to meet. While market conditions and existing plans have been fairly successful in providing rental housing for moderate-income households, low-income households have not been well served by either the rental or home ownership markets. Policies contained in this Element are designed to provide more and a broader range of housing opportunities for these groups. The City should track its progress toward meeting these goals and consider additional tools or strategies if appropriate progress is not being made.

Policy H-2.2: Allow the development of accessory dwelling units on single-family lots. Regulatory guidelines should minimize procedural requirements, but should address neighborhood compatibility.

Accessory units are promoted as a means to achieve affordable housing and increased density in existing neighborhoods by more efficiently using the existing housing stock. Accessory units can help to meet the need for low- and moderate-income housing by opening up surplus space on single-family lots.

Income from these units can help residents in a variety of situations, as well as help to preserve the City's existing housing through supplementing upkeep costs, thereby extending the livability of a dwelling.

In 1995, Kirkland adopted regulations to allow accessory dwelling units on all single-family properties. Since that time, over 80 accessory units have been approved. These have included units built within existing houses, units built over detached garages, and separate structures.

Policy H-2.3: Promote the provision of affordable housing by private sector residential developments.

Special incentives for the development of low- and moderate-income housing should be used as a means to promote the provision of these units by private or nonprofit developers. Kirkland's existing programs which provide density bonuses for affordable housing could be expanded, and other types of incentives also should be explored. Approaches such as expedited permit processing, permit and impact fee waivers, flexible site and development standards, tax exemptions, the allocation of Community Development Block Grant and general funds to write down project costs, inclusionary zoning, and other techniques should be evaluated.

Policy H-2.4: Provide affordable housing units when increases to development capacity are considered.

Many rezones and height increases result in increased development capacity. This can result in additional value to property owners and an opportunity to create affordable housing at little or no cost to the owner. The economic value of the increased capacity should be compared to the economic cost of providing affordable units when evaluating if affordable housing should be required.

Policy H-2.5: Ensure that affordable housing opportunities are not concentrated, but rather are dispersed throughout the City.

The bulk of housing affordable to low- and moderate-income households is multifamily. Nevertheless, opportunities for affordable housing, and special-needs housing, may occur in single-family neighborhoods through infill, accessory units, or group homes. These housing options should be dispersed throughout the community and integrated into neighborhoods. This distribution will ensure a wider range of housing options for Kirkland residents.

Policy H-2.6: Streamline the City's development review and approval processes, while ensuring that the integrity of the planning process is not compromised.

Since time is a critical factor in financing development projects, a reduction in the time needed to receive City approval can result in savings to housing providers. Adding certainty to the development review process will also help to promote residential development.

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Policy H-2.7: Create flexible site and development standards which balance the goals of reduced housing development costs with other community goals.

Site and development standards affect many direct development costs, such as infrastructure, land, and building costs. Street widths, setbacks, curb and sidewalk requirements, and parking standards are some of the residential standards that may affect costs. Standards that allow alternative approaches to site and building design may provide cost savings. Some combination of a prescriptive standard that is permitted outright and an optional performance standard may be desirable to balance the desire to minimize costs and maintain quality.

Policy H-2.8: Preserve, maintain, and improve existing affordable housing through assistance to residents and housing providers.

The City's Housing Repair program supports the preservation of both the owner-occupied and rental housing stock through grants and loans for housing repair and rehabilitation. Community Development Block Grant (CDBG) funds and City funds are also allocated to housing providers to acquire and rehabilitate emergency and transitional housing facilities, as well as permanent low- and moderate-income housing development and homeownership programs.

Due to the high land values prevailing in the City, and the resulting difficulty developers face in producing new housing that meets the needs of low- and moderate-income residents, assistance to enable rehabilitation of existing housing may be one of the most effective strategies to maintain and produce affordable housing in Kirkland. Another benefit of rehabilitation is that it is less likely to change the appearance of neighborhoods.

Policy H-2.9: Continue to support the acquisition and creation of housing by private or nonprofit organizations, housing authorities, or other social and health service agencies for low- and moderate-income tenants.

Local resources can be a critical part of developing or preserving affordable housing. Efforts to identify potential opportunities and resources, such as inventorying and possibly donating surplus public property, acquiring land, contributing Community Development Block Grant (CDBG) funds or City funds, and paying or waiving impact and permit fees and utility and infrastructure costs, can improve the feasibility of affordable housing projects.

This is especially true of housing for individuals and families who cannot afford housing created through the private market. Local resources are often required as a match for other public (County, State, federal) and private funding sources, and therefore work to leverage a significant amount of funding into Kirkland and the region that would otherwise not be available.

The City can also support affordable housing acquisition and development in indirect ways by working with local lenders to coordinate financing for projects, encouraging private and other public donation of resources, inventorying multifamily residential properties and encouraging preservation of those that are affordable, and working with the State Legislature to provide additional tax relief.

Policy H-2.10: Ensure that zoning does not unduly restrict group homes or other housing options for persons with special needs.

Special-needs housing can be provided in a variety of structures, such as single-family homes, group homes, multifamily dwellings, congregate care facilities, or other institutional settings. Flexibility in land use regulations to allow group homes and home-based care represents a significant opportunity available to the City to meet the demand for special needs housing. Barriers to creating these housing options, including extensive special review processes, should be avoided.

Policy H-2.11: Encourage and support the development of emergency, transitional, and permanent housing with appropriate on-site services for persons with special needs.

Sources of emergency and transitional housing include shelters, single-room occupancy hotels (SROs), group homes, congregate care facilities, and many of the other housing options discussed in the Housing Element. The City should continue to make funding available to social service agencies serving these special-needs populations, to facilitate their development and operation.

The City should work cooperatively with nonprofit agencies or the private sector to site special-needs housing while helping neighbors to understand the role of special-needs housing in the community and the requirements of the Federal Fair Housing Law.

Policy H-2.12: Cooperate at a regional level to increase the base of both public and private support necessary to address local housing needs.

Communities within King County should work together to address shared housing needs, since housing needs and solutions cross jurisdictional boundaries. They should work cooperatively on a regional housing finance strategy that allows sharing resources to support affordable and special needs housing throughout east King County.

Similarly, efforts to reduce housing costs through streamlining and flexibility in regulation should be coordinated with neighboring jurisdictions. Kirkland lies within a regional housing market, and cost reductions in Kirkland alone will not affect affordability significantly elsewhere in the region. Proactive leadership by Kirkland can encourage participation and action by other cities, thus promoting greater affordability throughout the Eastside. Reducing the percentage of income devoted to housing costs will improve the quality of life for low- and moderate-income families, and enable residents to contribute to other regional goals, such as schools and transit.

Policy H-2.13: Support efforts to achieve a geographic balance in siting special-needs housing throughout the City and region, including support of housing in jurisdictions that serve residents from elsewhere on the Eastside.

Generally, special-needs housing should be dispersed throughout the region. Funds set aside by Kirkland to provide this type of housing should be considered for projects both in Kirkland and elsewhere on the Eastside. Similarly, projects serving special-needs populations from Bellevue, Redmond, and other Eastside communities should be sited in Kirkland when appropriate.

Some clustering of special-needs housing may be appropriate when proximity to public transportation, medical facilities, or other basic services is necessary.

Housing Capacity

At an average density of 6.5 dwelling units per residential acre citywide, Kirkland's residential densities are relatively high for a suburban community. Nevertheless, the City contains many neighborhoods developed at lower densities (three to five dwelling units per acre). In 2003, Kirkland had 22,100 housing units, capacity for a total of 28,000 units, and a 2022 Growth Target of 26,800 units.

As noted in the Housing Diversity section of this Element, greater opportunities for home ownership may be created through smaller lots and more varied housing types. In addition, cost savings are generally associated with smaller lots and revised development standards. The savings obtained through reducing the amount of street, sidewalk, water, sewer, and other utilities needed for each home may be reflected in the initial purchase price as well as ongoing maintenance and services costs to both the home owner and the public.

Goal H-3: Provide for greater housing capacity and home ownership opportunities.

Policy H-3.1: Provide additional capacity for single-family development through allowing reductions in lot sizes where surplus land exists on underdeveloped parcels.

As Kirkland has become more fully developed in recent years, residential development trends have included a shift away from large subdivisions to "infilling" of vacant and underdeveloped lots within existing neighborhoods.

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The City already allows slight reductions in the required lot size as one method to accommodate more housing on existing residential land while helping to avoid suburban sprawl. Further lot size reductions would increase capacity in areas already served by transit and other public utilities and services. This should only be considered where compatibility with surrounding neighborhoods can be ensured through site and building design.

Policy H-3.2: Allow a broad range of housing and site planning concepts in single-family areas to increase housing supply and choice, to reduce cost, and to ensure design quality and neighborhood compatibility.

Clustering and innovative housing types may include cottages, compact single-family, zero lot line, clustered and common wall housing. These development styles can allow for more environmentally sensitive site planning by concentrating development on the most buildable portion of a site while preserving natural drainage, vegetation, and other natural features. Similarly, allowing zero lot line or other design innovations in these areas can further help to lower land and development costs.

In addition to environmentally sensitive areas, innovative housing types may be appropriate on sites throughout the City's single-family neighborhoods. The demographics of our population are changing, with the average number of people living in each housing unit decreasing and the average age increasing. Cottage, compact single-family and common-wall housing can provide more housing on the same land area, in smaller structures that better match the needs of our population. In addition, housing affordability can be improved through reduced construction costs resulting from smaller or common-wall development.

In all cases, design standards are important to ensure that new development is integrated sensitively with its neighbors. Greater attention to building and site design, such as building bulk, roofline variation, garage and parking location, and landscaped buffers can enhance aesthetic appeal and neighborhood compatibility.

The Park at Forbes Creek Apartments

Policy H-3.3: Allow for the maintenance and redevelopment of existing developments that do not conform to current density standards in planned multifamily areas.

A number of multifamily structures exist within the City that are built at densities above those planned for their sites. These structures provide a valuable source of close-in and often affordable housing to Kirkland residents. In order to retain the housing capacity and affordability provided by these units, property owners should be allowed to maintain, remodel, or rebuild these structures, while retaining their existing densities. Restrictions on unit size should be considered as a means to maintain affordability.

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

MEMORANDUM

To: David Ramsay

From: Carrie Hite, Deputy Director, Parks and Community Services
Jennifer Schroder, Director, Parks and Community Services
Sharon Anderson, Human Services Coordinator
Human Services Advisory Committee

Date: February 29, 2008

Subject: Human Services Issue Paper for Council Retreat

The purpose of this paper is to inform Council of the current status and trends for Human Services in our area. It will also present some current challenges and opportunities for Kirkland.
The City and Council has adopted a Human Services component of the Comprehensive Plan. There are three Human Service goals that guide us in our work:

Goal HS-1: Build a community in which families, neighbors, schools, and organizations all work together to help young people to become happy, competent and responsible members of the community.

Goal HS-2: Maintain and improve the quality of life for Kirkland residents 50 years and older.

Goal HS-3: Provide funds to non-profit human service providers to improve the quality of life for low and moderate income residents.

Current Status and Trends

Although Kirkland last completed a human services needs study in 1999, there is a number of statistical sources, and agency information that staff have draw upon to measure needs and predict trends for Kirkland. These sources include United Way Needs Update, Eastside Communities Count, City of Bellevue Human Services Update, State of Washington Adolescent Health Risk Survey, Eastside Human Services Forum publications, to just name a few.

Based on staffs' research the following are the issues, and trends that we are facing on the Eastside:

- Housing costs continue to rise. Many who work on the Eastside cannot afford to live here. The median home and condo price has increased over $100,000 since 2001. Almost 25-30% of households pay more than the recommended 30% of their monthly income. The East King County Plan to End Homelessness was created in 2007, and identified the need for over 1800 homeless housing units for the Eastside.[1] We are finding with the increase in immigrant and refugee families, there is an increasing in multiple families sharing apartments, or single family residences.

- Poverty is increasing. The poverty rate in East King County doubled between 1990-2000. It went from 3500 to over 7000 Eastside Households living below the Federal poverty line.[2] In addition, our community agencies that provide emergency living assistance (food, heat, shelter) have reported an increased need in each year since 2000. In 2004, over 40,000 Eastside families had to rely on food banks.[3] There are eight schools in Kirkland that report over 20% population qualifying for free and reduced lunch. The highest percentage is John Muir at 42%, then Rose Hill Elementary at 36%.[4]
- Our population demographics are changing. there is a dramatic increase in foreign born residents in our community. There is an average of 30% ethnic minorities that make up the population in Lake Washington School District. Of this, a majority are Asian, and Hispanic, and first generation to the United States.[5]
- In addition to our ethnic diversity increasing, there is a growing increasing need for our elderly residents. By 2025, older residents (age 60 and over) will make up 25% of the Eastside population.[6] Currently, 6% of the Eastside's elderly residents live below the Federal Poverty Level.[7] As the number of elderly residents grows, services for seniors (including transportation, chore services, meal delivery, home health assistance, and care giving) will need to be significantly expanded.
- Job Growth still hasn't recovered from 2001-2002. King County lost more than 60,000 jobs during 2001-2002. Nearly 25% of these came from the Eastside. Kirkland lost 10% of their job base.[8] According to the City of Seattle, mid 2005 economic update, the Eastside still has not recovered from that. As we head into another possible recession this will only add to the need for housing, and basic emergency services for our residents.
- Families are living without health insurance. There are an estimated 9% of families living on the Eastside that do not have health insurance.[9] Evergreen Hospital continues to see their requests for charity care rise. In 2005, it nearly doubled, representing 5 Million dollars in charity care.[10]
- Mental Health needs for youth increasing. School drop out rates continue to increase, and are at almost 20% on the Eastside.[11] According to the King County Healthy Youth Survey in 2004, 12% of 8th graders, and 15% of 10th graders, contemplated suicide. Suicide is the second leading cause of death for youth in Washington State. Our youth serving agencies are reporting a minimum of 20% increase in clients each year. There is also a measured increase in drug and alcohol use with school age youth, and not always enough treatment available. There are an increasing number of children and youth who are overweight and/or obese. These trends pose both physical and mental health issues.
- In 2005, government officials, funders, homeless people, advocates, and housing and service providers initiated a plan to end homelessness in King County in 10 years. The *10 Year Plan to End Homelessness* has galvanized efforts to improve housing and services for homeless people throughout King County. Key to these efforts is preventing homelessness and the *housing first* strategy of connecting people to permanent housing immediately and providing supportive services to help maintain their stability. King County is geographically broad and holds diverse local communities, and while the *10 Year Plan* provides framework to guide approaches to homelessness, it does not distinguish goals for sub regions. The Eastside Human Services Forum and the Eastside Homelessness Advisory Committee (EHAC) have created an *East King County Plan to End Homelessness.* This document serves as a companion piece to the *10 Year Plan* and

will be helpful in guiding East King County goals. This will help East King County quantify the amount of housing needed in this sub-region. Please see Attachment D for complete plan.

Challenges

There are several challenges that we will face in addressing the current human services needs and trends. Most of the challenges are financial and/or policy related. Following are these challenges:

- Currently, our Kirkland budget for Human Services has approximately $225,000 of one time funding that our human services agencies rely upon. This has been a tremendous value to continue to meet the human services needs in Kirkland. Please see attachment A that represents our human services funding breakdown from 2000-2008. This will be a challenge in the next upcoming budget to find the resources to continue funding at the same service level.
- The addition of the 1/10th of 1% Mental Health Sales Tax that was incorporated into the King County budget beginning January 2008, represents $50 million new dollars for King County. This is earmarked to fund Mental Health and Substance Abuse treatment, prevention and related diversion from chronic homelessness, incarceration and use of the emergency health system. Currently, King County is struggling with their infrastructure to allocate the Vets and Human Services funds that were incorporated three years ago, let alone being poised to allocate this new funding. The Eastside needs to work on positioning ourselves to both assist with the procurement plans, and advocate for some of these funds. It is often that the County focuses their concern on Seattle and South County. We need to step into action now, so as to be better leveraged to be successful.
- The King County Human Services Coalition recently completed a draft "Regional Gap Analysis" (See attachment B). The Healthy Families and Communities Task Force released a report in 2006 estimating the funding gap of $83.1 million per year needed to provide 'regional' services that are necessary to help residents throughout King County meet their basic human needs. With an addition of several new funding sources, including the Mental Health and Substance Abuse Sales Tax, the Vets and Human Services Levy, new state funding, and the 10 Year Plan to End Homelessness, there still exists a gap for the Healthy Families and Communities Task Force plan.
- With this new funding, and the "Gap Analysis", we will need to apply this to Kirkland and East King County need. The EHSF recently completed a pull out plan from the *10 Year Plan to End Homelessness.* Should EHSF complete a pull out plan for the HS needs/gaps in order to leverage Kirkland and East King County for this new funding?
- United Way is one of the largest funders in this community. Their current strategic plan has narrowed their funding options to four main focus areas: School readiness, Ending Homelessness, KC 2-1-1 and Emergency Preparedness. This is an opportunity to impact several areas, and it presents a challenge for those agencies who have relied upon United Way, and now don't qualify for funds because they don't fit into any of the focus areas.
- Federal Funds: For funding year 2008, nearly $1 billion was cut from HUD programs: Section 8, Community Development Block Grant and HOME. This will pose some challenges in our community related to our programs that are funded by CDBG.

Opportunities

With all of the trends, and challenges, one might conclude that we are in a difficult situation. However, we also have many opportunities to affect change in our community. We have a strong Eastside collaboration for Human Services, both with the jurisdictions and our human service agencies. This allows us to join voices and power to advocate for change. The following are some of the opportunities in our community:

- The Eastside Human Service Forum is currently planning a June educational event, that will focus on all of the new funding available for our community. The EHSF will invite all elected officials, policy and decision makers, to help frame messaging for the County Council, and start to leverage ourselves to benefit from some of the increased funding available. **It would be valuable to have Council participation at this event. Also, if Council could reach out to their counterparts that are not well versed in Human Services to encourage their participation, that would be helpful for East King County to be more influential in this process.**
- Kirkland is very involved at the regional table for Human Services. This affords us the opportunity to be visible, be part of decision making for funds, assisting in regional policy that affects our citizens, and directly impact our community. Mayor Lauinger serves as the Chair of the Executive Committee for the Eastside Human Services Forum, and Carrie Hite serves as Chair of the Work Group committee. It has been helpful to have Council representation and leadership on the Regional Policy Committee on the Law, Safety, and Justice (Council member Dave Asher). The one area that we do not have Council representation is at the Regional Policy Committee in the Human Services Committee. This Committee has been involved in making decisions about the procurement process and funding priorities for the Vets and Human Services Levy. They will also be charged with helping to define priorities for the new Mental Health tax dollars. **It would be helpful to have City Council representation on this committee.**
- Staff to continue involvement in the East King County Community Health and Safety Network. Currently this Network is collaborating with the local school districts and Public Health to incorporate health clinics in all of our local schools. This will allow access to both physical and mental health support for all of our school age children.
- Staff to continue to be involved with King County Committee to End Homelessness. Be aware of shifts in funding to End Homelessness, and continue to advocate for both Homeless funds, and general Human Services funds.
- Staff to continue to be involved in Eastside Refugee and Immigrant Coalition, and the Cultural Navigator program, bringing a much needed resource to our changing community.
- Continue to be legislative advocates for Human Services. This could include County, State, and US representatives. **Council could include the EHSF legislative agenda with the City's agenda every year. In addition, it would be helpful for Kirkland to advocate at the legislative level to restore CDBG funds.**
- Research best practices, including tenets of Social Sustainability (Attachment C). One area the EHSF is going to research for an Eastside feasibility is the concept of creating a socially sustainable society. If Council has any experiences with other jurisdictions that are using best practice models, please pass this information along. **Our Human Services Advisory Committee would like to encourage Council to explore this as they have opportunities to network with other jurisdictions.**
- Increasing Efficiencies/Pooled Contract Funding, possible regional ARCH model applied to Human Services: For a number of years, nine North and East King County cities with competitive allocation processes for human service funds have had an agreed upon common application form. This provided for consistency, but not necessarily efficiency since agencies were required to fill out separate applications for each city. For the 2007-2008 allocation cycles, the nine cities entered

into a Memorandum of Understanding, agreeing upon a joint application that could be filled out one time and submitted to any or a combination of one or more cities. In addition, seven of these cities successfully agreed upon pooling funds into a joint account, from which one contract can be executed with an agency receiving awards from multiple cities. The City of Bellevue serves as the lead agency to administer these funds. Agencies submit an invoice to each participating city for approval. The lead city (Bellevue) then authorizes payment. Currently twelve agencies (nineteen programs) are taking advantage of pooled funding contracts. The success of this program is demonstrated in the fact that what would have been over 100 separate city-specific contracts were distilled into twelve pooled contracts.

- Participate in the ECityGov Alliance Human Services Portal. Currently, we are working with nine other cities to launch an East King County website, through the ECityGov Alliance, to have one site for agencies to learn about funding, apply for funds, look at outcomes reports, research best practices, etc. The initial site will be launched this Spring, in time for the next two year funding cycle.
- **As we move along the trends for our community, it is important for Council to be knowledgeable about trends in our community, advocate for Eastside needs, continue involvement in the EHSF, Regional Policy Committee, Law, Safety and Justice Committee, attend the EHSF June educational event (tentatively planned for June 19th), support regional efforts, invest in the Eastside with time, expertise, and charitable contributions, consider the gap in Human Service funding as part of the budget process.**

Council Questions/Discussion Issues

1. **In reviewing our Human Service allocation model, the Human Service Coalition " gap analysis", and the new funding coming in to the region, does it make sense for Kirkland to advocate for a sub-regional approach? And, how do we balance local and sub-regional?**
    - **For example, should we advocate at the EHSF to produce an East King County strategic plan for Human Services (similar to our East King County Plan to End Homelessness)?**
    - **Should we expand our Pooled Contract Funding, and look at a regional allocation model (similar to ARCH)?**
    - **Should we be more involved in the RPC Human Services Committee in order to impact decisions at the County level?**
    - **Should we look at a socially sustainable model for East King County?**
    - **Should we focus on Kirkland's need, and complete a Human Services needs assessment for Kirkland?**

2. **Are there other ideas that Council has, that may assist our allocation model, human service agencies serving Kirkland, identification of needs in Kirkland, etc?**

[1] City of Bellevue, Human Services Needs Update, 2007-2008.
[2] King County Consortium Consolidated Housing and Community Development Plan for 2005-2009, Appendix A Needs Assessment, p. 70.
[3] Hopelink, *Reaching Out, The Quarterly Newsletter of Hopelink*, Vol. 25, No. 1, Spring 2005.
[4] Washington State Office of Superintendent of Public Instruction, Student Demographics, 2006-2007.
[5] Lake Washington School District, Ethnic Enrollment Report, October 2007.
[6] Area Agency on Aging And Disability Services, *2004-2007 area plan on Aging, Creating Choices for Elders and Adults with Disabilities in Seattle-King County*, October 2, 2003, pp.9-10.
[7] 2003-4 Human Services Update, City of Bellevue, p.161.
[8] City of Seattle Finance Department, Economic Update, June 2005
[9] City of Bellevue, Human Services Needs Update, 2007-2008.
[10] Community Health Center Report, King County, 2005.
[11] Washington State Office of the Superintendent of Public Instruction, Annual Reports on Graduation and Drop Out Rates, 2006.

Summary of the City's Contribution to Human Services

		Total General Fund					Total CDBG	
Year	Per Capita	Per Capita With One Time Funding	One time Funding	Ongoing	One Time Funding Council Funds for Assistance League	Total Allocated	CDBG Human Services Funding North & East King County Sub-Region	Total
2000	$6.50	$6.50	NA	$302,805		$302,805	$305,285	$608,090
2001	$6.89	$6.89	NA	$326,903		$326,903	$316,898	$643,801
2002	$7.50	$7.52	$27,873	$327,516		$355,389	$336,093	$691,482
2003	$8.11	$9.14	$11,448	$371,357		$382,805	$371,444	$754,410
2004	$8.11	$9.14	$45,791	$371,321		$417,112	$254,748	$671,860
2005	$8.11	$9.60	$68,269	$371,438		$439,707	$211,841	$651,548
2006	$8.11	$9.60	$68,269	$371,438		$439,707	$209,678	$649,385
2007	$8.36	$10.81	$115,528	$394,425	$7,500	$517,453	$296,222*	$813,675
2008	$8.36	$10.62	$96,673	$413,280	$7,500	$517,453	$296,222*	$813,675

*This represents both North and East King County Consortium. This amount increased due to a float loan payoff. It was added to the total allocation.

Attachment B

January 2008

"Regional" Human Services Gap Analysis

The Healthy Families and Communities Task Force released a report in 2006 estimating a funding gap of $83.1 million per year needed to provide "regional" services that are necessary to help residents throughout King County meet their basic human needs, but that were not being provided for due to inadequate funding.

The Task Force recommended fund sources to fill this gap and some of them have since been implemented. Below is a breakdown of needs identified by the Task Force. Those items that have been taken out of the gap due to newly implemented fund sources are highlighted. In addition, those also included both here and in the 10-Yr Plan to End Homelessness are also highlighted. Those not highlighted do not yet have a specific, identified fund source, and are not part of the 10-Yr Plan:

Yellow highlighted items are recommended for funding through the Mental Health and Substance Abuse sales tax.

Green items to be funded via Vets and Human Services Levy from the vets portion. There will be another $6.65 million specified from this list.

Blue items to be paid for with new state resources.

Pink items are also included in 10-Yr Plan to End Homelessness, but not yet funded, so remain in gap.

Organized by King County's goal areas, these needed services include:

Goal Area I: Food to eat and roof overhead — *Estimate $20.9 million*

A. Services for the homeless, total estimated cost $5.7 million
- Case management - $0.8 million
- Education - $0.2 million
- Counseling - $0.85 million
- Child care shelter meals - $0.5 million
- Mobile outreach - $0.6 million
- Day centers - $1.8 million
- Hygiene/laundry services - $.95 million

B. Emergency shelter/ transitional housing, total estimated cost $7.7 million

C. Special needs housing, total estimated cost $4.5 million
- Seniors - $0.4 million
- Mental illness/ alcohol/ substance abuse - $1.1 million
- Disabled - $0.6 million
- Persons with AIDS - $0.4 million
- Formerly incarcerated - $0.3 million
- Veterans - $1 million
- Other acute health/ respite care - $0.65 million

Attachment B

D. Housing stabilization/ homelessness prevention, total estimated cost $2.4 million
- Tenant assistance - $0.2 million
- Eviction prevention - $0.1 million
- Rent/utility assistance vouchers - $2.1 million

E. Distribution and transportation of food, total estimated cost $0.6 million

Goal Area II: Supportive relationships within families, neighborhoods and communities *Estimate $10.5 million*

A. Child care resource and referral, total estimated cost $1.4 million

B. Early intervention programs for at risk infants/children, total estimated cost $4.7 million
- Home visits - $1.6 million
- Early head start - $2.5 million
- Parent education - $0.25 million
- Services for new/young families, teen parents - $0.3 million

C Intervention for high risk youth, total estimated cost $1.6 million
- Presently in the criminal justice system - $0.2 million
- At risk for high reinvolvement - $1.4 million

D. Civil legal assistance, total estimated cost $0.5 million

E. Refugee/immigrant services, total estimated cost $1.1 million
- Language bank/interpretation services - $0.6 million
- Citizenship classes/training - $0.5 million

F. Outreach, information and referral assistance to improve access to services, total estimated cost $1.3 million
- Community information lines - $0.55 million
- Access and outreach - $0.75 million

Goal Area III: Safe haven from all forms of abuse *Estimate $14.2 to 15.7 million*

A. Comprehensive domestic violence services, total estimated cost $8.8 to 10.3 million
- Confidential shelter/transitional housing - $0.90 to 2.40 million
- Supportive services for children - $3.20million
- Supportive services for domestic violence victims - $2.50 million
- Offender/batterer treatment - $0.40 million
- Education and prevention - $1.80 million

B. Violence/Suicide prevention line, total estimated cost $0.6 million

C. Comprehensive sexual assault services, total estimated cost $4.8 million
- Counseling, therapy, and support groups - $1.50 million
- Legal and medical advocacy - $1.50 million
- Sexual assault education and prevention - $1.80 million

Attachment B

Goal Area IV: Health care to be as physically and mentally fit as possible
Estimate $27.0 to 29.2 million

A. Basic health care to provide a network of community health services, total estimated cost $15.0 to 17.2 million

Dental care - $0.40 million
Medical care - $9.30 million, ($2.33 from MHSA sales tax)
Home health services - $0.75 to 3.00 million
School based services - $3.50 million
Community outreach - $1.00 million

B. Mental health/substance abuse diversion and transition services for persons in the criminal justice system, total estimated cost $12.0 million (also in 10-Yr Plan)

Goal Area V: Education and job skills lead to an independent life Estimate $6.8 million

A. Educational instruction for out of school/at risk youth, total estimated cost $5.0 million

GED preparation classes - $0.25 million
Tutoring and career education programs - $2.50 million
Pre-employment training - $1.80 million
Work-based learning/internships $0.45 million

B. Services for learning disabled, total estimated cost $0.6 million

C. English as second language training, total estimated cost $1.2 million

Total subset recommendations for funding from new revenue sources:

via mental health and substance abuse sales tax = $20.38 million

via Vets and HS Levy = $7.65m

Veterans and Human Services Levy, $7.65m- The HFC recommends that $6.65 million be applied to reduce the funding gap. The remaining $1 million will be applied for special needs housing services for veterans.

via new state funding = $1.3 million

Balance recommended for funding via property tax levy(ies) = $53.77 million

Attachment C

Social Sustainability

The "soft infrastructure" of a Healthy Community

Trevor Hancock

Urban planning and development has long been fixated on the community's hard infrastructure the sewers, the roads and the electrical, gas and water utilities and other aspects of the physical structure that define the community's form. In the past decade or two, there has been a growing concern with the environmental sustainability of the community. This has significant implications for the design and operation of the hard infrastructure ecological management of storm water and sewage; energy, water and other resource conservation; an emphasis on walk / bike / transit-supportive environments and so on.

But a community is much, much more than its physical form. A community is composed of people as well as the places where they live; it is as much a social environment as a physical environment. Thus, communities must not only be environmentally sustainable, they must also be socially sustainable.

Of course, social sustainability cannot be created simply through the physical design of the community but then neither can environmental sustainability be created by physical design alone. Physical design cannot ensure that individuals, families and communities will lead environmentally sustainable lifestyles, although it can help to make such environmentally sustainable choices more easy. Equally, while there is much that can be done on the "design" of the soft infrastructure of the community to ensure its social sustainability, the physical design of the community can make it either easier or more difficult for communities to be socially sustainable. Thus there is a vital need to integrate the physical and social design of communities if we are to create communities that are both environmentally and socially sustainable.

In discussing sustainability both social and environmental it is important to understand that both of them require a system of economic activity that is compatible with and not destructive of either the ecological web of life or the social web of life of which we are a part, and upon which we depend for our health, well-being and quality of life. As the Canadian Public Health Association noted in its report on human and ecosystem health:

> Human development and the achievement of human potential require a form of economic activity that is environmentally and socially sustainable in this and future generations. (CPHA, 1992)

Thus, any discussion of socially sustainable communities must include a discussion of the physical design of the community and the economic system of the community. In this series of four columns I will discuss the concept of social sustainability, the implications for urban design and planning, the "new economics" of environmentally and socially sustainable communities, and the integration of these concepts in a human development strategy. Readers might also look to Marcia Nozick's excellent book, *No Place Like Home: Building Sustainable Communities* (Ottawa: Canadian Council for Social Development, 1992) for a fuller discussion of many of these issues.

Social sustainability

As a society, we make social investments and we have a "stock" of social and human resources. Economic development can either contribute to or deplete those social resources (see Osberg, 1990). Many would argue that the form of economic development championed by Thatcher and Reagan has been socially unsustainable, depleting human and social capital and resources in addition to the damage it has wrought to the natural environment.
The concept of socially sustainable development including socially sustainable urban development 1992) has received less attention than the concept of environmentally sustainable development. What would constitute socially sustainable development? 1.
I would argue that it is development that it:

- meets basic needs for food, shelter, education, work, income and safe living and working conditions;
- is equitable, ensuring that the benefits of development are distributed fairly across society;
- enhances, or at least does not impair, the physical, mental and social well-being of the population;
- promotes education, creativity and the development of human potential for the whole population;
- preserves our cultural and biological heritage, thus strengthening our sense of connectedness to our history and environment;
- promotes conviviality, with people living together harmoniously and in mutual support of each other;
- is democratic, promoting citizen participation and involvement, and
- is livable, linking "the form of the city's public places and city dwellers' social, emotional and physical well-being" (Lennard and Lennard, 1987)

The systems and processes that we put in place to achieve these ends can be thought of as the "soft infrastructure" of the community, a term used by Len Duhl, Professor of Public Health and Professor of Urban Planning at the University of California at Berkeley, to describe those elements of the community that contribute to social well-being. This "soft" infrastructure includes formal human services (health, education, social services, recreation and culture, etc.) as well as the community's informal structure the web of voluntary organizations and social relationships that comprise community. Urban planning needs to integrate these elements into all its work, giving as much weight to the soft infrastructure as to the hard infrastructure if we are going to create communities that work

Urban planning and social sustainability

The list of items that constitute the basis of a socially sustainable community suggests an "agenda" for urban planning. In planning the built environment, urban planners need to address issues of basic needs such as urban food production and availability; equitable access to work and education; urban design that enhances social interaction and participation; methods of reducing living costs, especially for low income groups, and other unaccustomed topics. The physical design of communities to promote social sustainability will be the subject of my next column.

References

Canadian Public Health Association (1992). *Human and Ecosystem Health*. Ottawa: CPHA.

Osberg, Lars (1990). *Sustainable Social Development* (mimeo). Halifax, N.S.: Department of Economics, Dalhousie University.

1 My original list of items has been amended to reflect "Strategic Directions for Community Sustainability", a 1993 publication of the B.C. Roundtable on the Environment and the Economy.

Trevor Hancock was a founding member of the Canadian Green Party. He is a principal exponent of the 'healthy communities' movement in North America.

Sustainability: Human, Social, Economic and Environmental

Robert Goodland
World Bank, Washington, DC, USA

The four main types of sustainability are human, social, economic and environmental. These are defined and contrasted in Tables 1–4. It is important to specify which type of sustainability one is dealing with as they are all so different and should not be fused together, although some overlap to a certain extent. Specialists in each field best deal with these four types of sustainability. For example, social scientists have a lot to say about social sustainability; economists deal with economic sustainability and biophysical specialists deal with environmental sustainability.

A definition of environmental sustainability (ES) has been given by Daly (1973, 1974, 1992, 1996, 1999) and Daly and Cobb (1989):

1. Output rule: Waste emissions from a project or action being considered should be kept within the assimilative capacity of the local environment, without unacceptable degradation of its future waste absorptive capacity or other important services.
2. Input rule:
   - Renewable resources: (e.g., forest, fish) harvest rates of renewable resource inputs must be kept within regenerative capacities of the natural system that generates them.
   - Non-renewables: depletion rates of non-renewable resource inputs should be set below the historical rate at which renewable substitutes were developed by human invention and investment according to the Serafian quasi-sustainability rule (see below). An easily calculable portion of the proceeds from liquidating non-renewables should be allocated to the attainment of sustainable substitutes.

SERAFIAN QUASI-SUSTAINABILITY RULE OF NON-RENEWABLES

The Serafian rule pertains to non-renewable resources, such as fossil fuels and other minerals, but also to renewables to the extent they are being mined. It states that their owners may enjoy part of the proceeds from their liquidation as income, which they can devote to consumption. The remainder, a user cost, should be reinvested to produce income that would continue after the resource has been exhausted. This method essentially estimates income from sales of an exhaustible resource. It has been used as a normative rule for quasi-sustainability, whereby the user cost should be reinvested, not in any asset that would produce future income, but specifically to produce renewable substitutes for the asset being depleted. The user cost from depletable resources has to be invested specifically in replacements for what is being depleted in order to reach sustainability, and must not be invested in any other venture – no matter how profitable. For non-renewable energy, a future acceptable rate of extraction of the non-renewable resource can be based on the historic rate at which improved efficiency, substitution and re-use became available. These calculations show the folly of relying on technological optimism, rather than on some historic track record.

CAUSES OF UNSUSTAINABILITY

When the human economic subsystem was small, the regenerative and assimilative capacities of the environment appeared infinite. We are now painfully learning that environmental sources and sinks are finite. Originally, these capacities were very large, but the scale of the human

Table 1 Comparison of Human, Social, Economic and Environmental Sustainability: Human Sustainability

- Human sustainability means maintaining human capital. Human capital is a private good of individuals, rather than between individuals or societies. The health, education, skills, knowledge, leadership and access to services constitute human capital. Investments in education, health, and nutrition of individuals have become accepted as part of economic development
- As human life-span is relatively short and finite (unlike institutions) human sustainability needs continual maintenance by investments throughout one's lifetime
- Promoting maternal health and nutrition, safe birthing and infant and early childhood care fosters the start of human sustainability. Human sustainability needs 2–3 decades of investment in education and apprenticeship to realize some of the potential that each individual contains. Adult education and skills acquisition, preventive and curative health care may equal or exceed formal education costs
- Human capital is not being maintained. Overpopulation is intensifying and is the main dissipative structure worsening per capita indices. That is far graver than overcapitalizing education so that laborers have PhDs

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Table 2 Comparison of Human, Social, Economic and Environmental Sustainability: Social Sustainability

- Social sustainability means maintaining social capital. Social capital is investments and services that create the basic framework for society. It lowers the cost of working together and facilitates cooperation: trust lowers transaction costs. Only systematic community participation and strong civil society, including government can achieve this. Cohesion of community for mutual benefit, connectedness between groups of people, reciprocity, tolerance, compassion, patience, forbearance, fellowship, love, commonly accepted standards of honesty, discipline and ethics. Commonly shared rules, laws, and information (libraries, film, and diskettes) promote social sustainability
- Shared values constitute the part of social capital least subject to rigorous measurement, but essential for social sustainability. Social capital is undercapitalized, hence the high levels of violence and mistrust
- Social (sometimes called moral) capital requires maintenance and replenishment by shared values and equal rights, and by community, religious and cultural interactions. Without such care it depreciates as surely as does physical capital. The creation and maintenance of social capital, as needed for social sustainability, is not yet adequately recognized. Western-style capitalism can weaken social capital to the extent it promotes competition and individualism over cooperation and community
- Violence is a massive social cost incurred in some societies because of inadequate investment in social capital. Violence and social breakdown can be the most severe constraint to sustainability

Table 3 Comparison of Human, Social, Economic and Environmental Sustainability: Economic Sustainability

- Economic capital should be maintained. The widely accepted definition of economic sustainability is maintenance of capital, or keeping capital intact. Thus Hicks's definition of income–the amount one can consume during a period and still be as well off at the end of the period–can define economic sustainability, as it devolves on consuming value-added (interest), rather than capital
- Economic and manufactured capital is substitutable. There is much overcapitalization of manufactured capital, such as too many fishing boats and sawmills chasing declining fish stocks and forests
- Historically, economics has rarely been concerned with natural capital (NC) (e.g., intact forests, healthy air). To the traditional economic criteria of allocation and efficiency must now be added a third, that of scale (Daly, 1992). The scale criterion would constrain throughput growth–the flow of material and energy (NC) from environmental sources to sinks
- Economics values things in money terms, and has major problems valuing NC, intangible, intergenerational, and especially common access resources, such as air. Because people and irreversibles are at stake, economic policy needs to use anticipation and the precautionary principle routinely, and should err on the side of caution in the face of uncertainty and risk

Table 4 Comparison of Human, Social, Economic and Environmental Sustainability: Environmental Sustainability (ES)

- Although ES is needed by humans and originated because of social concerns, ES itself seeks to improve human welfare by protecting NC. As contrasted with economic capital, NC consists of water, land, air, minerals and ecosystem services, hence much is converted to manufactured or economic capital. Environment includes the sources of raw materials used for human needs, and ensuring that sink capacities recycling human wastes are not exceeded, in order to prevent harm to humans
- Humanity must learn to live within the limitations of the biophysical environment. ES means NC must be maintained, both as a provider of inputs (sources), and as a sink for wastes. This means holding the scale of the human economic subsystem (= population × consumption, at any given level of technology) to within the biophysical limits of the overall ecosystem on which it depends. ES needs sustainable consumption by a stable population
- On the sink side, this translates into holding waste emissions within the assimilative capacity of the environment without impairing it
- On the source side, harvest rates of renewables must be kept within regeneration rates
- Technology can promote or demote ES. Non-renewables cannot be made sustainable, but quasi-ES can be approached for non-renewables by holding their depletion rates equal to the rate at which renewable substitutes are created. There are no substitutes for most environmental services, and there is much irreversibility if they are damaged

East King County Plan To End Homelessness

Eastside Human Services Forum
September 2007

Prepared for the Eastside Homelessness Advisory Committee and Eastside Human Services Forum, with additional funding support from the Committee to End Homelessness of King County.

Participating Organizations:

A Regional Coalition for Housing (ARCH)

Bellevue School District

Catholic Community Services/Archdiocesan Housing Authority

Child Care Resources

Church Council of Greater Seattle

City of Bellevue

City of Issaquah

City of Kirkland

City of Mercer Island

City of Redmond

Committee to End Homelessness of King County (CEH)

Congregations for the Homeless

Downtown Action to Save Housing (DASH)

Eastside Cares

Eastside Domestic Violence Program (EDVP)

Evergreen Health Care

Family Resource Center

Friends of Youth

Health Care for the Homeless Network

Hopelink

Housing at the Crossroads

Interfaith Task Force on Homelessness/King County

Issaquah School District

King County

King County Housing Authority

Kirkland Interfaith Transitions in Housing (KITH)

Lake Washington School District

St. Andrew's Housing Group

Snoqualmie Valley School District

United Way of King County

Vets Edge

Woodinville Unitarian Universalist Church

YWCA of Seattle-King County-Snohomish County

Judith Clegg, President
Beka Smith, Research Associate
Irving Sambolin, Administrative Associate
of
CLEGG&ASSOCIATES
1904 Third Avenue, Suite 925
Seattle, WA 98101
www.cleggassociates.com

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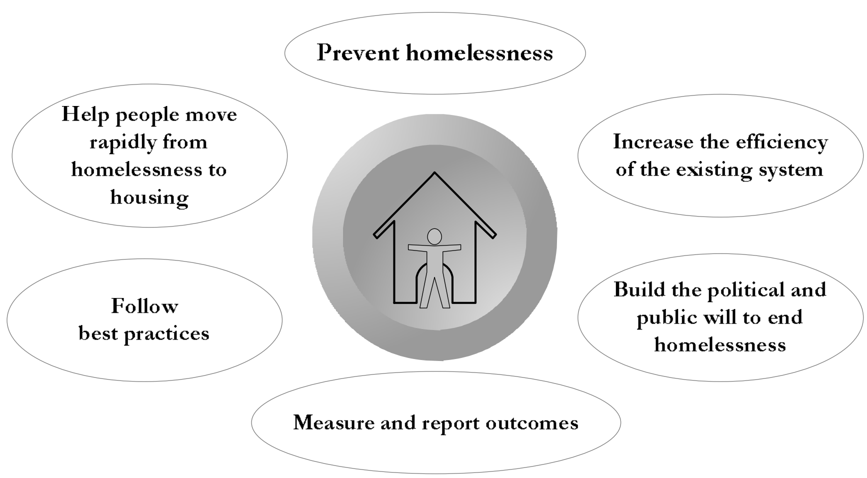
Background

In 2005, government officials, funders, homeless people, advocates, and housing and service providers initiated a plan to end homelessness in King County in 10 years. The *10 Year Plan to End Homelessness* has galvanized efforts to improve housing and services for homeless people throughout King County. Key to these efforts is preventing homelessness and the *housing first* strategy of connecting people to permanent housing immediately and providing supportive services to help maintain their stability.

Key Strategies from the 10 Year Plan



Purpose

King County is geographically broad and holds diverse local communities, and while the *10 Year Plan* provides a broad framework to guide approaches to homelessness, it does not delve into sub-regional issues. The Eastside Human Services Forum and Eastside Homelessness Advisory Committee (EHAC) have created the following document to define what the county's *10 Year Plan* means for East King County. This document is intended to serve as a companion piece to King County's *10 Year Plan*, describing needs and solutions to homelessness in East King County, and connecting the *10 Year Plan's* vision to the Eastside. Specifically, this plan will do the following.

- Connect cities and agencies throughout East King County to provide a comprehensive and coordinated set of housing and services to meet the varied needs of homeless and at risk individuals and families
- Guide and support government officials, policymakers and funders as they make decisions about the direction, funding, and capacity of housing and services for homeless and at-risk individuals and families in East King County over the next 10 years
- Help organizations make effective decisions about the housing and services they will provide
- Help public and private agencies, funders, and community members understand current and future homeless housing needs in East King County
- Identify gaps in housing and services for homeless and at risk individuals and families
- Raise public awareness about homelessness

Importance to East King County

Why is it important to end homelessness in East King County? There are many reasons, but following are a few that stand out as most important on the Eastside.

- Housing people saves lives and improves health.

    According to Public Health's Healthcare for the Homeless program statistics, common health problems among homeless adults, families, youth and children in East King County include upper respiratory infections, skin disorders, heart problems, diabetes, asthma, and depression. Ending homelessness will decrease chronic and communicable diseases and improve mental health and substance use issues that disproportionately impact homeless people and decrease the number of deaths.

- Housing is essential for education and opportunities for homeless children and youth, improving long-term life and employment prospects.

    Sound Families data shows a strong negative link between homelessness and school stability, with 59 percent of homeless children in East King County attending two or more schools in the year before entering housing.

- Homelessness is expensive.

  It is not cost effective to fund emergency services at emergency rooms and jails, rather than providing supportive housing and rental assistance to help homeless individuals and families achieve stable housing and employment.

- Early intervention prevents more difficult problems.

  If East King County acts to intervene now, it can keep chronic homelessness from becoming a more significant issue locally. Early intervention can also prevent individuals and families from spiraling down to need more services (e.g. chemical or alcohol dependency).

- Existing homeless housing in East King County is limited.

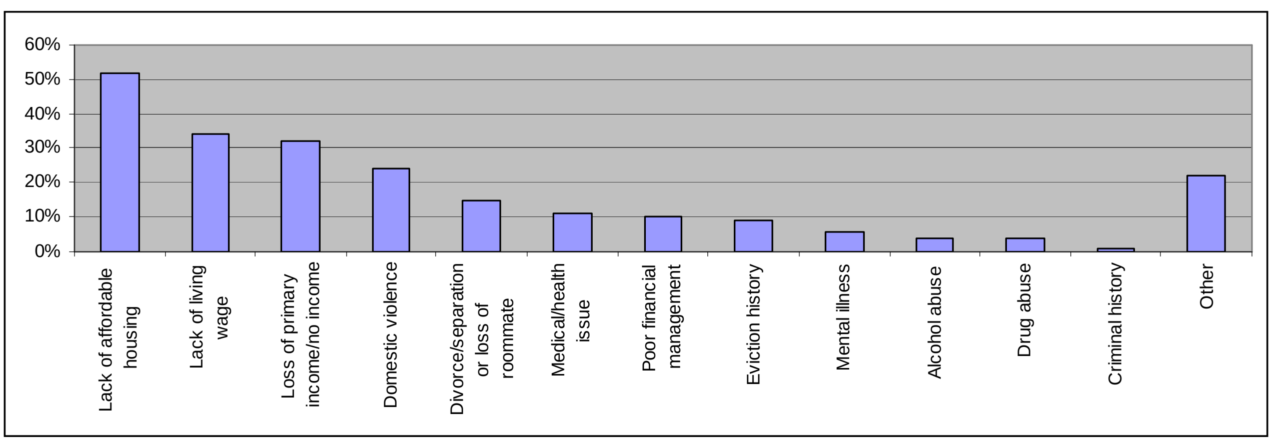
  East King County's existing housing capacity is overburdened and the situation will likely become worse if no action is taken.

- Ending homelessness is the right thing to do.

  With significant resources to draw on and recent survey results indicating a communitywide commitment to ending homelessness, East King County should act now to ensure that community members at all income levels can retain their housing.

Homeless Populations and Needs in East King County

Individuals and families in East King County become homeless for a number of reasons. Data from the Gates Foundation Sound Families programs indicates that the primary cause of homelessness for most families on the Eastside (52 percent) is lack of affordable housing. This is



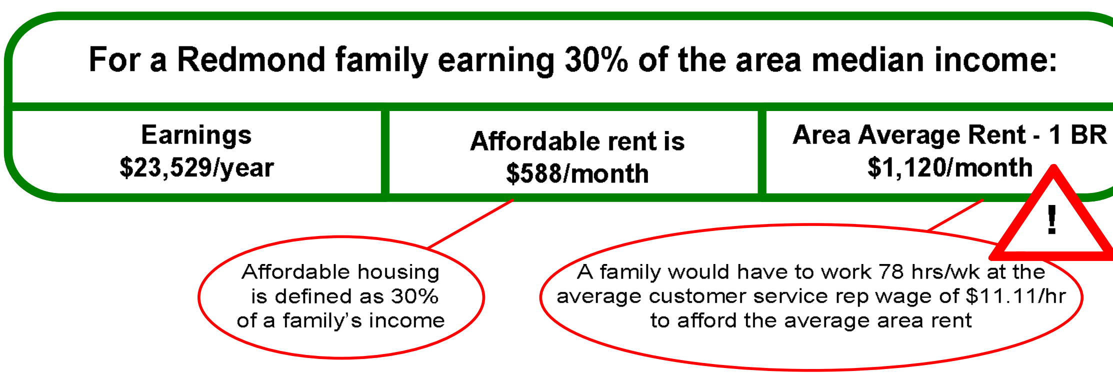
Percent of Eastside families by primary cause of homelessness

(As identified by case managers at Sound Families intake. Families could list more than one primary cause of homelessness.)

higher than average for King County, as is the percentage of families who become homeless due to a medical or health issue (11 percent). The second most common cause of homelessness for Eastside families is lack of a living wage (34 percent), indicating a significant gap between housing prices and wages for many families.

There is a real need for both affordable housing and living wage jobs in East King County. According to King County's Benchmark Report, East King County has the smallest stock of affordable rental housing in the county for people at 50 percent of the area median income. None of the cities in East King County have sufficient affordable housing for families at 30 to 80 percent of the area median income. Benchmarks show that only 2 percent of rental units in Redmond are affordable to low-income households earning 50 percent or less of the area median income and 0 percent of rental units in Sammamish. Supply of less expensive housing is threatened by countywide trends such as rent increases and condo conversions.

For example:



Prevention of Homelessness

The most effective strategy to end homelessness is to help at-risk families and individuals *before* they become homeless. Countywide, the Committee to End Homelessness (CEH) has identified more than 46,000 extremely low-income families who are at risk of homelessness and need services and assistance to maintain their housing. Rental assistance and subsidies for utility bills help families and individuals maintain their market rate housing. Job training and educational opportunities help them secure living wage jobs that allow them to pay rents long term. Assistance with child care can also help low-income families stay housed, as many are forced to make choices between paying for child care and rent.

Strategies such as rental assistance are particularly important in East King County, where the most common causes of homelessness are lack of affordable housing and lack of jobs that pay a living wage. Data from the Housing Stability Program, a major homelessness prevention services provider, shows how effective homelessness prevention can be. The program found that 94 percent of households served continued to live in their permanent housing six months later. The program served 105 households in the North/East King County region in 2006, at an average expense of $954 in direct assistance per household. The most common reason that households needed assistance was a lost job, followed by cuts in work hours and illnesses or injuries. At the same time, it is important to be aware that there are families on the Eastside that do not meet the Housing Stability Program's criteria and may require potentially higher assistance costs to avoid homelessness. Additionally, while many households can stabilize with short-term assistance, households dependent on low-wage jobs will require longer-term subsidies or affordable housing.

Preventing homelessness also requires building connections between systems and providers to improve discharge planning. When people have an exit plan that includes a place to live, they are less likely to exit foster care, prisons, mental health or chemical dependency treatment, or medical respite into homelessness.

Homelessness prevention services for youth and young adults, while in some cases similar to adult services, also include family preservation and reconciliation services, crisis services, and collaboration with foster care, mental health, juvenile detention, jail, and chemical dependency systems to ensure that a housing plan is in place for each youth and young adult.

For example:
Hopelink's Family Development program helps prevent homelessness by providing support to families who are at risk in one or more areas of their lives. **Rent subsidies** and **eviction prevention funds** help families in crisis maintain their **housing** rather than falling into homelessness. **Family development specialists** work with each family to help them set **goals**, gain **self-sufficiency**, and ultimately remain **stable** and keep their **housing**.

Preventing homelessness for immigrant families in East King County must include culturally relevant services to help navigate the system. This may include assistance with housing search and housing support programs, and legal, educational, and job services, as well as ESL classes and interpreter services.

Estimating future need for homelessness prevention services and assistance on the Eastside is difficult. The factors that push individuals and families toward homelessness are wide-ranging and can be affected by unforeseen forces, such as changes in the economy and the housing market. While it is known that current resources are not sufficient, the optimum level of resources needed on the Eastside cannot be accurately determined at this time. The Committee to End Homelessness has convened a workgroup to study the issue of homelessness prevention in King County. The final product of that group will be evaluated and drawn on to help set a target for prevention resources needed in East King County.

Supportive Services to Maintain Housing Stability

While many individuals and families on the Eastside are simply priced out of the market and have low service needs, a substantial number need supportive services to maintain stability. For example, of the 2,307 mentally ill people served by the Regional Support Network in East King County, an estimated 270 adults were homeless for at least part of the year. In addition, Sound Families data, while limited to participating families in funded programs, indicates that at intake to housing, 12 percent of heads of household had a mental illness, nine percent had a physical disability, and two percent had a developmental disability. Alcohol and drug use also impacted families' stability, with four percent of families identifying alcohol or drug abuse as the primary cause of their homelessness.

Supportive services are essential in helping many people with mental health and chemical dependency issues maintain housing, and include case management, mental health and chemical dependency services, life and job skills training, and legal advocacy. Additionally, people with complex life situations, including mental illness, chemical dependency, histories of trauma, disabilities or health issues, criminal justice and bad credit history, and immigration status face major obstacles in obtaining housing that can be mitigated with services such as credit repair, deposit assistance, and money management.

Best practices in ending homelessness encompass a range of housing and service strategies that have proven effective. However, key elements in any best practice approach are providing a range of affordable, independent housing options, and flexible supportive services that can increase and decrease in intensity depending on individual needs.

Supportive services can be located on-site or off-site, consist of mobile teams, or be easily accessed through public transit. However, in a *housing first* model, supportive services must be flexible – with capacity to increase and decrease in order to meet clients' changing needs. In addition, they must be culturally competent.

What supportive services to maintain stability are needed in East King County?

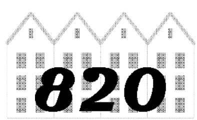
- **Case management** services to help families set and attain goals that will promote self-sufficiency
- **Quality child care** and access to child care subsidies
- **Employment services**
- **Financial assistance** during times of crisis
- **Adult education**, including literacy and ESL classes
- **Access to health care and mental health care** and assistance with referrals
- **Credit, money management**, and other **financial literacy services**
- **Alcohol and chemical dependency services**
- **Transportation**

Homeless Housing Needs in East King County by Population

Single Adults

Within East King County's homeless single adult population are substantial numbers of homeless veterans living outdoors in Eastside woods and unsheltered homeless people living in their cars. The proportion of homeless women appears to be greater than originally thought, based on the level of response at the drop-in center that opened in Bellevue in 2007. Data from the Crisis Clinic indicates that among housing requests from Eastside residents, 80 percent of calls were from women.

One way to estimate the unmet need for homeless housing is to look at currently known homeless single adults on the Eastside. Annually, Congregations for the Homeless (CFH) serves approximately 120 men from Eastside communities. An additional estimated 150 persons annually live in Tent City communities. Eastside housing and service providers estimate that at least 50 people live outside in East King County, and 50 or more individuals from East King County are being served at Seattle facilities. To house this total population, assuming an average stay of 2.5 years, would require approximately 700 units for homeless single adults. In addition, 25 percent of King County's homeless population are originally not from King County or have no known last address. Assuming that at least one tenth of that group are former residents of the Eastside or connected to Eastside community members would require an additional 120 units. Therefore, the estimated total need for single homeless adults on the Eastside is approximately 820 units with a mix of low, moderate, and high service levels.



This estimate is consistent with countywide projections. King County's *10 Year Plan* defines a need for 4,800 additional units for single adults in King County. Eastside providers, government officials, and CEH representatives estimate that 12 percent of homeless single adults in King County are from the Eastside. Adding a share of the homeless population not originally from King County or with no known last address yields a total share of 17 percent, or just under 820 additional units for homeless single adults on the Eastside.

East King County's housing units will need to serve single adults with needs of different intensities. Eastside housing and service providers estimate that approximately 20 percent of the units for homeless single adults will need to have high-intensity supportive services, with the remaining 80 percent serving low and moderate need levels. High-intensity services on the Eastside are needed for both episodically and chronically homeless adults, although East King County has a smaller relative proportion of homeless adults who are considered chronically homeless. The federal Department of Housing and Urban Development (HUD) defines chronic homelessness as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for at least one year, or who has had at least four episodes of homelessness in the past three years.

Housing units for single adults, while primarily permanent, should also include *interim housing* for a small number of single adults who cannot be immediately placed in permanent housing due to particularly complex needs. King County's Shelter Task Force has defined interim housing as short-term units for three groups: (1) individuals whose mental/emotional/behavioral status is unclear and who require additional assessment prior to housing placement; (2) individuals who have complex issues with criminal justice, mental health, chemical dependency, HIV/AIDS issues and/or acute healthcare that prevent them from moving directly to appropriate permanent supportive housing; and (3) individuals facing a crisis that endangers their safety, including women fleeing domestic violence. Eastside housing and service providers estimate that 50 interim housing units will be needed for single adults within the 820 total units for single adults.

What kinds of housing might work well for homeless single adults in East King County?

Homeless single adults need a **mix of housing models**. Effective models include **single family houses** that can provide separate bedrooms with community living and dining areas, and on-site project managers. **Self-managed housing**, such as Oxford House, works well for low and moderate need single adults. Housing should provide privacy, security, living options outside of the central corridor, and access to supportive services as needed.

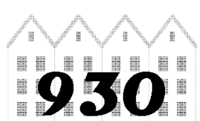
Eastside housing and service providers also see a need for approximately 100 **Single Room Occupancy** (SRO) style units, similar to those developed by Plymouth Housing Group in Seattle, which could provide interim and permanent housing with no restrictions on length of stay. While units can be small, each unit should include a shower and kitchenette, furnishings, and access to a common area with a larger kitchen, as well as 24/7 management on-site, offices for referral staff and easy access to transit. Connections should be made with **local social service providers** to support residents. Rents must be **affordable**, at approximately $150 to $175, and Section 8 can be used to help increase affordability.

While the *10 Year Plan* contemplates cutting back shelter capacity and converting shelter beds to interim housing for single adults, East King County needs to build its **interim housing capacity**. Currently, the CFH church shelter provides the only existing homeless housing of any duration for single adults in East King County and can provide shelter to only 30 adult men.

Families

East King County families become homeless for many reasons and may need easily accessible supportive services in addition to housing units to address these issues. Many families cannot pay high rents on the Eastside with low-wage jobs and need help obtaining a living wage job. Many female heads of household have experienced domestic violence and need legal help and security. Undocumented families find that it is hard to rent subsidized affordable housing, but their incomes are often too low to rent in the private sector. Families also lose their housing after drug and alcohol use; methamphetamines, particularly, have found their way to the Eastside.

King County's *10 Year Plan* estimates a need for 1,900 housing units for families, most with limited and moderate service level needs. This figure may be an underestimate. Given the Eastside's severe lack of affordable housing and the disproportionate representation of families among its homeless population, Eastside housing and service providers project that East King County will need 930 family units.



The need for 930 family units in East King County is based on the current estimate of five homeless families turned away for each homeless family housed. (While not all providers track turn-aways, one large Eastside provider estimates a ratio of eight families turned away for each family placed in emergency shelter beds, and 12 turn-aways for each family obtaining transitional housing. The rates are averaged and halved to roughly account for duplication as families who are turned away seek housing from other Eastside providers.)

Eastside providers have already begun to take advantage of funding for housing first projects, supporting approximately 33 families with Homeless Housing and Services (2163) funding

A snapshot of homeless families in East King County: Data from Sound Families-funded programs

Single head of household: 86%

Average caregiver age: 29

Average child age: 6

Most common caregiver race/ethnicity--
White: 45%,
African American: 24%
Latino: 8%

Most common caregiver education level--
High school diploma: 34%
Some college: 24%
Some high school: 19%

awarded to EDVP, Hopelink, CFH, and Friends of Youth; and providing rent subsidies, with Regional Affordable Housing Program (2060) funding, through Downtown Action to Save Housing (DASH). These partnerships between housing and service providers offer an excellent model to replicate but will require additional funding if the programs are to continue and grow.

Not all of the units needed by families, or other homeless individuals, need to be new construction. Units can also be found within the existing private sector – for example, through rent subsidies, and with education, incentives, and safeguards to encourage landlords to rent to families with credit or criminal histories. Homelessness prevention efforts that keep families in their homes will also decrease demand for additional units. However, some new construction will be necessary, particularly given current low vacancy rates.

What kinds of housing might work well for homeless families in East King County?

Most homeless families may be best served by **individual apartments**. Some families will also need facilities with **communal spaces** and **supportive services**. Housing for larger families will be more difficult to secure and warrants continued attention.

Domestic Violence

Domestic violence and homelessness are linked for many individuals and families. Sound Families data indicates that domestic violence is the primary cause of homelessness for nearly one quarter (24 percent) of homeless families in East King County. Units for families and individuals dealing with domestic violence must be safe and have access to culturally competent services. Many will also need assistance with child care, employment and legal services, and counseling. Eastside housing and service providers estimate that among East King County's single adult and family housing development there is a need for 45 permanent, 15 transitional, and 15 interim units for domestic violence survivors. These estimates are based on the current turn-away rate of 15 to 1 for emergency units and projecting that nearly all domestic violence-related residents of interim and transitional housing will ultimately need permanent housing. Use of existing housing for domestic violence suggests that approximately 80 percent of need is for families and 20 percent for single women.

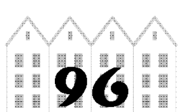
What kinds of housing might work well for domestic violence survivors on the Eastside?

Individuals and families dealing with domestic violence need a range of housing options. While some will be best served by **set-aside units** scattered throughout East King County, Eastside housing and service providers also see a need for a **dedicated facility** on a bus line. A multi-story building would allow for co-location of interim and permanent housing and outreach services, with the ground level dedicated to **outreach services** for clients not in housing, as well as **common areas** and offices for **advocates and counseling**. Upper stories could be dedicated to interim housing and units for longer stays for individuals and families dealing with drug and alcohol abuse, as well as domestic violence.

Youth and Young Adults

Youth and young adults become homeless for many reasons, including abuse, neglect, and aging out of the foster care system. Youth and young adults, 11-17 and 18-25 respectively, face different issues and serious barriers to obtaining housing in the private market, as well as legislation complicating the services and housing that nonprofit agencies can provide to youth under 18 without immediate parental notification. They also need time and support to develop independent living skills and employment assistance and education that will help them obtain a living wage job. Many also need counseling to recover from past family trauma.

Existing permanent housing units are typically full for youth and young adults. While the proportion of pregnant young mothers is decreasing among homeless youth and young adults, the overall need for additional housing dedicated to youth and young adults remains high. Eastside housing and service providers estimate that 96 additional units of permanent housing are needed for youth and young adults in East King County. Most of the 96 units should be permanent housing, excluding 12 units that are transitional/transition in place.



Estimates for long term needs for homeless youth and young adults in East King County are derived from current service numbers. Friends of Youth estimates that it serves an unduplicated 200 young adults per year in overnight shelter, in addition to 25 to 30 individuals at any given time through street outreach and 32 individuals through transitional housing units. Understanding that not all youth and young adults are in a situation where they need permanent housing, Friends of Youth estimates that an additional 12 units of transitional and 84 units of permanent housing for homeless youth and young adults are needed in East King County. The 12 units of transitional housing should be evenly divided between young single adults and youth under 18.

Homeless youth and young adults also need a full-time drop in center with shelter capacity, which can serve as a key point of contact for youth and young adults, and particularly undocumented youth and young adults, who often must establish rapport and trust in staff before they will commit to entering a program. Drop in centers have been effective nationally and should have capacity for mental health and substance abuse treatment, health care, education, and employment training. The center should also be available consistently each night. Currently, The Landing can only operate 5 nights per week and is not available during the day, which means that youth are forced to go to Seattle for shelter, couch surf, or find other places to sleep.

What kinds of housing might work well for youth and young adults in East King County?

Eastside homeless youth and young adults with low and moderate service needs would be well served by **smaller complexes** with good access to bus service, where individuals would have their own **private units** with kitchens and **common areas** for meetings, and access to **supportive services**. While most units should be studios and one bedroom units, two bedroom units will also be needed for **single parents**. Some youth and young adults with low service needs would adapt well to a **self-managed community**. Youth with mental illness will likely need on-site managers and/or service providers.

In addition to permanent units, Eastside housing and service providers see a need for **transitional or transition in place units** with intensive case management. The transitional/transition in place units would likely be best placed in a small apartment building with 6 small units, an on-site resident manager, and office space.

Eastside Homeless Housing Goals

While this report maps the levels of need for youth, young adults, families, and single adults on the Eastside, it will take time to add housing units and services. The table on the following page shows overall need and sets short-term and long-term goals for adding housing capacity; this represents a snapshot of current needs and should be updated regularly.

The short-term goals are considerably smaller than long-term goals because existing housing and service providers and developers are not currently set up to secure and maintain this level of housing stock. Capacity building, as well as securing funding sources and land for development, are critical and will take time.

Population	Estimated Need	Developed/ In Development 2005-2007	Short-Term Goals (2005-2010)	Long-Term Goals (2010-2015)
Single Adults	*815 units*	*20 units*	*245, including 50 interim units*	*570 units*
Families	*930 units*	*35 units*	*300 units*	*630 units*
Domestic Violence	*75 units*	*10 units*	*25 units**	*50 units**
Youth and Young Adults	*96 units*	*12 units*	*30 units (6 transitional and 24 permanent)*	*66 units (6 transitional and 60 permanent)*
Total	*1,845 units**	*77 units*	*575 units**	*1,270 units**

*Domestic violence units are listed separately, but are included within the total needed units for single adults and families.

Existing Inventory of Units, as of 2005:

Single Adults: 6 units

Families: 122 units

Domestic Violence: 30 units

Youth and Youth Adults: 21 units

Total: 179 units

Inventory figures include transitional and permanent housing. They are based on available data and may not be complete. As system-wide data becomes more available, these numbers should be revisited.

Principles and Strategies to Address Homelessness in East King County

Eastside housing and service providers have identified the following as *key principles* to guide efforts to end homelessness in East King County.

- Prevent homelessness among individuals and families at risk
- Develop long-term sustainable solutions to homelessness
- Provide short-term safety for homeless adults, families, youth and young adults, and domestic violence survivors
- Act now while it is most cost effective -- failing to be proactive will create a bigger problem and require more intensive service levels to address mental illness and drug use
- Create solutions that allow homeless Eastside residents to stay in their communities, rather than being forced into Seattle shelters due to lack of capacity in East King County
- Build commitment to address homelessness from all community members, including providers, funders, government agencies, and homeless individuals and families

Eastside housing and service providers have also formulated the following *key strategies* to effectively address homelessness in East King County.

- Preserve existing affordable housing
- Increase the number of housing units created by private developers
- Require private builders to include affordable housing within new housing
- Maximize the capacity of existing Eastside agencies to acquire, develop, own, and operate homeless housing, including needed services
- Encourage partnerships with organizations outside of East King County, especially as existing Eastside agencies reach their capacity
- Increase the ability of nonprofit developers to find and secure developable land sites in East King County, particularly those close to transit services
- Continue to increase coordinated funding opportunities that will provide full funding for affordable housing projects
- Develop an Eastside strategy to increase local public awareness of homelessness in Eastside communities
- Relieve the burden on transitional housing in East King County with increased permanent housing supply
- Provide critical assistance before people become homeless

- Provide supportive services to allow individuals and families who need them to remain stable in housing
- Create housing that can serve more than one population group, e.g., Hope House serves multiple populations in one housing facility
- Provide coordinated entry into housing and services to help individuals and families access the housing and services they need as efficiently as possible
- Decrease domestic violence turn-aways with increased housing and service capacity
- Assist homeless youth and young adults with life and job skills
- Create interim housing for specific populations, including domestic violence survivors, youth, and young adults
- Capture, analyze and utilize more complete data/statistics to document the number and types of services needed to end homelessness on the Eastside

The key strategies for success in King County's *10 Year Plan* to End Homelessness hold true in East King County.

1. Prevent homelessness

   It is more cost-effective (and compassionate) to "close the front door" on homelessness through rent and utility assistance, job training, employment, education, health care, mental health counseling, foster care, and chemical dependency treatment. We must also ensure that people are not discharged from jail, mental health programs, and foster care into homelessness.

2. Help people move rapidly from homelessness to housing

   Shelters are not a place where people can stabilize their lives. We must enable people to move quickly into permanent housing and stabilize with integrated supportive services.

3. Increase the efficiency of the existing system

   As we seek to make housing and services available, we need to restructure the system so that existing resources are used most efficiently. Programs are working together to coordinate services according to their areas of expertise and funders are streamlining rules and regulations that get in the way of efficiency.

4. Build the political and public will to end homelessness

   Our community wants to end homelessness. We need to build on that commitment by educating the public, reporting on our successes, and establishing steady funding.

5. Measure and report outcomes

   The CEH is tracking funds coming into the homelessness provider system and how that money is being used. Each project sets outcome goals in order to receive funding and regularly reports on whether it is achieving its goals. This information is reported annually to the community and guides planning and future actions.

Legislative Goals and Initiatives

The Committee to End Homelessness has prioritized a set of countywide goals and initiatives. Several address issues that are particularly important to the Eastside. East King County should work with CEH to actively participate in shaping, supporting, and advocating for these initiatives.

The following CEH legislative goals are of key interest in East King County.

- Increase the Housing Trust Fund for affordable housing production
- Improve discharge from state systems into stable housing with supportive services, particularly correctional facilities and youth aging out of foster care
- Fund mental health and substance abuse services
- Advocate for changes to state legislation and the administrative code to increase access to homeless services for youth under 18, particularly addressing restrictions from the Becca Bill that limit services to youth under 18 without notification of police and parents within eight hours
- Expand Transitional Housing, Operating and Rent Program (THOR) for homeless single adults, youth, and people at risk of homelessness

East King County housing and service providers and policymakers should actively engage with CEH initiatives that address Eastside issues, particularly by participating in IAC oversight and workgroups. Following are some of the *key issues* that will need to be addressed in this work.

- Improving links to private sector housing to increase affordable housing capacity and to recruit and retain landlords that will rent to households with previous credit, criminal, and other barriers in their backgrounds
- Coordinating entry into housing to connect homeless and at risk individuals and families with the housing and services they need
- Improving discharge planning to connect people leaving jails and other institutions with housing and services before they become homeless
- Developing strategies to mitigate systematic barriers to housing production
- Identifying new resources and funding supports for increasing housing capacity
- Creating pathways to living wage jobs for homeless and formerly homeless people
- Enhancing services and assistance to prevent households from becoming homeless

Next Steps

Following the Eastside Human Services Forum's adoption of this plan, local advocates will present the plan's findings and recommendations to Eastside elected officials, the Interagency Council of King County's CEH, and housing and supportive services funders. EHAC will continue to work to link local and countywide efforts to end homelessness and to bring providers together to work collaboratively to meet the goals outlined in this plan.

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: February 29, 2008

Subject: **City Council Goals**

The challenge for any organizational goal setting process is twofold. First, is balancing the need to provide a conceptual framework (i.e. strategic) with the desire to actually get things done (i.e. tactical). Secondly, is to find ways to integrate these goals into the organization's on-going decision making processes (e.g. Comprehensive Plan and City Budget) so that they actually have an impact. The aim of the attached "City Council Goal Statement" is to find the proper balance that is a relevant guide for decision making and achieving meaningful results.

In the preparation of this report, we have used the following definitions for the key terms.
Vision – The place or thing that you want to become; what you will look like in the future if you have successfully attained your goals; a picture in your mind of how you want things to be.
Mission – What you do and for whom; the reason for your existence; the framework for what you are doing.
Core Functions – The basic services that are provided in order to accomplish your mission.
Values – Statements about what you believe about specific elements of your vision and mission; commonly held truths that guide your decisions and goals.
Goals – Specific statements about what you are striving to achieve; together your goals will move you toward your vision; your goals are in keeping with your values.

Under this proposed format, the foundation for the conceptual framework is provided by both the suggested vision and mission statements. As you will see in the attached report, a number of options are provided for each. (In addition, examples from other organizations are also attached.) The next step is a series of "core functions" (what the City does) and organizational values (how we do it) that have been developed to support the vision and mission. These are:
Core Functions

1. High Quality Neighborhoods
2. Strong Economic Base
3. Public Safety
4. Dependable Infrastructure
5. Diverse Housing

6. Environmental Stewardship
7. Balanced Transportation System
8. Supportive Human Services
9. Quality Parks and Recreational Opportunities

Organizational Values

1. Encouraging community involvement
2. Showing that we care
3. Insuring financial integrity
4. Providing high quality customer service
5. Maintaining a positive and safe work environment
6. Working as a team
7. Thinking ahead
8. Participating in regional partnerships

A suggested value statement and a goal have been developed for each of the core functions. The combination of the vision, mission, core functions with the value statements and goals along with the organizational values is designed to provide the overall conceptual framework. The actual services, programs and projects will be identified through the development of a "City Council Agenda" for each core function. (Other terms that could be used include "Work Program" or "Work Plan.") This agenda would consist of short-term (1 year), medium-term (2 – 5 years) and long-term (6 – 10 years) items. Both services/programs (i.e. new and/or improved) and capital projects should be included.

There would be two methods to assure accountability for core function performance. The first would be an annual assessment of the City Council Agenda in order to determine if the identified agenda items were accomplished as scheduled and/or if adjustments are needed. Secondly, would be a series of performance measures for each core function that would be evaluated annually. The attached report contains examples of potential performance measures.

Under this goal setting format, the City Council with staff support would work through a process of establishing a "City Council Agenda" for each core function. A suggested first step would be a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis of each core function. Such a SWOT analysis was prepared for a previous Council Retreat item on goal setting and is attached. This could be used as a starting place for this exercise. A professional facilitator could be helpful in moving this process along and achieving consensus. Once the initial set of agendas was established, the Council would review them annually (e.g. at the Council Retreat) and make needed adjustments.

A companion process would be needed to develop "agendas" for each of the organizational values. It is suggested that this process be assigned to City staff that would prepare a draft for Council's review. This process could be initiated at the upcoming Management Retreat in April.

If this document is to provide meaningful guidance, it is essential that it be fully integrated into the key processes of the City. These would include:

- Comprehensive Plan

- City budget process
- Departmental strategic plans
- Financial reporting
- City web page
- Key City documents (e.g. Council agenda and business cards)
- Employee performance evaluations

Attached are several examples of how cities are attempting to achieve this integration.

Questions and Discussion Items

For the Council Retreat, there are a number of policy issues and questions that could be discussed. These include:

1. Is this overall approach to "goal setting" acceptable to Council? If yes; are there changes/improvements to the proposed system that need to be made? If not; are there other systems that should be considered?
2. Which, if any, of the suggested vision and mission statements work best for Council? Do Council Members have some other alternatives or are there elements of these statements that should be combined into new options?
3. Are the suggested core functions and organizational values the appropriate ones? Are there ones that should be added, modified or deleted? Are there changes that need to be made to the suggested value statements for each core function?
4. Is the concept of a "City Council Agenda" acceptable to Council including the use of short, medium and long-term items?
5. Is this process suggested for developing the "City Council Agendas" for each core function acceptable? If so, would the Council like to use a facilitator? Does the Council want to some initial work on the agendas at this retreat (e.g. brainstorming)? Follow-up options could include: scheduling another "mini-retreat" for this purpose, scheduling this item for future study sessions, including this item on upcoming Council meeting agendas (i.e. working through them one at a time). Which of these options are preferable or are there other approaches that should be considered?
6. Are the suggested performance measures the appropriate ones? Are there changes that need to be made? How should they be used?
7. Is it appropriate to refer the organizational values to City staff for some initial work on developing agendas for each value or would Council prefer a different approach?
8. What are some good ways to make effective use of the organizational values both for City employees and in the community?
9. How can the results of this goal setting be integrated into key City decision making processes?

CITY COUNCIL GOAL STATEMENT

VISION

Option 1

We recognize that Kirkland is a special place. The City is endowed with a beautiful physical setting, a strong sense of history, attractive neighborhoods, vibrant business districts, exceptional park system, a real sense of community and high quality city services. (Based on the "Council Philosophy" statement)

Option 2

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

Option 3

We recognize that Kirkland is a special place that has a strong sense of history and community resulting from a unique combination of an ideal location, vibrant neighborhoods and business districts including a charming downtown, a strong sense of community and high quality city services.

Option 4

Kirkland is a special place that is endowed with a beautiful physical setting. Our lakefront community is a destination place for residents, employees and visitors. We have a strong sense of history and value our neighborhoods with their sense of community, vibrant business districts and abundant natural resources.

Option 5

Kirkland is an attractive, vibrant and inviting place to live, work and visit.

MISSION

Option 1

We provide a place that people want to be.

Option 2

To create a City that is attractive, vibrant and an inviting place to live, work and visit.

Option 3

We are committed to the enhancement of Kirkland as a community for living, working and leisure with an excellent quality of life that preserves the City's existing charm and natural amenities.

Option 4

We recognize that Kirkland is a very special place and feel privileged to serve its citizens. We are committed to preserving its unique identity, enhancing its natural beauty and fostering a sense of community. This is accomplished by efficiently providing high quality services, encouraging participation and inclusiveness and serving as careful stewards of our environment.

CORE FUNCTIONS

We accomplish our vision and mission by providing value-based services for the following "core functions." We set goals for each of these functions and we hold ourselves accountable by continually measuring our performance.

High Quality Neighborhoods

Value Statement
Kirkland is made up of distinct neighborhoods each with its own unique character. We celebrate this while striving to maintain an overall sense of community.

Goal
To work closely with each neighborhood to ensure that high quality services are provided, neighborhood associations are supported and issues are responsively addressed.

City Council Agenda

Short-term (1 year)

Medium-term (2- 5 years)

Long-term (6 – 10 years)

Performance Measures
1. At least 90% of residents rate their neighborhood as a very good place to live.
2. At least 90% of residents participating in Neighborhood Services' programs rate them as good or excellent.
3. At least 90% of Neighborhood Association Chairs feel very well supported by the Neighborhood Services Program.

Strong Economic Base

Value Statement
Kirkland's diverse economy provides a variety of employment opportunities, a broad range of goods and services and a strong tax base (Comp.Plan FG-4) that supports the provision of high quality City services. Our business environment represents a distinct niche in the Central Puget

Sound market. Each of our business districts plays a unique role in the City's economic structure.

Goal
To develop an environment that recognizes the value of Kirkland businesses, encourages entrepreneurship and supports their efforts with business-friendly investments, policies and strategies.

City Council Agenda

Short-term (1 year)

Medium-term (2 – 5 years)

Long-term (6 – 10 years)

Performance Measures
1. The number of jobs in Kirkland will increase by at least 1% each year.
2. Revenue from sales tax will increase annually by 5% based on a five year rolling average.
3. At least 80% of Kirkland businesses rate Kirkland as a very good place to do business.

Public Safety

Value Statement
Fundamental to our high quality of life is the strong emphasis placed on ensuring that all those who live, work, shop, play and visit in Kirkland feel safe. This is achieved through a community-based approach to police, fire, emergency medical, municipal court, emergency preparedness and code enforcement services that focuses on both the prevention of problems and a timely response when they do occur.

Goal
Plan for and implement public safety systems that promote a strong sense of safety in our community.

City Council Agenda

Short-term (1 year)

Medium-term (2 – 5 years)

Long-term (6 – 10 years)

Performance Measures
1. At least 60% of building fires are contained to the area of origin

2. At least 90% of Kirkland residents feel safe walking in their neighborhoods after dark.
3. At least 90% of all EMS response times are under 5 minutes.

Dependable Infrastructure

Value Statement
It is essential that the City have a well-maintained infrastructure consisting of an integrated system of roads, sidewalks, water, sewer and surface water systems, parks, technology systems and City buildings. This requires both a commitment to making long-term capital improvement investments and on-going attention to systems maintenance.

Goal
To maintain the appropriate level of investment in the City's infrastructure that protects the value of existing assets and provides new assets to meet the growing needs of the community.

City Council Agenda

Short-term (1 year)

Medium-term (2 – 5 years)

Long-term (6 – 10 years)

Performance Measures
1. The condition of the City's streets is maintained at a Pavement Management System rating of at least 70.
2. 95% of Kirkland residents rate the condition of the City's parks as very good.
3. Something to do with a percentage of investment (of total value of infrastructure) through CIP projects in the water, sewer and surface water systems.

Diverse Housing

Value Statement
The City's housing stock should meet the needs of a diverse community by providing a wide range of types, styles, size, and affordability. The City's housing policies, strategies and investments should be forward looking in order to achieve the desired level of housing diversity and meet the housing unit targets consistent with the Growth Management Act.

Goal
To develop and implement strategies that promote the development and maintenance of a housing stock that meets a diverse range of incomes and needs.

City Council Agenda

Short-term (1 year)

Medium-term (2 years)

Long-term (3 years)

Performance Measures

1. X% of the City's housing units should be affordable to those at 80% of King County's median household income.
2. The City and ARCH working with developers and human service agencies will produce 60 units of low-income (50% of median income) and 42 units of moderate-income (80% of median income) housing annually.
3. The City meets the housing unit targets consistent with the Growth Management Act as set forth by the x.

Environmental Stewardship

Value Statement

We are committed to the protection of our natural environment. A natural resource management system must recognize the interdependence of sensitive areas including wetlands and the urban forest and their role in water quality, clean air and wildlife preservation. Integral to this effort will be strategies focusing on sustainable development standards, waste reduction and cleaner air through reductions in miles driven and emissions.

Goal

To practice and promote sustainable practices that protect our environment for current residents and future generations.

City Council Agenda

Short-term (1 year)

Medium-term (2 - 5 years)

Long-term (6 – 10 years)

Performance Standards

1. At least 75% of single family residence waste and 25% of multi-family residence waste will be diverted from the landfill and the City's total waste will be reduced by at least x% a year.
2. The City's water quality index will be maintained at least x.
3. The City's carbon emissions will be reduced by at least x% each year towards a goal of y by the year 2020.

Balanced Transportation System

Value Statement

Key to the effective movement of people and goods is an integrated multi-modal transportation system. This system must provide alternatives to the single occupancy vehicle travel including pedestrian, bicycle and transit facilities. The design should facilitate connections between the neighborhoods, public spaces, businesses and the regional transportation system.

Goal
To develop and maintain an integrated, multi-modal transportation system that provides options for the efficient movement of people and materials.

City Council Agenda

Short-term (1 year)

Medium-term (2 – 5 years)

Long-term (6 – 10 years)

Performance Standards
1. The percentage of Kirkland residents who commute to work in other than a single occupancy vehicle will increase x% each year towards a goal of y%.
2. The 10 largest employers in Kirkland will have a transportation mode split of at least x.
3. Pedestrian paths will be increased by x miles and bicycle paths will increase by y miles each year.

Supportive Human Services

Value Statement
We care about the health and well-being of everyone in our diverse community. In addition to providing high quality services to all of Kirkland, there is a particular attention focused on those who have special needs including older adults, youth, immigrants, disabled and low-income residents. Partnering with human service and faith-based organizations is integral to the effectiveness of these services.

Goal
To provide a coordinated system of human services designed to meet the special needs of our community.

City Council Agenda

Short-term (1 year)

Medium-term (2 – 5 years)

Long-term (6 – 10 years)

Performance Standards
1. 100% of the agencies receiving City funding will demonstrate measurable results in improving the health and well-being of Kirkland residents.
2. City staff will conduct monitoring visits to 100% of the funded agencies to ensure compliance with their established performance measures.
3. At least 95% of Kirkland's human service agencies feel well-supported by the City.

Quality Parks and Recreational Opportunities

Value Statement
Our exceptional park and recreation system is integral to the high quality of life in Kirkland. The park system and its facilities contain a balance of programmed areas for organized activities and open space including unique natural areas. A wide variety of recreational services are provided aimed at promoting the community's health and enjoyment.

Goal
To meet the leisure needs of the community, provide recreational opportunities and promote the community's health.

City Council Agenda

Short-term (1 year)

Medium-term (2 – 5 years)

Long-term (6 – 10 years)

Performance Standards
1. The percentage of Kirkland residents that evaluate the City's parks as very good is at least 90%
2. There is at least x acres of natural areas restored annually.
3. The number of participants in Kirkland recreational programs increases by at least 5% annually.

ORGANIZATIONAL VALUES

We are committed to the following values in the accomplishment of our mission.

Encouraging community involvement
We value the meaningful participation of the community in City decision-making processes and services and recognize that fair and equal access is the most effective means of building trust and credibility. By providing information, discussing issues and receiving input through a variety of formats, individuals and key stakeholder groups are encouraged to be informed and get involved.

Showing that we care
We are a caring organization that is concerned about the well-being of all our citizens and employees; particularly those who are in need. We are thoughtful stewards of our environment and value the natural beauty of our community.

Insuring financial integrity
We endorse a set of fiscal policies that ensure the prudent management of City resources and services. By engaging in long-term financial planning, sound budgetary practices and thorough auditing, we can meet both the City's current financial needs and long-term investment responsibilities.

Providing high quality customer service
We recognize that our primary role is that of a service provider to the community. To insure that these services are "Kirkland Quality," we are committed to the design of customer-based service delivery systems, responsiveness and continuous improvement.

Maintaining a positive work environment
We believe that our employees are the City's most important assets and are the key to providing high quality services. In order to attract and retain outstanding staff, we are committed to a work place that in addition to fair compensation values integrity, safety, working hard, communication, participation, having fun and respect.

Working as a team
We believe that integral to our effectiveness is the belief in the importance of team work. Participation can range from teams within departments to inter-departmental efforts to those involving both City staff and the community and other agencies. Knowing how to be a good team player is an essential skill for all Kirkland employees.

Thinking ahead
We understand that in order to maintain our current levels of service quality and improve them; whenever possible we anticipate rather than react. This will require that all departments regularly engage in long-range planning and continuous improvement to on-going operations processes.

Participating in regional partnerships
We recognize the value of pursuing opportunities for regional partnerships with other cities and public agencies, non-profits organizations and the private sector. Such relationships have the potential to increase efficiency through an economy of scale and offer the ability to share specialized and often costly services, equipment and facilities.

LIST OF ATTACHMENTS

1. City of Kirkland Council Philosophy Statement
2. City of Kirkland Comprehensive Plan – Vision/Framework Goals
3. City of Kirkland SWOT Analysis (from 2006 Retreat)
4. Examples of Vision and Mission Statements
5. Examples of Performance Measurement models

Attachment 1

CITY OF KIRKLAND

COUNCIL PHILOSOPHY

UNIQUE COMMUNITY CHARACTER

We recognize that Kirkland is a special place. The City is endowed with a beautiful physical setting, a strong sense of history, attractive neighborhoods, vibrant business districts and an exceptional park system.

A SAFE COMMUNITY

We place a strong emphasis on ensuring that all those who live, shop, work and play in Kirkland feel safe. This is done through a community-based approach that focuses on the prevention of police, fire, emergency medical and code enforcement related problems.

ENVIRONMENTAL STEWARDSHIP

We commit to the proactive protection of our environment. An integrated system of natural resource management focuses on the preservation of wetlands, trees, open space and other sensitive areas, water quality, clean air and waste reduction.

COMMUNITY INVOLVEMENT

We value the meaningful participation of the community in City decision-making processes and services. By providing information in a variety of formats, key stakeholder groups and individual residents are encouraged to get involved.

INVESTMENT IN THE INFRASTRUCTURE

We recognize that high-quality infrastructure is fundamental to our quality of life. An integrated system of a balanced transportation strategy, comprehensive parks program, city buildings and water and sewer facilities require both a commitment to significant capital expenditures and on-going maintenance costs.

HUMAN SERVICES

We care about the well being of all those in our diverse community. In addition to providing high quality services to all of Kirkland, there is particular attention focused on those with special needs including seniors, youth, minorities, disabled, low-income and the challenge of affordable housing.

FINANCIAL STABILITY

We endorse a set of fiscal policies that ensure the prudent management of City resources. By proactively planning for the City's needs, establishing sound budgetary practices, focusing on business retention and encouraging responsible economic development, the city is able to provide both high quality infrastructure and services.

ORGANIZATIONAL VALUES

We believe that our employees are the City's most important assets in the provision of high quality services to the community. In addition to providing them with the needed resources, a workplace environment is maintained that values effective communication, mutual respect, inclusion, and integrity. We develop proactive strategies for issues that emphasize effective planning, participation and results.

II. Vision/Framework Goals

A. Vision Statement

Welcome to Kirkland sign

The Vision Statement is a verbal snapshot of Kirkland in the year 2022. It summarizes the desired character and characteristics of our community. It provides the ultimate goals for our community planning and development efforts.

The Vision Statement is an outgrowth of a community visioning process that occurred in 1992 and then again in 2002. The process in 1992 involved a series of community workshops in which approximately 250 Kirkland citizens worked to articulate commonly held desires for the Kirkland of the future. In 2002, the City sponsored an outreach program called "Community Conversations – Kirkland 2022." The program centered around a video produced by the City about Kirkland's past, present and future with three questions focusing on a preferred future vision. Nearly 1,000 people participated in one of the 51 conversations held by a wide range of groups in the community to discuss their preferred future in 20 years. In addition, individuals participated by viewing the video program on the City's cable channel or on the City's Internet web site and responding to the questions by mail or e-mail to the City. The responses from all three formats were summarized into major themes reflecting commonly held desires and formed the basis for the Vision Statement. The community visioning program was awarded the Puget Sound Regional Council's 2020 Vision Award for its high level of innovation, creativity and success.

The Vision Statement is intended to set a direction instead of being a mere prediction. Rather than describing the features of Kirkland as we think they are likely to be, it expresses what we would like our community to become and believe we can achieve. It acknowledges past and current trends and Kirkland's relationship to external factors, but also assumes an ability to shape the future in a positive way. The Vision Statement, therefore, is optimistic, affirming and enhancing the best of our attributes, past and existing, and aspiring for those we hope to have.

A Vision for Kirkland

Kirkland in 2022 is an attractive, vibrant, and inviting place to live, work and visit. Our lakefront community, with its long shoreline, provides views and access to the lake and is a destination place for residents and visitors. Kirkland is a community with a small-town feel, retaining its sense of history while adjusting gracefully to changes in the twenty-first century.

The City is a place where people are friendly and helpful, ideas are respected and action is taken based on collaborative decisions. We have a diverse population made up of various income and age groups from various ethnic and educational backgrounds. We are committed to developing and strengthening a healthy community by creating programs that assist those in need, encourage individual expressions, provide enrichment opportunities for an increasingly diverse population, and promote healthy lifestyles. High quality local schools are important to us. Our neighborhood, business, and civic associations; our faith-based groups; and our school organizations have strong citizen involvement.

Our neighborhoods are secure, stable and well-maintained, creating the foundation for our high quality of life. Each neighborhood has its own character which is a community asset. People from all economic, age, and ethnic groups live here in a variety of housing types. Our residential areas are well-maintained with single-family and multifamily homes and include traditional subdivisions, waterfront-oriented neighborhoods, urban villages and an equestrian community. We have worked to increase diversity and affordability, such as smaller homes on smaller lots, compact developments and accessory housing units. Mixed land uses in neighborhoods help to minimize driving. Many of our apartments and condominiums are close to commercial areas and transportation hubs.

Kirkland's economy is strong and diverse. A healthy mix of businesses provides valuable economic returns including varied employment opportunities and high wages, a strong tax base with sustainable revenues that help fund public services, and a broad range of goods and services. Our business districts are attractive, distinctive and integral to the fabric of the City. Many serve as community gathering places and centers of cultural activity. Businesses choose to locate in Kirkland because of our innovative and entrepreneurial spirit and because they are regarded as valued members of the community.

Downtown Kirkland is a vibrant focal point of our hometown with a rich mix of commercial, residential, civic, and cultural activities in a unique waterfront location. Our Downtown maintains a human scale through carefully planned pedestrian and transit-oriented development. Many residents and visitors come to enjoy our parks, festivals, open markets and community events.

Totem Lake Urban Center is an economic and employment center with a wide range of retail, office, industrial and light manufacturing uses as well as a regional medical center surrounded by related services. It is a compact mixed-use urban village with extensive pedestrian- and transit-oriented amenities, higher intensity residential development, public gathering places and cultural activities.

We accommodate growth and change while maintaining strong linkages with our past. Important historic landmarks are preserved, and new development occurs in a manner that is compatible with and respectful of its historic context.

Our transportation system offers a variety of ways to meet our mobility needs and provides efficient and convenient access to all areas of Kirkland and regional centers. Improved transit service and facilities allow us to commute within Kirkland and to other regional destinations without overburdening our neighborhood streets. The City is pedestrian-friendly. Paths for safe pedestrian, bicycle and other transportation modes interconnect all parts of the City. In addition to the transportation functions they provide, our streets and paths are people-friendly and provide public spaces where people socialize.

The City has excellent police and fire protection, dependable water and sewer service, and well-maintained public facilities. Emergency preparedness for natural or manmade disasters is a high priority. We work closely with other jurisdictions on regional issues that affect our community. For recreation, we like to bike or walk to one of our many parks. We have well-maintained playgrounds, play fields, sport courts, indoor facilities and trails in or near each neighborhood. Our recreational programs offer a variety of year-round activities for all ages. Public access to our waterfront is provided by an unparalleled and still-expanding system of parks, trails, and vistas.

We preserve an open space network of wetlands, stream corridors, and wooded hillsides. These natural systems provide habitat for fish and wildlife and serve important biological, hydrological and geological functions. Streets are lined with a variety of trees, and vegetation is abundant throughout the City. The water and air are clean. We consider community stewardship of the environment to be very important.

Kirkland in 2022 is a delightful place to call home.

B. Vision/Framework Goals

Introduction

The Framework Goals express the fundamental principles for guiding growth and development in Kirkland over the 20-year horizon of the Comprehensive Plan. They are based on and provide an extension of

II. Vision/Framework Goals

the aspirations and values embodied in the Vision Statement. By nature they are forward-looking and future-oriented. Even so, they were developed with a keen awareness of Kirkland's history and a strong appreciation for the high quality of life which that history has given us. The Framework Goals address a wide range of topics and form the foundation for the goals and policies contained in other elements of the Comprehensive Plan. Although all of the Framework Goals broadly apply to all Comprehensive Plan elements, some of the Framework Goals are more applicable to some elements than others. Each element identifies the Framework Goals that are particularly relevant to that element.

Public art in Downtown Kirkland

All Framework Goals are intended to be achievable. They are not prioritized to give importance to some goals over others. Tradeoffs among goals will be necessary as they are applied to particular circumstances; but over time, it is intended that an appropriate balance will be achieved.

FG-1: Maintain and enhance Kirkland's unique character.

Discussion: To those who come to Kirkland to live, work, shop, or play, Kirkland is a unique and special place. Each of the City's neighborhoods and business districts has its own distinctive identity. A prime goal is to protect and improve those qualities that make our neighborhoods and our business districts so attractive. Some of the important characteristics are a small-town feel; strong sense of place; waterfront orientation; long shoreline with public views and access; pedestrian- and transit-friendly business districts; a human-scale downtown; a thriving urban center, numerous and diverse parks; neighborhoods with a variety of housing types, styles, and ages; abundant open space; historic structures; and a network of bike and pedestrian paths. The Comprehensive Plan must seek to support these and any other features which significantly contribute to the City's desired character.

FG-2: Support a strong sense of community.

Discussion: Kirkland is far more than a product of its physical features. We have a strong sense of community supported by friendly and helpful people, a network of neighborhood, business, homeowners and civic associations, good schools and recreational opportunities. A wide range of human services and enrichment opportunities are available to encourage a stable and healthy community. New ideas are respected and shared to improve the quality of life in Kirkland and the region. Parks, outdoor markets, festivals, community events and neighborhood retail districts foster good will and provide an opportunity for people to mingle and converse. Continued support of these attributes is important.

FG-3: Maintain vibrant and stable residential neighborhoods and mixed-use development, with housing for diverse income groups, age groups, and lifestyles.

Discussion: Maintaining vibrant and safe neighborhoods as desirable places to live is a high priority. Part of the appeal of existing neighborhoods is their diversity, in terms of housing types, size, style, history, maturity, and affordability. An essential part of this diversity is maintaining the integrity of existing single-family neighborhoods. We have experienced changes in the composition of our population. These changes include an aging population, smaller households, racial and ethnic diversity and a broader range of household income. At the same time, Kirkland has experienced rising housing costs, making it increasingly difficult to provide low- and moderate-cost housing. To meet the needs of Kirkland's changing population, we must encourage creative approaches to providing suitable housing by establishing varied and flexible development standards and initiating programs which maintain or create housing to meet specific needs. Mixed-use and transit-oriented neighborhood retail are encouraged and integrated with our neighborhoods.

FG-4: Promote a strong and diverse economy.

Carillon Point public access areas

Discussion: Kirkland's economy provides a variety of employment opportunities, a broad range of goods and services, and a strong tax base. We are fortunate to have a diversity of successful business sectors, including retail services, offices, industrial and high technology companies, medical and educational institutions, and home-based businesses. A large number of creative and innovative entrepreneurs are attracted to Kirkland by our many cultural, recreational and civic activities and our beautiful setting.

Numerous commercial districts offer distinctive business locations. Our historic Downtown is an attractive lakeside pedestrian-oriented district. Our largest commercial area, Totem Lake, is a vibrant regional retail and employment center. Other significant business nodes are located in Rose Hill, Juanita, Houghton, Yarrow Bay and Bridle Trails. These districts are integrated into the fabric of the community in a manner that respects and complements the character of our neighborhoods and the quality of the natural environment.

To protect and strengthen our economy, public and private interests must work together to create a climate that allows existing businesses to prosper and attract new businesses compatible with Kirkland's economic goals and character.

FG-5: Protect and preserve environmentally sensitive areas, and a healthy environment.

Discussion: In addition to Lake Washington, Kirkland contains a variety of natural features which, through a mixture of circumstance and conscious action, have been preserved in a natural state. Features such as wetlands, streams and smaller lakes play an important role in maintaining water quality, preventing floods, and providing wildlife habitat. Vegetation preservation throughout the City, particularly on steep hillsides, helps provide soil stability and oxygen to our ecosystem, and prevent erosion. Apart from their biological, hydrological, or geological functions, natural areas also make a significant contribution to Kirkland's unique identity. They provide visual linkages with the natural environment, accentuate natural topography, define neighborhood and district boundaries, and provide visual relief to the built environment. Maintaining clean air and water provides the community with a healthy environment. Efforts to maintain significant sensitive areas, natural features, the urban forest and vegetation, clean air and water through active community stewardship is critical to our quality of life.

FG-6: Identify, protect and preserve the City's historic resources, and enhance the identity of those areas and neighborhoods in which they exist.

Discussion: Kirkland is fortunate to have a richness and quality based on its long and colorful history. The numerous historic buildings, sites and neighborhoods reflect various stages of the City's development. These resources provide evidence of the community's historical continuity, and contribute to Kirkland's identity. They are important visible reminders of where we have been and they deserve active protection and enhancement.

FG-7: Encourage low impact development and sustainable building practices.

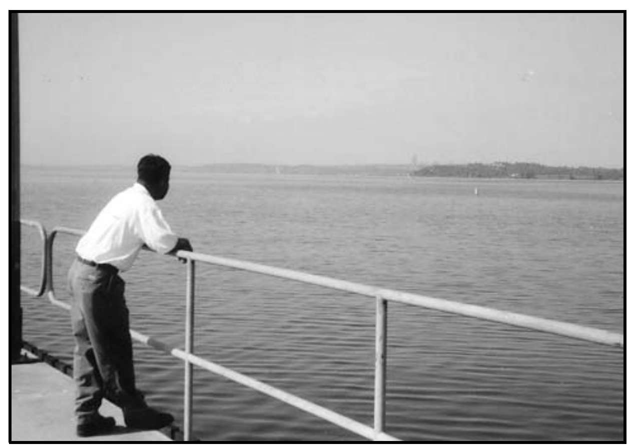
Discussion: As Kirkland develops and rebuilds, we have an opportunity to create a healthier and more environmentally sensitive community and to save energy and building costs. Low impact development practices strive to mimic nature by minimizing impervious surface, infiltrating surface water through biofiltration and bio-retention facilities, retaining contiguous forested areas and maintaining the character of the natural hydrologic cycle. Sustainable building practices cover all aspects of development, including site preparation and layout, material selection and building construction, operation and maintenance.

Utilizing these practices has many benefits: construction and maintenance costs are lowered; water quality and efficiency are improved; surface water runoff is reduced and treated; stream and fish habitat impacts are lessened; native trees and other vegetation are preserved; and recycled materials are used. Some examples of the practices include integrated building and site design, vegetated roofs, reduced impervious surface, reused waste water for irrigation, alternative heating and cooling systems, and recycled building materials and landscaping used to reduce heat emissions and to treat surface runoff. The practices may evolve over time as the market, science and technology changes.

Kirkland encourages many of these practices through our sensitive area ordinance, projects to restore our natural systems, recycling programs and public education.

FG-8: Maintain and enhance Kirkland's strong physical, visual, and perceptual linkages to Lake Washington.

Discussion: Kirkland's history, identity and character are strongly associated with its proximity and orientation to Lake Washington. The City is famous for its system of waterfront parks, which provide a broad range of passive and active recreational activities and environmental protection. Complementing the parks is a system of shoreline trails that has been installed as lakefront properties develop or redevelop. West-facing slopes have afforded lake and territorial views from public spaces within many neighborhoods. Downtown Kirkland strongly benefits from its adjacency to Moss Bay. Linkages to the lake in the Juanita and Yarrow Bay business districts are limited with existing development blocking most of the shoreline. Opportunities should be pursued to increase public access to the lake in these districts. Maintaining and improving these linkages to the lake, requiring paths to complete the shoreline trail system and continuing to obtain waterfront parks where feasible are important.



Lake Washington

FG-9: Provide safety and accessibility for those who use alternative modes of transportation within and between neighborhoods, public spaces, and business districts and to regional facilities.

Discussion: An important part of Kirkland's existing character is its safety and accessibility for pedestrians, bicyclists and alternative modes of transportation. Such alternatives provide an opportunity for daily exercise which promotes a healthy lifestyle and results in a reduction in vehicle emissions and cleaner air. To meet this goal, we need a completely connected system of pathways for pedestrians, bicyclists and alternative mode users that is safe and convenient. Such pathways can take a variety of forms, ranging from concrete sidewalks, bike lanes, and bridges to unimproved trails. The need for pedestrian pathways and bike lanes is especially important to the most common destinations, such as schools, parks, public buildings, transportation, and business districts. Also important in fostering pedestrian and bike accessibility are land use patterns, site designs, and building designs which encourage and facilitate access for pedestrians, bicyclists and other users. The paths should also be designed to provide public spaces where people socialize and should connect to the regional pedestrian and bicycle trail systems.

FG-10: Create a transportation system which allows the mobility of people and goods by providing a variety of transportation options.

Discussion: The increase in employment, housing and total population both within Kirkland and throughout the region has increased the use of our roads. Historically, there is also a dependence on car ownership and the number of miles most people drive alone each week. At the same time, road building has been slowed because of insufficient funds, an unwillingness to disrupt established neighborhoods, and doubts about the effectiveness of road building to solve congestion.

There will be no single or simple solution to the congestion problems that decrease our mobility. Greater emphasis than in the past is placed on providing viable alternatives to driving, or at least driving alone. Although some road widening may be necessary, mobility options should include better transit, more car pooling, greater pedestrian, bicycle and other modes of mobility, better street connections, and land use strategies which reduce the need to drive, such as mixing uses and locating shops and services close to home. In addition, because Kirkland's transportation system is but a small part of a complex regional network, it is necessary for our transportation planning to be closely coordinated with neighboring jurisdictions and regional plans.

The street system and transit centers provide an opportunity to add to our sense of community. These facilities should be people-friendly and provide public spaces where people socialize.

FG-11: Maintain existing park facilities, while seeking opportunities to expand and enhance the current range of facilities and recreational programs.

Marina Park in Downtown Kirkland

Discussion: Kirkland is regionally known for its outstanding park system. Kirkland's parks also provide a prominent source of community identity and pride. The City is perhaps best known for its extensive and diverse system of lakefront parks. In addition, Kirkland has a rich variety of well-maintained parks, including neighborhood playgrounds, ballfields, tennis, basketball and skate courts, walking trails, natural and landscaped open spaces, an outdoor swimming pool, indoor community centers, and senior citizen and youth centers. Recreational programs offer year-round, low cost or free activities for all age groups. It has been a long-standing City policy that the range and quality of park facilities and programs now available to Kirkland residents keep pace with future population growth. To ensure wise use of available resources, planning for future park facilities must be coordinated with other public and private providers of recreation services. Where possible, multiple use of public facilities, such as City-school park partnerships, should be sought. At a minimum, park facilities should be maintained close to current levels of service. Because of the importance of parks in defining Kirkland's character and promoting a healthy community, the City also should continue to explore ways to enhance the park system beyond the needs generated by new growth, including additional funding sources such as grants, special property tax levies or impact fees.

FG-12: Ensure public safety.

Discussion: Police and fire protection are essential to the community's quality of life. Prompt response times with appropriate resources are critical. The City-operated municipal court is convenient and cost-effective. The City also has a central role in emergency preparedness and responding to natural and manmade disasters. Plans should be in place and well-coordinated with local hospitals, schools, communication systems and other jurisdictions.

FG-13: Maintain existing adopted levels of service for important public facilities.

Discussion: Facilities and services for transportation, police and fire protection, water supply, sanitary sewer, and surface water control are essential for the day-to-day functioning of the City. The levels of service now provided by these facilities are generally satisfactory. Maintaining the adopted level for these services as growth occurs is a high priority, and construction of required capital facilities must be phased accordingly. Similarly, some localized deficiencies exist in the sanitary sewer and water supply systems that will require correction. Where possible, we should continue to improve all of these facilities and services above the minimum adopted level of service to preserve our quality of life and the environment. The City should also explore additional ways to fund needed improvements, such as through grants, special property tax levies and/or impact fees. In planning for public facilities, the interrelationship of Kirkland's facilities to regional systems must be recognized.

FG-14: Plan for a fair share of regional growth, consistent with State and regional goals to minimize low-density sprawl and direct growth to urban areas.

Discussion: Although Kirkland is a unique and special place, it is not isolated. Kirkland is part of a large and growing metropolitan area. Regional planning policies seek to direct growth to existing and emerging urban areas within the metropolitan region. Consequently, Kirkland must accommodate a fair share of such growth. To do so, development in Kirkland must use land efficiently. Fortunately, Kirkland's development pattern is already well established and has accommodated compact developments at many locations. Accepting a fair share of regional growth, therefore, will not require fundamental shifts in the City's overall pattern or character of development. Even so, careful attention must be paid to ensure that growth is accommodated in a manner that complements rather than detracts from Kirkland's unique character while being consistent with State and regional goals to minimize low-density sprawl and direct growth to urban areas.

II. Vision/Framework Goals

FG-15: Solve regional problems that affect Kirkland through regional coordination and partnerships.

Discussion: Many challenges facing Kirkland and other local communities may only be solved through regional planning, funding and action. Transportation, affordable housing, employment, and natural resource management are just a few of the issues that need regional coordination. A city-by-city approach often results in impacts on neighboring communities. Interlocal cooperation, consistent standards and regulations between jurisdictions and regional planning and implementation are important to solving these regional issues.

FG-16: Promote active citizen involvement and outreach education in development decisions and planning for Kirkland's future.

Discussion: Kirkland's future will be determined by a myriad of independent actions taken by individuals and groups who live, work, shop, and play here. Planning for the future offers the opportunity for all community members to cooperatively identify a vision for the City's future and to coordinate their actions in achieving that vision. If such planning is to have meaning, however, a broad base of credibility and responsibility must be established. To ensure that this occurs, the City should actively encourage community participation from all sectors of the City in the ongoing preparation and amendment of plans and implementing actions. This involvement should also include community outreach educational programs to inform and solicit ideas. For development decisions, the City should actively encourage collaboration and consensus with the community, stakeholders and developers to assure predictable and timely results.

FG-17: Establish development regulations that are fair and predictable.

Discussion: Achieving the desired future for Kirkland will depend on actions undertaken by both governmental agencies and private property owners. To ensure that public and private actions support the Comprehensive Plan and are consistent with public health, safety, and welfare, governmental regulation of development will continue to be necessary. Such regulation, however, must fairly balance public interests with private property rights. It is important also that regulations be clearly written to assure predictable results, fair and cost-effective, and that they be administered expeditiously to avoid undue delay.

Attachment 3

ECONOMIC DEVELOPMENT

Strength	Council support – has Council's attention Teamwork (Totem Lake Mal) Zoning starting to change to support economic development (e.g. NE 85th corridor)
Weaknesses	We're still not sure what we want to be when we grow up Picky – we may be too selective in businesses we are trying to attract Lack of funding Training of staff (other than Ellen) No coherent plan Zoned commercial area is limited
Opportunities	Strong technology sector Attractiveness of Kirkland Unique niche Demographics Attract upscale companies 405 improvements New Microsoft employees coming
Threats	Perception of parking problem downtown Neighborhoods versus business interests Bellevue (aggressive neighboring cities) Land availability Land values Transportation system Affordability to live here – limited labor pool due to cost of living

NEIGHBORHOODS

Strengths	Neighborhood Program – Kari Page Neighborhoods are recognized in Comp. Plan Neighborhood Connections Neighborhood Services Team Neighborhood Council Meetings (because they attract larger audience) Neighborhood U List-serv works well as communication device
Weaknesses	Neighborhood Associations may not represent everyone in the neighborhood (but that's who we communicate with)
Opportunities	Neighborhoods are very engaged Woodlands Park Project (shows a different kind of engagement) Breeding ground for community leaders Neighborhood Associations could be made more effective & then would be better venue for communication Good organization mode for disaster preparedness
Threats	NIMBY Lack of unified neighborhood voice (13 Neighborhoods is sometimes like having 13 cities HCC as competing interest Limited Neighborhood Association involvement (# of people that attend meetings)

HOUSING

Strengths	Good housing stock Affordable housing incentives – more bonuses ARCH Staff willing & able to work with programs Council engaged
Weaknesses	Lack of funding (subsidized housing) Need more staff to dedicate to housing
Opportunities	Innovative housing Mixed use development Affordable housing – more different people could live & work in Kirkland Diversity Annexation – (ability to subdivide)
Threats	Don't have a transportation system that links jobs to housing Affordability Rising property values NIMBY Not all citizens are engaged or accept problem Fear of density

ENVIRONMENTAL STEWARDSHIP

Strengths	Fleet purchases (hybrids and electric vehicles) Recycling program Council support Green space in Kirkland Good environmental policies Natural Resources Management Team Green Kirkland Every dept. is focusing on Open space acquisition
Weaknesses	Resources to maintain sustainable forest Dispersed approach to environmental policy
Opportunities	King Conservation District funding Community values (support) Kyoto Protocols endorsement Green buildings/roofs Alternative fuels CLC partnerships Engaged public through education & participation Youth employment program funding
Threats	Global warming Initiative 933 – property rights initiative Invasive plants

LONG RANGE PLANNING

Strengths	Individual strategic plans (some depts.) Biennial budget Public involvement Community conversations Internal skills to do planning
Weaknesses	Don't have city-wide strategic plan Difficulty sustaining vision when people change (staff, council, stakeholders) Can't afford to fund strategic plans Time to plan Long time to make decisions Length of time to do plans Annexation potentially impacts future (hard to plan with that uncertainty)
Opportunities	Long range financial plan to address operating and capital needs Comprehensive update of vision statement Use of outside consultants (brings different perspective and credibility)
Threats	Pace of change Eymanization of government Taxpayer fatigue Lack of guiding principles (doing what's in the community's best interest vs. reacting to the voice of public)

COMMUNITY INVOLVEMENT

Strengths	Strong organizational value of involvement Council cares about involving the community Enthusiasm around involvement Technology available for communications
Weaknesses	Seldom fund dollar or provide time to do community involvement as a regular part of project planning Don’t know when to say no (need to manage expectations) No public information officer (staff) Don’t know when to stop getting input (react to squeaky wheel) We reward late-comers
Opportunities	Use technology more New position Increase staff training & resources Public process policy & Council buy-in to roles
Threats	Squeaky wheels Bowling alone (less & less involvement by people in general) Get same people (usual suspects) NIMBY Late-comers to the process

ANNEXATION

Strengths	Experience (we've done it before) City staff is problem solvers
Weaknesses	Staffing levels to plan for annexation Long Term Funding Facilities (especially Public Safety Building)
Opportunities	Support of PAA residents (per survey) Untapped community involvement potential Larger City can lead to greater regional influence King County funding
Threats	Legislative actions that eliminate funding Possible lack of support at 60% level Unknown level of support in Kirkland community

PUBLIC SAFETY

Strengths	Acknowledge importance of Labor Relations in providing services Staff has good equipment to work with Public Safety Departments get along with each other Good personnel Professional staff Council supports public safety Kirkland is an organization that people want to be a part of (so we can attract recruits) Accreditation of Police Department Improving labor relations
Weaknesses	Staffing levels Don't meet our own standards Funding Public Safety Building Lack of uncommitted officer time Disaster preparedness
Opportunities	Community feels safe NORCOM Focus on disaster awareness CERT Regional partnerships Public sees Public Safety as important service
Threats	Limited pool of qualified candidates (police) Mandatory Arbitration leads to higher cost of personnel Meth Gang activity ID thefts – Electronic accessibility to IDs Internet crime

TRANSPORTATION

Strengths	NTCP Transportation Commission Quality of streets (condition) Increasing alternative transportation modes Mary-Alyce on Sound Transit Board Quality staff
Weaknesses	Lack of funding Potential concurrency failures
Opportunities	ITMS (Intelligent Transportation Management System) Larry Springer Lobbyists Sound Transit More mixed-use development Price of gas Alternative fuels
Threats	Disconnect between public wants vs. willingness to pay Regional topography Lack of regional leadership Lack of good regional transit system Taxpayer fatigue Initiatives

HUMAN SERVICES

Strengths	Human Services Advisory Board Support for human services is a strongly-held value Council support Dedicated staff Youth and Senior Councils Per capita commitment
Weaknesses	Limited staffing overseeing Limited Funding
Opportunities	Tent City Regional Human Service Forum participation Kirkland is considered a regional leader in Human Services
Threats	Decreased federal funds (CDBG) Donor fatigue (disaster relief) Fear of Tent City Changing demographics (greater diversity in populations served) Number of competing demands

Sample Vision Statements

1. City of Pasadena, CA

Pasadena is a world-class model of a successful urban community. Pasadena's distinctive quality of life is exemplified by its unparalleled physical beauty, culture and diversity. People are its greatest resource. City employees are involved in an active partnership with Pasadena citizens to foster educational, cultural and economic opportunities in a safe, vibrant and healthy community.

The City of Pasadena supports outstanding learning opportunities in the information age, critical to an informed citizenry. Its commitment to excellence, innovation and service, combined with sound fiscal management, will ensure Pasadena's prominence in the 21st century.

2. City of Des Moines, IA

We aspire to be the city of choice for ourselves and future generations - beautiful, clean and safe.

We will achieve our vision through a healthy economy, strong businesses, vital neighborhoods, excellent schools, a vibrant downtown, and extensive recreational and cultural opportunities.

We will preserve our City's friendly, hometown atmosphere and celebrate the
diversity of its people.

We require innovative governance that is accessible, accountable, and efficient with a system of funding that is fair, affordable, and stable.

3. City of Durham, NC

Durham will be North Carolina's leading City in providing an excellent and sustainable quality of life.

4. City of Des Moines, WA

A friendly and safe waterfront community embracing the future while preserving our past

5. City of Covington, WA

The City of Covington is a place where community, businesses and civic leaders are partners in building a city that is family-oriented, safe and pedestrian-friendly. A community that proudly invests in enhancing our small town character and natural environment, and provides diverse recreational opportunities, as well as remaining financially responsible.

6. University of WA

The University of Washington educates a diverse student body to become responsible global citizens and future leaders through a challenging learning environment informed by cutting-edge scholarship. **Discovery is at the heart of our university.** We discover timely solutions to the world's most complex problems and enrich people's lives throughout our community, the state of Washington, the nation, and the world.

7. Cit of Woodinville, WA

Woodinville is a safe, friendly, family-oriented community that supports a successful balance of neighborhoods, parks and recreation, tourism and business. We have preserved our Northwest woodland character, our open space, and our clean environment. We have enhanced our ability to move freely throughout the community by all modes of travel. Woodinville is a pleasant place in which to live, work, play, and visit, with a compact, inviting downtown that is attractive and functional.

8. City of Sammamish, WA

The vision of Sammamish is a community of families. A blend of small-town atmosphere with a suburban character, the city also enjoys a unique core of urban lifestyles and conveniences. It is characterized by quality neighborhoods, vibrant natural features, and outstanding recreational opportunities. A variety of community gathering places provide numerous civic, cultural, and educational opportunities. Residents are actively involved in the decisions that shape the community and ensure a special sense of place.

Accordingly, the city's Comprehensive Plan, adopted by the City Council on September 25, 2003, is intended to:

- Maintain a small-town atmosphere and suburban character so that new development will complement Sammamish's existing character as well as allow for diversity and creativity;
- Provide a family friendly, kid safe community;
- Encourage community gathering spaces which invite human presence, arouse curiosity, pique interest and allow for the interaction of people;
- Establish a unique sense of place for visitors and residents;
- Respect the character and integrity of existing neighborhoods;
- Preserve trees and green ways by encouraging the preservation or development of large areas of greenery which provide a visual impact as opposed to creating small areas of unusable residue;
- Protect and enhance streams, wetlands and wildlife corridors;
- Maintain a harmonious relationship between the natural environment and future urban development;
- Create a safe and interesting network of trails for hiking, biking and horseback riding;
- Establish a park and recreation system that meets the high standards of the community;
- Provide accessible, quality government service and encourage active, involved citizens;
- Develop civic and cultural opportunities and experiences.

9. Washington County, VA

A RICH PAST, A PROMISING FUTURE - A Vision for Washington County

Washington County distinguishes itself as the fastest growing, most progressive County in Southwest Virginia. While always looking to the future, we value the preservation of our heritage and character and foster and support all the things that make us special as a people. We want newcomers and natives alike to value and appreciate what makes us unique in character and to actively work to preserve our traditions and customs. We have varied opportunities for past-time pursuits, employment, outdoor recreation, and choices in residential living. We maintain and promote an effective mix of vocations to provide diversity in our employment base. Of paramount importance is the protection of our natural beauty: our farmlands and mountains, breathtaking and serene rural landscapes and moderate seasonal climate. We place special emphasis on culture and education, and work diligently to distinguish the County as a regional destination for recreation, cultural heritage, shopping, and as a hub of governmental activity and professional services. We take great pride in our reputation as a role model for all counties in Southwest Virginia and throughout the Commonwealth.

For the purpose of keeping our citizens informed, involved, and believing in what we are doing, the Board of Supervisors has articulated this Vision for Washington County which will be achieved through a focus on the following outcomes:

10. City of Edgewood, WA

As we look into the future five, ten, fifteen years from now, we see Edgewood as...

- community that has preserved its rural and historical character, as evidenced by low densities, open spaces, farm lands and farm animals
- community that has concentrated higher intensity uses where services and required buffers can be adequately provided
- community with clear design standards that emphasize our unique rural character
- community where new development pays for the costs associated with that development
- community that encourages business development consistent with this vision
- community that lives within the capacity of its natural systems (septic, storm-water, etc.), promotes a clean and green environment and protects environmentally sensitive areas
- community that conservatively utilizes its financial and human resources
- community that is pedestrian friendly
- safe community and family-oriented community
- community where the use of ones property does not unreasonably infringe upon their neighbors
- community with quality schools that promote educational opportunities for all ages
- community with active citizens who involve themselves in shaping our future

11. WA State Patrol

To be the best public safety agency in the United States.

12. Eastlake High School

Eastlake High School is a community of learners in which every person is known well and valued for his/her intrinsic worth. Eastlake students conduct themselves with dignity, exhibit the highest personal standards of behavior, and demonstrate personal initiative in their education. Eastlake institutional structures center on what is best for students, promote creativity and excellence, and allow students to view knowledge as interconnected. Eastlake graduates possess the necessary skills and knowledge to empower their success in our diverse and interdependent world.

City Vision Statement

Durham will be North Carolina's leading City in providing an excellent and sustainable quality of life.

City Mission Statement

The City of Durham is dedicated to improving the quality of life in our community by delivering cost-effective, highly responsive services with integrity and friendliness.

Council Goals

- All Durham citizens are safe.
- Every citizen in Durham has access to adequate, safe, and affordable housing.
- Durham enjoys a prosperous economy.
- Durham citizens enjoy a healthy environment.
- Durham citizens enjoy sustainable, thriving neighborhoods with efficient and well-maintained infrastructure.
- Durham citizens enjoy a City rich in aesthetic beauty.
- Durham citizens enjoy a vibrant City that embraces and promotes its cultural diversity and heritage.
- Durham citizens enjoy an efficient and accountable City government.

About The Cover

The cover depicts different ways your tax dollars can be seen at work within the City of Durham. The City is responsible for ensuring that the infrastructure is solid. The photos display City of Durham workers diligently providing services for the citizens of Durham, North Carolina. The photographs are provided by Kim Walker of Public Affairs.

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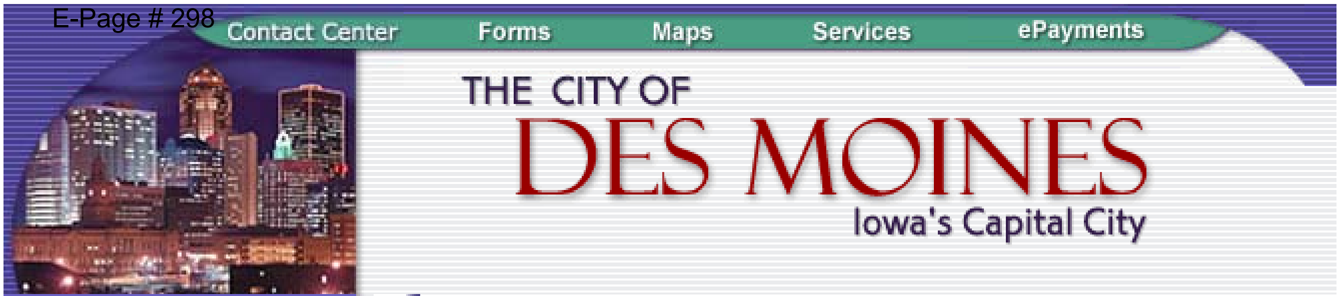

HELP SEARCH HOME

- For Residents
- For Visitors
- For Business
- Reporting Problems
- Mayor & Council
- City Manager
- Boards & Commissions
- Economic Development
- Departments
- City Web Network
- Around Des Moines
- About The City
- About The Site

THE VISION

We aspire to be the city of choice for ourselves and future generations - beautiful, clean and safe.

We will achieve our vision through a healthy economy, strong businesses, vital neighborhoods, excellent schools, a vibrant downtown, and extensive recreational and cultural opportunities.

We will preserve our City's friendly, hometown atmosphere and celebrate the diversity of its people.

We require innovative governance that is accessible, accountable, and efficient with a system of funding that is fair, affordable, and stable.

CITY OF DES MOINES MISSION STATEMENT

To provide and maintain essential services that meet the collective basic needs of the citizens of Des Moines and to identify and seize opportunities for a higher quality of life.

CITY OF DES MOINES GOAL STATEMENTS

Entertainment Destinations
Des Moines will be an entertainment hub for all ages and will attract visitors from the metro regic beyond.

Fair Distribution of Government Costs
City services will be provided through stable, diverse revenue streams that reduce reliance on pr taxes.

Great Customer Service and Communication
The City will proactively communicate information about services and policies to all in Des Moines. will receive accurate, timely, and courteous responses to their requests for information and serv

Inclusive Community
Des Moines will celebrate the rich diversity of our community by welcoming residents of all ages cultures and encouraging their civic involvement.

Neighborhood Commercial/Retail Districts
Neighborhoods throughout Des Moines will experience expanded and enhanced commercial/r businesses.

Pride in Community Assets
The City will set the standard for constructing and maintaining attractive buildings, parks, and infras that represent our world-class city and generate civic pride.

Public Safety
Residents and visitors will experience a sense of safety in all neighborhoods and in all activiti

Quality Jobs of the Future
Des Moines will encourage a balanced, diversified economy and increase the number of jobs tha
good wages and benefits.

Sustainable Green Community
Des Moines will be a leader in setting policies and practicing service delivery innovations that pr
environmental sustainability. Des Moines will offer safe, reliable, and convenient transportation alte
that reduce reliance on automobiles and parking facilities.

Vibrant Downtown Area
Downtown Des Moines will be a “24-7” city within a city, with a strong employment base, entertainn
recreation opportunities, housing, and retail.

World-Class, Lifelong Learning Opportunities
The City will work with public and private schools, higher education institutions, and others to
exceptional learning opportunities for all ages.

Youth as Community Stakeholders
Des Moines will be a supportive community for young people and families.

CITY OF DES MOINES

City of Des Moines, Iowa
400 Robert D. Ray Drive
Des Moines, Iowa 50309-1891
Phone: (515) 283-4500
E-Mail: Information Center
Web Site: www.dmgov.org

Vision Statement

The City of Covington is a place where community, businesses and civic leaders are partners in building a city that is family-oriented, safe and pedestrian-friendly. A community that proudly invests in enhancing our small town character and natural environment, and provides diverse recreational opportunities, as well as remaining financially responsible.

We believe that the following elements are necessary to achieve this Vision.

DOWNTOWN Covington will have a downtown that is well designed and pedestrian-friendly with a permanent combination of commercial and residential areas.

RESIDENTIAL Covington residential areas will be safe, diverse, and accessible and will have well-maintained neighborhoods that instill a sense of community.

CITIZEN input is an integral part of the shaping of our community.

FAMILIES & YOUTH Covington will help instill a sense of responsibility and provide opportunities for a variety of cultural and recreational activities for all ages.

HUMAN SERVICES will address local needs by encouraging a partnership between private and public organizations.

CITY GOVERNMENT will remain efficient, accessible, responsive, accountable, and financially responsible to the community.

BUSINESSES will be in partnership with the community and have a long-term commitment to Covington.

Our **ENVIRONMENT** will be preserved with responsible limitations while enhancing the areas natural beauty.

DESIGN STANDARDS Covington will have high-quality design and construction standards that give buildings and structures a sense of permanence and provide for an aesthetically pleasing skyscape in our community.

PARKS AND OPEN SPACE are an important part of our community's future and quality of life.

16720 SE 271st Street, Suite 100, Covington, WA 98042 • (253) 638-1110

CITY OF CASTLE ROCK

Vision Statement for Castle Rock

The City of Castle Rock developed the following Vision Statement as part of its Community Action Plan (download the complete report). The goal of this effort was to develop a community-supported road-map for the future.

Castle Rock: Where Past, Present and Future Come Together

Castle Rock is a wonderful place to live, work and play. It's a community where the people are as resilient and vibrant as the natural features that surround their home; a place where life-long residents and visitors alike feel they are part of the same tight-knit family.

Castle Rock values and celebrates its historical roots, while always planning for and embracing its future.

Over the years, community organizations and volunteers have joined forces with local government to create an impressive menu of year-round recreational activities, town festivals and cultural attractions. They have helped make Castle Rock a place where people not only want to come … but a place people want to stay.

Citizens and government work in partnership with business and industry to support and enhance the city's diverse economic base. The fruit of their efforts can be seen in a thriving downtown core, bustling I-5 business district and an ever expanding mix of employment opportunities. People in Castle Rock understand that a balanced, prosperous economy fuels a healthy social environment.

The community places a premium on life-long learning. Schools enjoy strong public support, and extended education opportunities – from specialized vocational training to personal-enrichment courses – are available to people of all ages.

Castle Rock is a place people are proud to call home; a place where each generation works to pass along to their children the sense of safety and comfort provided by their own parents. It's a place where the past, present and future come together.

Link to Castle Rock's Community Action Plan

Awards

Castle Rock's community projects and volunteers have received the following recognitions:

U.S. Forest Service Rural Community Assistance National Action Award

'In The Spirit Of Working Togeth For Rural America' for outstandir accomplishments for recognizing the need and leading change to diversify the economy, improve t quality of life, and meet the need citizens of all ages.

Association of Washingto Cities Municipal Achievement Gold Medal Award

Awarded to the Riverfront Trail project.

Congratulations!

City of Castle Rock, 141 "A" Street SW, PO Box 370, Castle Rock, WA 98611
Phone: (360) 274-8181 Fax: (360) 274-4876

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WASHINGTON STATE PATROL

FORMS & PUBLICATIONS

Mission, Vision, Values and Goals

Mission Statement

The Washington State Patrol makes a difference every day, enhancing the safety and security of our state by providing the best in public safety services.

Vision

To be the best public safety agency in the United States.

Values

Every employee is a critical member of a team committed to:

- Strong leadership
- Effective partnerships
- Professional excellence
- Acting with integrity and accountability
- Respecting and protecting individual rights
- Earning the trust and confidence of the public

Goals

Goal 1	Make Washington roadways and ferries safe for the efficient transit of people and goods.
Goal 2	Reduce our citizens' vulnerability to fire, crime, terrorism, and natural hazards.
Goal 3	Meet the growing need for law enforcement, forensic, investigative, and other public safety services statewide.
Goal 4	Leverage technology to enhance and sustain business processes, public safety infrastructure, and statewide emergency communications interoperability.
Goal 5	Provide critical leadership, tools, and resources to foster an ethical, innovative, knowledgeable, and diverse workforce.

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City of
Edgewood, WA

2221 Meridian Avenue East, Edgewood, WA 98371 - Ph: 253.952.3299 Fax: 253.952.3537

American Red Cross

To view some documents on this site, you will need **Adobe Acrobat reader.**

Home **City News** **Links** **Small Works** **Forms**

Edgewood Municipal Code

Edgewood Vision Statement

As we look into the future five, ten, fifteen years from now, we see Edgewood as...

- *A community that has preserved its rural and historical character, as evidenced by low densities, open spaces, farm lands and farm animals*
- *A community that has concentrated higher intensity uses where services and required buffers can be adequately provided*
- *A community with clear design standards that emphasize our unique rural character*
- *A community where new development pays for the costs associated with that development*
- *A community that encourages business development consistent with this vision*
- *A community that lives within the capacity of its natural systems (septic, storm-water, etc.), promotes a clean and green environment and protects environmentally sensitive areas*
- *A community that conservatively utilizes its financial and human resources*
- *A community that is pedestrian friendly*
- *A safe community and family-oriented community*

- *A community where the use of ones property does not unreasonably infringe upon their neighbors*
- *A community with quality schools that promote educational opportunities for all ages*
- *A community with active citizens who involve themselves in shaping our future*

City of Woodinville
Washington

You are here > Home > City Hall > City Council > Vision / Mission / Goals

Council Vision, Mission, & Goals

Woodinville's Mission Statement

As the elected representatives of Woodinville, the City Council understands that the purpose of the City is to fairly and equitably represent the interests of the citizens of Woodinville, and to carry out its lawful duties on behalf of citizens of Woodinville.

Council, staff, Boards and Commissions honor our commitment to serve the Woodinville community by:

Providing customer service that is:
Efficient - Personalized - Consistent - Responsive -Educational

Encouraging partnerships with:
Citizens - Neighborhoods - Business communities - Educational and social networks

Protecting and enhancing:
Quality of life - public health, safety and welfare - natural and built environment - spirit of neighborhood character

Balancing:
Public expectations and resources - Economic well-being and environmental protection - individual and community interests

Woodinville's Vision Statement

" Woodinville is a safe, friendly, family-oriented community that supports a successful balance of neighborhoods, parks and recreation, tourism and business. We have preserved our Northwest woodland character, our open space, and our clean environment. We have enhanced our ability to move freely throughout the community by all modes of travel. Woodinville is a pleasant place in which to live, work, play, and visit, with a compact, inviting downtown that is attractive and functional."

2005-2006 City Council Goals & Objectives

2006-2007 Council Action Plan

Central Goal

Establish goals for the City that rest firmly on the foundation of the Comprehensive Plan, that support the City's Vision and Mission Statements, and that are implemented using the City's Guiding Principles.

Objectives:

Revisit Vision Statement, Mission Statement, and Guiding Principles on an annual basis.

Review Guiding Principles and include expression of commitment to staff.

I. Land Use Goal Establish land use patterns and guide population growth in a manner that maintains or improves Woodinville's quality of life, environmental attributes, and northwest woodland character. Continue to plan, refine, and define the development characteristics of Woodinville through master and sub-area planning.

A. **Adopt Downtown Little Bear Creek Master Plan** *(Community Development)*

1. Regulatory update (2005)

2. Initial Implementation (2005)

a. Conduct implementation studies as directed by City Council

b. Conduct a downtown parking study (2005)

B. Complete City-wide Strategic Visioning Plan *(Community Development)*

1. Consultant Selection (January, 2005)

2. Plan Development (April, 2005)

3. Plan Adoption (September/2005)

C. **Complete an Economic Development Study** *(Community Development)*

1. Assure economic development study and strategic visioning plan are coordinated

2. Assure other anticipated sub-area plans are considered, especially Tourist District Plan Update

D. North Gateway Subarea/Master Planning *(Community Development)*

1. Grace Annexation: Determine whether to proceed with any sections of Grace *(2005)*

2. North Industrial Subarea Plan *(2006)*

E. Valley Gateway Subarea/Master Planning *(Community Development)*

1. Tourist District Master Plan Update *(2005)*

a. Coordinate work plan with Tourism Task Force and task group with participation

2. Northwest Gateway *(2006)*

3. Valley Industrial *(2007)*

II. Housing Goal

Preserve existing housing and neighborhoods, and provide a diversity of housing types that promotes housing opportunities for all economic segments of the City's population .

A. Assure a variety of housing options and types are addressed in deliberations of the Downtown Master Plan (Community Development, 2005)

B. Continue study of Transit Oriented Housing Development for Woodinville (Community Development, 2005)

1. Analyze impacts on Downtown-LBC Corridor Master Plan elements

2. Compare against alternatives to achieve affordable housing *(Planning Commission)*

C. Review conditional/temporary use permitting process for homeless encampment/temporary housing (Community Development & Executive 2005)

1. Develop new criteria for permit process

2. Participate with ARCH in short-term preparation and long-term effort

III. Human Services Goal Promote a variety of human services that reflect and respond to human needs of the community.

A. Conduct an assessment of service gaps left in Woodinville by King County and Seattle budget reductions *(2005, Executive, Parks & Recreation, City Council)*

1. Remain plugged into regional decision-making that may impact area service provision *(Ongoing)*

a. Explore interest in sub-regional options is regional safety net weakens *(Ongoing)*

b. Mayor to send letter of concern to ARCH cities *(2005)*

B. Conduct an assessment of Woodinville's ability to meet its human service needs through traditional means of investing in providers and more creative means of direct or procured services delivered in Carol Edwards Center buildings. *(2005, Executive, Parks & Recreation)*

1. Report on first year outcome of City-based English As Second Language (ESL) program. *(Parks & Recreation 2005)*

2. Evaluate potential, cost effective, in-house or contracted human services that could be offered at the Carol Edwards Center. *(Parks & Recreation – Executive 2005)*

3. Include Human Service delivery analysis of Tent City 4 to determine if other needs exist *(Executive, 2005)*

IV. Economic Development Goal

Take a positive partnership role in retaining and enhancing the existing diverse and vital economic base in the City.

A. Assure that economic diversity and opportunity are addressed in the Downtown/Little Bear Creek Corridor Master Plan, toward creating an economically balanced community. *(Community Development, 2005)*

B. Continue to collaborate with the Tourism Task Force *(Community Development, Executive, ongoing)*

C. Develop Downtown linkage - cooperate with Tourist District Master Plan and Tourism Task Force to make sure economic development goals are closely coordinated so areas give each other customers.

D. Review options to secure economic development assistance via employee, shared employee, consultant or public agency, such as the Seattle/King County Economic Development Council and Puget Sound Regional Council.

E. Continue to evaluate multi-agency opportunities such as Redmond Tourism Initiative.

F. Complete an Economic Development Study *(Community Development)*

1. Coordinate with Strategic Visioning Plan.

2. Coordinate with Tourist District Master Plan update.

V. Parks, Recreation, and Open Space Goal

Provide quality parks, open space, plus adequate and enriching recreational activities for Woodinville's citizens and visitors.

A. Study and design Civic Center parking, field and interim improvements identified as priorities by CIP process. *(Parks & Recreation)*

1. Consultant/designer under contract by end of 2004;

a. Design input and policy decisions to Council *(July, 2005)*

2. Financing draft plan to City Council *(May, 2005)*

B. **Continue to investigate opportunities to land bank key parcels for future**

planned parks & facilities. *(Parks & Recreation, ongoing)*

1. Recommend types of property and areas of need as implementation task of PRO Plan *(2005)*

2. Staff and agent analyze key GIS, critical area data and agency comprehensive plans to inform this process (*Public Works, Parks & Recreation, Executive*)

a. Work with property acquisition specialist to acquire available parcels

3. Assist the Council in developing neighborhood land banking opportunities.

4. Identify system deficiencies

a. Analyze key parcels

b. improve pedestrian circulation

c. provide views

d. increase neighborhood parks

e. protect open space

f. preserve neighborhood character

C. Formalize Small Neighborhood Action (Parks) Project (SNAP) Program *(Parks & Recreation)*

1. Develop neighborhood application & Commission recommendation process

2. Coordinate public outreach for park SNAP projects.

D. Assist the Council in implementing the DTLBCMP Park Elements. *(Parks & Recreation)*

1. Review zoning and ordinance changes needed to realize Council vision.

2. Collaborate with Community Development Department to draft potential development incentive packages.

3. Study methods for reducing the City's share of investment in the park elements.

4. Explore "festival street" concept

E. Assist the Council in expanding the use of the Carol Edwards Center through development and implementation of a Business Plan. *(Parks & Recreation)*

1. Coordinate Business Plan with Interim Improvements for Sustainable Growth

2. Expand teen offerings

3. Improve Outdoor Basketball Court

4. Create Facility Rental Marketing Tools to Support Interim Improvements.

F. Coordination implementation of online registration through E-Gov system for Myparksandrec.com *(Parks and Recreation, Executive)*

G. Continue promotion of public art through the Public Art Advisory Committee.

VI. Community Design Goal

Promote a visually cohesive community that preserves and enhances the Northwest Woodland character, the heritage of Woodinville, and creates a human scale, pedestrian friendly environment in its community design.

A. Develop design and streetscape standards for approved Downtown/Little Bear Creek Corridor Master Plan. *(2005, Community Development)*

VII. Transportation Goal

Establish and maintain a transportation system that supports the land use plan and incorporates transportation/land use linkages.

A. **Adopt a Non-motorized Transportation Plan** *(Public Works, Parks & Recreation, 2005)*

1. Review and identify funding strategy

2. Develop early-action, quick turnaround, small projects to connect areas.

B. **Evaluate Citywide traffic circulation planning**

1. Develop new Concurrency Ordinance *(2005, Public Works)*

2. Evaluate and model CIP's to assist City Council in identifying tentative priority and schedule. *(2005, Public Works)*

3. Review feasibility of AM peak modeling to help identify potential relief projects in selected areas

4. Continue to develop use of modeling to educate public and to assist in project priority selection.

VIII. Capital Facilities Goal

Enhance the quality of life in Woodinville through the planned and coordinated provision of public and private capital facilities.

A. **Develop a review of Capital Improvement Plan (CIP) methodology for City Council discussion and direction** *(Executive, January, 2005)*

B. **Develop a set of criteria for investment in downtown grid roads** *(Executive, Public Works, January 2005)*

C. **Review potential funding CIP streams and borrowing opportunities to give City Council its options to incur non-voted and voted debt to achieve capital**

projects *(Executive, Administrative Services, May, 2005)*

D. **Analyze Utility Tax flexibility as a CIP funding source and determine whether utilization should sunset with current projects, should be expanded to city-wide capital, should be used as a fund source for debt service or should be used for operating costs.** *(Executive, Administrative Services, May, 2005)*

E. **Review existing CIP Projects and analyze current trends in construction pricing. Re-evaluate currently funded and proposed projects to update project cost estimates.** *(Executive, Public Works, P&R, March 2005)*

IX. Utilities Goal

Enhance the efficiency and quality of service from public and private utility providers through the coordination of utility, land use, and transportation planning.

A. **Participate in the Woodinville Water District Comprehensive Plan process. Analyze opportunities and threats to City policy trajectories** *(Public Works, 2005)*

B. **Analyze potential for right of way user impact fees for reducing life of pavement.** *(Analyze 2005, Implement 2006, Public Works)*

X. Environment Goal

Create a community that reduces waste stream, promotes energy conservation, preserves and enhances aquatic and wildlife habitat, protects and improves water quality, and protects the public from natural hazards.

A. **Remain an active partner in the WRIA Region 8 effort to develop, fund and implement early action strategies.** *(Community Development, City Council, Ongoing)*

B. **Work collaboratively through WRIA 8 with NMFS, State, tri-county and other public and private partners to develop a recovery plan for Puget Sound Chinook salmon.** *(Ongoing, Community Development)*

1. Work with Council, Commissions and Salmon Task Force to review and respond to the WRIA 8 Draft Salmon Conservation Plan. (Community Development, Public Works, Executive)

2. Evaluate current mapping of Critical Aquifer Recharge Areas (CARA) in Woodinville and determine need for additional study and mapping, including identification of any fuel storage tanks (Community Development, Public Works

a. Consider policy to ban fuel storage tanks in CARA's.

XI. Budget

Support the programs and services of Woodinville with well-conceived budget policies.

A. Conduct a strategic budgeting review process & develop a strategic budgeting plan. (Admin Services/Finance, 2005)

1. Use study to inform on sustainability of overall staffing levels

B. Analyze and develop a response strategy to streamlined sales tax initiative. (Finance, 2005-2006)

C. Conduct an analysis of new City structures constructed since incorporation and determine whether there is an unfunded liability for system repair and replacement.

D. Conduct an analysis of the Equipment Replacement Fund and the replacement set-aside methodology to determine whether replacement is properly reserved and funded.

E. Conduct an analysis of inter-fund charges and overhead to make sure that capital, enterprise and other funds are fairly compensating the Current Expense Fund for services received.

F. Conduct a financial analysis of future pay and benefit projected costs, highlighting significant trends, and bring a comprehensive assessment to the City Council of a Total Compensation approach to employee compensation. *(Exec, Admin, June, 2005)*

G. Prepare a briefing for the Finance Committee and City Council on the 2006 changes in public sector accounting requirements, including any recommended adjustments to the biennial budget, and other areas *(Admin, June, 2005)*

XII. Operations

Continue to define, improve, and enhance the operational and service-level environment of Woodinville.

A. **Conduct study of development services departments to identify systemic changes and improvements and to inform about right staffing levels** *(Executive, 2005)*

1. Analyze option of enterprise fund for Permit Center

B. **Review effectiveness, development and enhancement of communications with citizens.** *(Executive)*

1. Proactively tell positive City story; address topical community issues through communications programs *(Ongoing)*

2. Develop Government Access Channel television Implementation Plan *(2005)*

C. **Continue to facilitate meaningful interaction among our citizens.** *(Executive, Ongoing)*

1. Examine methods to have quicker, lower maintenance, high-contact interactions with citizens.

2. Increase Council and Commission member participation in city and community events and public outreach.

3. Launch simple electronic distribution of City information (e-alerts)

D. **Use surveys and other methods to determine levels of citizen understanding of City programs and projects.** *(Ongoing, Executive)*

1. Review options for statistically valid surveys including means other than telephone due to refusals and diminishing number of land lines *(Executive, Ongoing)*

2. Continue to develop multi-lingual options and outreach (i.e. brochures, web, recordings, language banks)

E. **Continuous improvement of Emergency Management capabilities.** *(Ongoing, Emergency Manager)*

1. Participate in King County Region 6 Emergency Management Exercise,

F. **Support sustainable growth of the Carol Edwards Center Operations within the budget and service level prioritization process.**

G. **Implement IT Strategic Plan.** (*Executive, 2005)*

1. Discuss and prioritize IT Strategic Plan initiatives

a. Determine in-house vs. out-sourced solutions.

2. Develop and adopt a program to coordinate information storage and maintenance between departments.

3. Develop and adopt a decision-making process for technology acquisition and oversight.

a. Evaluate the impact of technology purchases on existing operations and maintenance.

b. Establish defined performance measures and post-implementation review.

c. Review business practices to justify IT purchases to avoid costly customization.

4. Finalize and test emergency operations procedures.

5. Continue to enforce hardware, software and data standards and naming conventions.

6. Continue to identify and eliminate redundant databases and processes.

7. Consider a separate replacement fund for server and network infrastructure during the bi-annual budget review to ensure that upgrades continue to be a planned process rather than a reactive event.

XIII. Regulatory

Continue to define, improve, and enhance the regulatory environment of Woodinville.

A. **Conduct study of Development Services to determine best practices and**

best staffing configuration. *(Executive, 2005)*

B. **Examine feasibility of disguised cell towers.** *(Community Development)*

C. **Review options to have compatibility with adjacent jurisdictions.** *(Community Development, Ongoing)*

D. **Sign Code: Develop sign code update program and study options with Planning Commission and City Council, including:** *(Community Development)*

1. Billboard Amortization: Further analysis and fiscal analysis

2. A Board Signs: Analyze options for use; present Report to City Council *(2005)*

3. Complete review of subdivision signs in Right-of-Way

XIV. Regional/Interlocal

Maintain an active posture on regional issues affecting Woodinville and represent the interests of Woodinville on agency interactions and services within Woodinville.

A. **Brightwater Regional Wastewater Facility** *(Executive, Parks & Recreation, Community Development)*

1. Permit review and mitigation plan.

B. **Be an active participant in the Parks & Recreation Service Area study to resolve area aquatics needs.** *(Parks & Recreation)*

C. **Be an active participant in response to jail, court, and solid waste service provision issues.** *(Executive, Police & Administrative Services, Ongoing)*

D. **Be active in the development of partnership options to meet the service gap in playing fields .** *(Parks & Recreation, Ongoing,)*

Sample Mission Statements

1. City of Arcadia, CA

Provide effective and fiscally responsible municipal services in a manner which promotes this high standard of community life.

2. City of Dana Point, CA

The City of Dana Point encourages community involvement and is committed to:

- Develop and ensure the highest possible quality of life for our residents, businesses and visitors..
- Provide a safe and healthy environment within a sound economic atmosphere.
- Provide an efficient and effective government which is open and responsive to the needs of the community and works for the benefit of all.

3. City of Pasadena, CA

We are a model city. We provide progressive, effective government for all of Pasadena. We offer unmatched customer service in an environment of sound fiscal management. We balance economic prosperity and the preservation of our neighborhoods and natural resources. Safe, healthy neighborhoods are our hallmark.

We honor our past and work to shape our future. We draw from the lessons of the past to define our future. Hard work, perseverance and the competitive spirit are the enduring values from the past. Respect for all culture is the foundation of our future, and information, language and technology are the tools with which we build it.

People are our most important resource. We value the people who live and work in Pasadena as our greatest asset. Their ethnic and economic diversity provide the living fabric that binds Pasadena together. We welcome the involvement and commitment that produces a greater quality of life with citizens and city government working in partnership.

4. City of Des Moines, IA

To provide and maintain essential services that meet the collective basic needs of the citizens of Des Moines and to identify and seize opportunities for a higher quality of life.

5. City of Durham, NC

The City of Durham is dedicated to improving the quality of life in our community by delivering cost-effective, highly responsive services with integrity and friendliness.

6. Manhattan, KS

The mission of the City is to sustain order and protect public safety, promote public health, preserve the built and natural environment, and enhance economic vitality. The City of Manhattan supports a regional community in which individuals and families develop and thrive.

7. City of Des Moines, WA

We enrich the community by providing leadership, administration, and services reflecting the pride and values of Des Moines.

8. City of North Bend, WA

To create a highly livable community by working in partnership with our citizenry to blend and balance the following principles:

- Provide high levels of police, fire and emergency medical services.
- Build and maintain adequate infrastructure.
- Deliver quality public services.
- Encourage a strong local economy.
- Preserve the rural character of the community.

9. City of Camas, WA

The City of Camas is committed to preserving its heritage, sustaining and enhancing a high quality of life for all of its citizens and developing the community to meet the challenges of the future. We take pride in preserving a healthful environment while promoting economic growth.

We encourage citizens to participate in government and community, assisting the City in its efforts to provide quality services consistent with their desires and needs.

10. City of Olympia, WA

Our mission is to improve the quality of life and to enhance the spirit of the community through personalized services, citizen involvement, planning for the future, and a commitment to timely action

11. City of Woodinville, WA

As the elected representatives of Woodinville, the City Council understands that the purpose of the City is to fairly and equitably represent the interests of the citizens of Woodinville, and to carry out its lawful duties on behalf of citizens of Woodinville.

Council, staff, Boards and Commissions honor our commitment to serve the Woodinville community by:

Providing customer service that is:
Efficient - Personalized - Consistent - Responsive -Educational

Encouraging partnerships with:
Citizens - Neighborhoods - Business communities - Educational and social networks

Protecting and enhancing:
Quality of life - public health, safety and welfare - natural and built environment - spirit of neighborhood character

Balancing:
Public expectations and resources - Economic well-being and environmental protection - individual and community interests

12. WA State Patrol

The Washington State Patrol makes a difference every day, enhancing the safety and security of our state by providing the best in public safety services.

2008 Bellingham City Council Goals and Performance Objectives

Preamble:

These goals and the objectives adopted to achieve them, are intended to identify the City Council's priorities for 2008, ensure resources are used efficiently and effectively, and establish a basis for measuring the City's success. The goals and performance objectives shown here are representative only, not intended to be a complete or prioritized list, and are numbered for discussion purposes.

Goal 1: Maintain or improve the current level of City services, ensure that all City programs and services help protect or enhance the quality of life in Bellingham and assure that the City's financial and human resources are allocated to achieve the Council's Goals.

Performance Objectives for 2008:

- Focus on maintaining and improving existing services,
- Anticipate the impact of pending annexation requests and possible fluctuations in the economy.
- Conduct Council review of performance measures.
- Explore methods for periodic, city wide performance audits of departments and programs.
- Address Council staffing needs, resources, ongoing training, and orientation for new members.

Goal 2: Protect and improve the quality of drinking water in the Lake Whatcom Reservoir.

Performance Objectives for 2008:

- Establish policy to restrict development, minimize impacts from development, and manage protected lands in the watershed.
- Establish performance criteria for Goal 2.
- Enable the City's Transfer of Development Rights.
- Reactivate City effort to seek federal and state funding for watershed protection.
- Revisit the need to increase land acquisition funding.

Goal 3: Continue to develop a vibrant downtown that includes a mix of residential, commercial, educational, retail, and cultural uses and amenities with connections between the downtown and waterfront areas.

Performance Objectives for 2008:

- Implement parking capacity improvements planned in 2007.
- Identify the Parking Commission's short-range plans and long-range plans and initiate early action items.
- Identify sites and begin planning for a parking facility.
- Implement Public Facilities District work focus to support downtown core and Arts District work.
- Increase active involvement of the business community in planning.
- Explore the implementation of an entertainment district for downtown.

Goal 4: In partnership with the Port of Bellingham and the broader community, establish and implement a plan to redevelop the central waterfront to substantially reduce contaminants and improve environmental health, increase living-wage jobs, provide public access, recreation and housing, and complement the downtown core and the City's other neighborhoods.

Performance Objectives for 2008:

- Integrate the Waterfront to the downtown core and other neighborhoods.
- Advance bike/pedestrian routes to Waterfront in early planning and design.
- Complete development agreement with the Port of Bellingham.

Goal 5: Develop and implement plans that preserve and shape Bellingham as a city of neighborhoods that work together and function interdependently as a vibrant, livable community with a distinct sense of place.

Performance Objectives for 2008:

- Revisit the issue of a Landlord Accountability ordinance.
- Plan for more neighborhoods working interdependently on broad issues, e.g., transportation.
- Examine the schedule for neighborhood plan updates and address issues of equity in timing of plan updates.
- Increase number of neighborhood plan updates.
- Be ready to implement neighborhood plan updates.
- Emphasize historic preservation.
- Plan for annexations.

Goal 6: Protect and enhance the City's cultural, educational, recreational, and environmental assets.

Performance Objectives for 2008:

- Develop proposal for percentage of fund allocation for the arts.
- Implement next steps on Cultural District and MBT improvements.
- Review the history and criteria for hotel/motel tax allocation decisions.

Goal 7: Improve coordination of transportation, parking and land use decisions to provide a system that effectively moves people and goods through and around the City.

Performance Objectives for 2008:

- Research and direct staff to bring a proposal for a Transportation Advisory Committee.
- Assess and prioritize locations for safe routes to schools improvements.

Goal 8: Support development of a more diverse and sustainable economy by providing services that maintain a high quality of life. Work with businesses and agencies to support economic development activities that increase living-wage jobs in Bellingham.

Performance Objectives for 2008:

- Follow up on actionable items from 2007 business survey.
- Identify the City's most effective role to improve business.
- Finalize the economic development strategy and explore creating an Economic Development element for Bellingham's Comprehensive Plan.
- Involve the business community in neighborhood planning.
- Facilitate cooperation among the Downtown Renaissance Network, Lettered Streets and Cornwall neighborhoods on the Fountain District village center.

Goal 9: Improve communication between the City and its citizens about all goals, priorities, and challenges.

Performance Objectives for 2008:

- Ensure that BTV10 programs are directly tied to the city's priorities.
- Explore use of BTV10 for emergency notification.
- Review plan for taping of afternoon council committee presentations and other special meetings.
- Consider establishing a citizen outreach review board for BTV10.

Goal 10: Support programs and provide facilities that serve low income families and individuals.

Performance Objectives for 2008:

- Consider the implementation of the Affordable Housing Task Force recommendations.
- Work with the Association of Washington Cities to promote increased federal funding for the Community Development Block Grant program.
- Consider the implementation of the recommendations by the Whatcom Prosperity Project Advisory Committee based on the report, "Experiences of Poverty in Whatcom County" which was coordinated by the Whatcom Coalition for Healthy Communities.

Goal 11: Improve the City's disaster preparedness and response capability.

Performance Objectives for 2008:

- Implement emergency preparedness education at the neighborhood level.
- Continue outreach and coordination with Whatcom County.

CITY OF SAN CARLOS

STRATEGIC PLANNING RETREAT

February 26, 2007 * Library Meeting Room

Marilyn Snider, Facilitator – Snider and Associates (510) 531-2904
Michelle Snider Luna, Recorder – Snider Education & Communication (510) 967-9169

MISSION STATEMENT

The City of San Carlos provides high quality services and facilities in a fiscally sustainable, responsive and friendly manner to foster a safe and healthy community.

CORE VALUES

not in priority order

The City of San Carlos values…

Fiscal responsibility and sustainability

Protecting our environment

Strategic thinking and planning for the future

High ethical standards

Community involvement

High quality customer service

A strong sense of community

Public safety

THREE-YEAR GOALS

2006-2009 * not in priority order

? ***Increase economic development and sources of revenue***

? ***Update the General Plan and the Eastside Specific Plan***

? ***Maintain and enhance public safety***

? ***Improve the infrastructure***

? ***Enhance internal and external communication and customer service***

City Council Goal Setting Process

- City Council Goals
- Major Goal Accomplishments
- Goal Setting Process
- Organization Philosophy

Every two years, the City Council adopts goals for the City organization. Citizens, boards and commissions, Council Members and City staff are all solicited for input into the goal setting process. The City Council reviews all of this input and selects a relatively small number of top priority five-year goals for the City. They also identify several actions for the next one - two years to address each goal.

The City Council Goals provide direction in determining how limited financial and staff resources are allocated. Staff prepares implementation plans for each City Council Goal Action, and written evaluations are conducted periodically to measure progress on each.

Advantages of Goal Setting

The City Council Goal Setting process has been in use since 1986 and has yielded the following benefits:

- A better understanding by citizens and staff of the City Council's plans for the future of the City
- More priority projects have been completed successfully
- Staff is more focused and effective in addressing City Council priorities
- Staff is more accountable to the City Council for achieving City Council Goals
- City Council and staff are less inclined to be side-tracked by less important activities or projects
- Formally adopted City Council Goals provide staff official direction to plan and organize resources to ensure their completion

Champaign Vision 2020

Champaign is a vibrant midwestern city with an active center city and healthy neighborhoods.

The City is designed for quality and sustainability and has a growing local economy.

City residents are safe, enjoy a great quality of life, first class educational opportunities and easy mobility.

Champaign is an inclusive community that welcomes all.

CITY GOVERNMENT : CITY COUNCIL : 2006 CITY COUNCIL GOALS

- City Council Goals
- Major Goal Accomplishments
- Goal Setting Process
- Organization Philosophy

Our Community Has Quality City Government

Actions:

- Evaluate development review, permitting and compliance processes and implement actions to respond to customer needs and assure high quality development.
- Complete master plans for all infrastructure systems.
- Complete a cost of services study and adopt policies to appropriately charge fees to recover service costs.
- Adopt and implement a long-term funding plan to construct and maintain quality infrastructure systems throughout the City.
- Update the Public Communications Plan and implement actions to improve communication with citizens.
- Complete a management succession plan to prepare current employees and recruit highly qualified applicants for upcoming staff vacancies.
- Approve and implement a Disadvantaged Business Enterprise program.
- Complete the Public Works facility and financing plans.
- Monitor pension funding levels and adopt financial policies to address unfunded obligations.
- Revise the City's Financial Policies to define a target property tax range for future financial planning and identify how funds levied can be used to achieve City goals.
- Develop a program to audit retailers' compliance with the City's Food & Beverage and Hotel-Motel taxes.
- Complete and implement strategic plans for Fire, Public Works, and administrative services departments.
- Complete and implement the fire station location study.
- Evaluate the fire services agreement with the University of Illinois and update as needed.
- Develop a long term funding plan for METCAD in cooperation with the METCAD partner agencies.
- Adopt emergency management policies and plans that are coordinated with the University of Illinois and other municipalities in the region.
- Complete City Council redistricting based on the 2006 Special Census.
- Prepare a plan to address the long-term space needs of departments currently located in the City Building.

QOL

Our Community has a High Quality of Life – People Enjoy Living Here

Actions:

- Complete a study for providing parks, trails, and open space in new growth areas in partnership with area cities and park districts.
- Assist the Unit 4 School District to complete a strategic plan to achieve quality education for all students and high quality school facilities.
- Implement programs and strategies to reduce crimes against persons and violent crimes.
- Work with Unit 4 Schools, the Park District, and nonprofit agencies to evaluate youth programming and implement actions to address unmet needs.
- Adopt a policy to encourage City support for arts and culture.
- Complete a Telecommunication Master Plan.
- Negotiate a cable franchise agreement jointly with the City of Urbana and prepare for the AT & T video service rollout.
- Plan and develop a park and ride facility in cooperation with the CU-MTD.
- Apply for Safe School Routes grants to improve pedestrian safety in areas surrounding Champaign schools.
- Support the Economic Development Corporation and the Convention and Visitors Bureau to improve their effectiveness in implementing economic development and tourism programs.

Our Community has Healthy Neighborhoods

Actions:

- Adopt a vacant structures ordinance and implement strategies to promote building safety and encourage reuse and redevelopment.
- Complete a comprehensive housing strategy and long-term funding plan.
- Support the Housing Authority of Champaign County in preparing a redevelopment plan for Dorsey Homes.
- Develop a redevelopment plan for Bristol Place neighborhood.
- Continue operation of the Garden Hills Neighborhood Action Team and implement actions to address neighborhoods needs.
- Evaluate neighborhood infrastructure conditions and adopt a funding strategy to address unmet needs.
- Complete implementation of the Beardsley Park Plan.
- Develop a funding and staffing plan for ongoing implementation of the multi-family common area inspection program.

Our Community has Balanced and Sustainable Growth

Actions:

- Adopt a funding plan for arterial street improvements, addressing the current backlog and the needs of future growth.
- Complete a fiscal impact analysis of new development and adopt a development cost recovery policy.
- Develop strategies to ensure high quality, reliable, and reasonably priced water and electric utility services.
- Implement a plan to ensure quality development of property adjacent to the I-57/Curtis Road Interchange.
- Prepare and implement a redevelopment plan for the Country Fair area.
- Work with IDOT to resolve policy and funding issues limiting the installation of pedestrian and bicycle facilities on new interstate bridges.
- Complete landfill closure and reuse plans.
- Develop land use and development policies to positively impact the environment and promote long-term sustainability.
- Conduct an environmental assessment of City facilities and services and implement actions to promote energy conservation and minimize environmental impacts.
- Implement programs and strategies to increase commercial and residential infill development.
- Complete and implement the Transportation Master Plan.
- Complete the Staley/Rising Road Corridor Study.
- Complete the Comprehensive Plan update.
- Prepare and implement a Neil Street Corridor Development and Streetscape Plan.

Our Community Has a Vibrant Center City - Downtown To Campustown

Actions:

- Adopt and implement the Downtown Parking Plan.
- Develop a plan and funding strategy for streetscape maintenance.
- Support the Park District to develop a long range plan and funding strategy for the Virginia Theatre.
- Provide support to Christie Clinic for their expansion or the redevelopment of the downtown clinic location.
- Update and implement the University District Action Plan.
- Complete the Public Works Facility & Financing Plans.
- Complete viaduct improvement plans, including both short and long term actions.
- Develop and implement a pedestrian-oriented Downtown Intersection Design Plan.
- Complete a University Avenue corridor study in cooperation with the City of Urbana and University Avenue businesses.
- Conduct an inventory of Center City Housing and develop policies to encourage residential development.
- Complete a redevelopment plan for First Street from University Avenue to Green Street.

Our Community Is The Home of the UI — A World Class University

Actions:

- Develop a strategic plan for airport governance and services in cooperation with the University of Illinois and other area jurisdictions.
- Complete an annexation agreement for Phase 4 of the South Research Park.
- Implement the recommendations of the Campus Area Transportation Plan.
- Implement the Campus Area Transportation Study.
- Develop a joint City-University public education campaign to market the University's assets to City residents and promote the community to students, parents, and faculty.
- Implement crime control strategies for the campus area.
- Identify new opportunities for cooperation and improve communications between the City and University of Illinois.

City of CHAMPAIGN
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MEETING NOTES

City of OLYMPIA

Olympia City Council
Yearly Priority-Setting Retreat

January 13 & 14, 2007
The Evergreen State College

Prepared by:

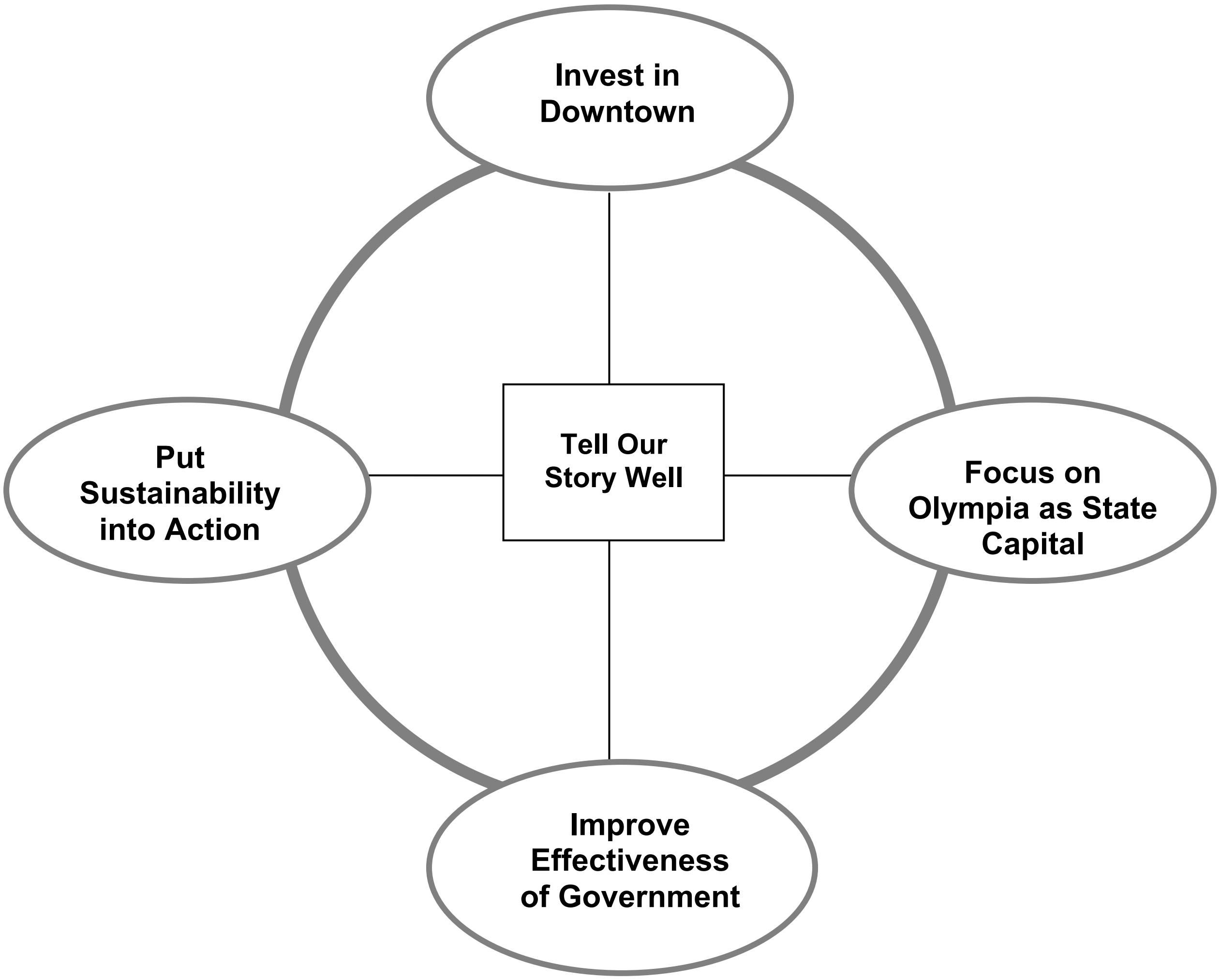
BlueWing CONSULTING

NEXT STEPS

Actions	Complete By	Lead Person
Retreat Notes documented	1/20	Larry & Subir
Selected staff meet to scope out deliverables and make recommendations	1/22	Steve/Subir
Determine who will serve as liaison to oversee each of the deliverables	?	Committee of Chairs
Approve scope and oversight recommendations for each ’07 deliverable	2/27/07	Council/Committees
Put newly adopted Council processes into handbook	1/31/07	Subir/Mary
Arrange for Council members to meet with staff groups to brief them on goals and deliverables for ‘07	1st Quarter 2007	Steve/Cathie

Attachment #3

COUNCIL GOALS FOR '07



Attachment #3

EFFECTIVE GOVERNMENT

Deliverable for ‘07	Comments	Council Focus Level	Already on Work Plan?
Mobility Infrastructure: Boulevard Road and other mobility infrastructure priorities need funding. Complete funding and planning of overall mobility so that all transportation plans and decisions fit together.	▪ Find out what other cities have been successful with mobility planning and implementation ▪ Scope with Land Use Committee and other key functions (Randy’s upcoming presentation may be a starting point) ▪ Bring new approaches and ideas – improved decision processes	High Involvement	Partially
Complete 5-year sustainable financial strategy, defining revenue, expenditures, priorities as a basis for going to the voters.	▪ Includes description of what we are going to the voters for ▪ When we are going ▪ What form we will ask for	High Involvement	Yes
Implement the interim parks and pathways plan.	▪ Finish the acquisitions (get back on schedule through use realtor) ▪ Use what we’ve got ▪ Tell our story to the community about what we have achieved relative to the plan	High Involvement	Yes
Tell our story about how city hall contributes to effective government		Moderate Level	Partially
Neighborhood planning		Monitor	Yes
Encourage diversity		Monitor	Yes

OLYMPIA AS CAPITAL CITY

Deliverable for '07	Comments	Priority Level	Already on Work Plan?
Enhance use of VCB and marketing dollars for visitors to the capital city.	▪ Brief Council on what is currently being done ▪ Explore whether Olympia needs its own VCB or dedicated resource	High Involvement	Yes
Commitment to advocate for and assist permitting for new DIS building (with parking structure) in Olympia	▪ Legislative support needed to help with funding ▪ Staff role to assist DIS with good public process and permitting	High Involvement	Yes
Tell our story as capital city on our own terms.	▪ Integrate tag-line: "the capital city" with our brand	High Involvement	Yes
Host a summit on sustainability in '08		Monitor	No
Challenge other WA cities to competition on sustainability, wellness, energy, etc. at the AWC conference.		Monitor	Yes
Seek funding for Percival Landing and bike/ pedestrian access across the 5th Avenue dam		Monitor	Yes
Designate lead Councilmembers to serve as liaisons with State leaders		Monitor	Yes

PUT SUSTAINABILITY INTO ACTION

Deliverable for '07	Comments	Priority Level	Already on Work Plan?
Community Forum on sea level rise in which research presented and range of options explored	▪ Gather existing knowledge and update existing study on topic ▪ Impact of climate change on downtown – focus on sea level ▪ Get citizens involved ▪ Al Gore as convener ▪ To be scoped by Steve and Staff	High Involvement	No
Enhance citizens' ability to take action and influence sustainability (e.g., water conservation, energy, recycling, etc.) by neighborhood	▪ Report measures of progress using key neighborhood and city-wide indicators	Monitor	Yes
Adopt a program that makes heroes of citizens and local businesses that make an impact on sustainability		Monitor	No
Bring sustainability issues to our inter-jurisdictional partnerships	▪ Frame as "stewardship" ▪ Advocate a "green" category for EDC Awards and position Olympia as a magnet for green business ▪ Participate in "New Renaissance" programming	Modest Involvement	No

INVEST IN DOWNTOWN

Deliverable for '07	Comments	Priority Level	Already on Work Plan?
Break ground on new housing project (not counting Capital Center)	▪ Hire marketing consultant to recruit developers ▪ Identify and reduce barriers to builders ▪ Be willing to use new approaches and talent	High Involvement	Partially
Complete site selection and property acquisition for parking structure	▪ Use what we learn to develop long range plan for parking system ▪ This effort coincides with work of Parking Advisory Committee ▪ Can include City Hall	High Involvement	Yes
Site for City Hall has been identified and timeline is on track	▪ Map out what the total investment looks like and tell the story to citizens ▪ Paint the vision for the community – inclusive of all segments of downtown ▪ Define what we mean by "downtown" and be consistent in our language	High Involvement	Yes
Complete site selection for Children's Museum	▪ Decision set for February 2007	High Involvement	Yes
Develop menu of options for addressing dilapidated properties and apply to resolve Griswalds property and others	▪ Identify all options with varied time horizons, costs, and risks	High Involvement	Yes

INVEST IN DOWNTOWN

Deliverable for '07	Comments	Priority Level	Already on Work Plan?
Acquire permits and funding for Percival Landing	▪ Request federal earmarks ▪ 30% design and permitting	High Involvement	Yes
Mobility Plan – scoped and funded for '08		Monitor	Probably
Wayfinding – Phases 1 and 2 signs are up / Phase 3 plan developed and funded		Monitor	Yes
Streetscapes – Details worked out regarding pedestrian ordinance		Monitor	Yes
Downtown is a WiFi hot spot		Monitor	No - Contract out to VCB/EDC

Clearwater Community Vision Workshops
Final Report

City of Clearwater, Florida
January 2006

HDR

Clearwater Community Vision Workshops

August - December 2005

FINAL REPORT

23 January 2006

HDR

City of Woodinville
Washington

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Council Vision, Mission, & Goals

Woodinville's Mission Statement

As the elected representatives of Woodinville, the City Council understands that the purpose of the City is to fairly and equitably represent the interests of the citizens of Woodinville, and to carry out its lawful duties on behalf of citizens of Woodinville.

Council, staff, Boards and Commissions honor our commitment to serve the Woodinville community by:

> **Providing customer service that is:**
> Efficient - Personalized - Consistent - Responsive -Educational
>
> **Encouraging partnerships with:**
> Citizens - Neighborhoods - Business communities - Educational and social networks
>
> **Protecting and enhancing:**
> Quality of life - public health, safety and welfare - natural and built environment - spirit of neighborhood character
>
> **Balancing:**
> Public expectations and resources - Economic well-being and environmental protection - individual and community interests

Woodinville's Vision Statement

> " Woodinville is a safe, friendly, family-oriented community that supports a successful balance of neighborhoods, parks and recreation, tourism and business. We have preserved our Northwest woodland character, our open space, and our clean environment. We have enhanced our ability to move freely throughout the community by all modes of travel. Woodinville is a pleasant place in which to live, work, play, and visit, with a compact, inviting downtown that is attractive and functional."

2005-2006 City Council Goals & Objectives

2006-2007 Council Action Plan

Central Goal

Establish goals for the City that rest firmly on the foundation of the Comprehensive Plan, that support the City's Vision and Mission Statements, and that are implemented using the City's Guiding Principles.

Objectives:

Revisit Vision Statement, Mission Statement, and Guiding Principles on an annual basis.

Review Guiding Principles and include expression of commitment to staff.

I. Land Use Goal Establish land use patterns and guide population growth in a manner that maintains or improves Woodinville's quality of life, environmental attributes, and northwest woodland character. Continue to plan, refine, and define the development characteristics of Woodinville through master and sub-area planning.

A. **Adopt Downtown Little Bear Creek Master Plan** *(Community Development)*

1. Regulatory update (2005)

2. Initial Implementation (2005)

a. Conduct implementation studies as directed by City Council

b. Conduct a downtown parking study (2005)

B. Complete City-wide Strategic Visioning Plan *(Community Development)*

1. Consultant Selection (January, 2005)

2. Plan Development (April, 2005)

3. Plan Adoption (September/2005)

C. **Complete an Economic Development Study** *(Community Development)*

1. Assure economic development study and strategic visioning plan are coordinated

2. Assure other anticipated sub-area plans are considered, especially Tourist District Plan Update

D. North Gateway Subarea/Master Planning *(Community Development)*

1. Grace Annexation: Determine whether to proceed with any sections of Grace *(2005)*

2. North Industrial Subarea Plan *(2006)*

E. Valley Gateway Subarea/Master Planning *(Community Development)*

1. Tourist District Master Plan Update *(2005)*

a. Coordinate work plan with Tourism Task Force and task group with participation

2. Northwest Gateway *(2006)*

3. Valley Industrial *(2007)*

II. Housing Goal

Preserve existing housing and neighborhoods, and provide a diversity of housing types that promotes housing opportunities for all economic segments of the City's population .

A. Assure a variety of housing options and types are addressed in deliberations of the Downtown Master Plan (Community Development, 2005)

B. Continue study of Transit Oriented Housing Development for Woodinville (Community Development, 2005)

1. Analyze impacts on Downtown-LBC Corridor Master Plan elements

2. Compare against alternatives to achieve affordable housing *(Planning Commission)*

C. Review conditional/temporary use permitting process for homeless encampment/temporary housing (Community Development & Executive 2005)

1. Develop new criteria for permit process

2. Participate with ARCH in short-term preparation and long-term effort

III. Human Services Goal Promote a variety of human services that reflect and respond to human needs of the community.

A. Conduct an assessment of service gaps left in Woodinville by King County and Seattle budget reductions *(2005, Executive, Parks & Recreation, City Council)*

1. Remain plugged into regional decision-making that may impact area service provision *(Ongoing)*

a. Explore interest in sub-regional options is regional safety net weakens *(Ongoing)*

b. Mayor to send letter of concern to ARCH cities *(2005)*

B. Conduct an assessment of Woodinville's ability to meet its human service needs through traditional means of investing in providers and more creative means of direct or procured services delivered in Carol Edwards Center buildings. *(2005, Executive, Parks & Recreation)*

1. Report on first year outcome of City-based English As Second Language (ESL) program. *(Parks & Recreation 2005)*

2. Evaluate potential, cost effective, in-house or contracted human services that could be offered at the Carol Edwards Center. *(Parks & Recreation – Executive 2005)*

3. Include Human Service delivery analysis of Tent City 4 to determine if other needs exist *(Executive, 2005*)

IV. Economic Development Goal

Take a positive partnership role in retaining and enhancing the existing diverse and vital economic base in the City.

A. Assure that economic diversity and opportunity are addressed in the Downtown/Little Bear Creek Corridor Master Plan, toward creating an economically balanced community. *(Community Development, 2005)*

B. Continue to collaborate with the Tourism Task Force *(Community Development, Executive, ongoing)*

C. Develop Downtown linkage - cooperate with Tourist District Master Plan and Tourism Task Force to make sure economic development goals are closely coordinated so areas give each other customers.

D. Review options to secure economic development assistance via employee, shared employee, consultant or public agency, such as the Seattle/King County Economic Development Council and Puget Sound Regional Council.

E. Continue to evaluate multi-agency opportunities such as Redmond Tourism Initiative.

F. Complete an Economic Development Study *(Community Development)*

1. Coordinate with Strategic Visioning Plan.

2. Coordinate with Tourist District Master Plan update.

V. Parks, Recreation, and Open Space Goal

Provide quality parks, open space, plus adequate and enriching recreational activities for Woodinville's citizens and visitors.

A. Study and design Civic Center parking, field and interim improvements identified as priorities by CIP process. *(Parks & Recreation)*

1. Consultant/designer under contract by end of 2004;

a. Design input and policy decisions to Council *(July, 2005)*

2. Financing draft plan to City Council *(May, 2005)*

B. **Continue to investigate opportunities to land bank key parcels for future**

planned parks & facilities. *(Parks & Recreation, ongoing)*

1. Recommend types of property and areas of need as implementation task of PRO Plan *(2005)*

2. Staff and agent analyze key GIS, critical area data and agency comprehensive plans to inform this process (*Public Works, Parks & Recreation, Executive*)

a. Work with property acquisition specialist to acquire available parcels

3. Assist the Council in developing neighborhood land banking opportunities.

4. Identify system deficiencies

a. Analyze key parcels

b. improve pedestrian circulation

c. provide views

d. increase neighborhood parks

e. protect open space

f. preserve neighborhood character

C. Formalize Small Neighborhood Action (Parks) Project (SNAP) Program *(Parks & Recreation)*

1. Develop neighborhood application & Commission recommendation process

2. Coordinate public outreach for park SNAP projects.

D. Assist the Council in implementing the DTLBCMP Park Elements. *(Parks & Recreation)*

1. Review zoning and ordinance changes needed to realize Council vision.

2. Collaborate with Community Development Department to draft potential development incentive packages.

3. Study methods for reducing the City's share of investment in the park elements.

4. Explore "festival street" concept

E. Assist the Council in expanding the use of the Carol Edwards Center through development and implementation of a Business Plan. *(Parks & Recreation)*

1. Coordinate Business Plan with Interim Improvements for Sustainable Growth

2. Expand teen offerings

3. Improve Outdoor Basketball Court

4. Create Facility Rental Marketing Tools to Support Interim Improvements.

F. Coordination implementation of online registration through E-Gov system for Myparksandrec.com *(Parks and Recreation, Executive)*

G. Continue promotion of public art through the Public Art Advisory Committee.

VI. Community Design Goal

Promote a visually cohesive community that preserves and enhances the Northwest Woodland character, the heritage of Woodinville, and creates a human scale, pedestrian friendly environment in its community design.

A. Develop design and streetscape standards for approved Downtown/Little Bear Creek Corridor Master Plan. *(2005, Community Development)*

VII. Transportation Goal

Establish and maintain a transportation system that supports the land use plan and incorporates transportation/land use linkages.

A. **Adopt a Non-motorized Transportation Plan** *(Public Works, Parks & Recreation, 2005)*

1. Review and identify funding strategy

2. Develop early-action, quick turnaround, small projects to connect areas.

B. **Evaluate Citywide traffic circulation planning**

1. Develop new Concurrency Ordinance *(2005, Public Works)*

2. Evaluate and model CIP's to assist City Council in identifying tentative priority and schedule. *(2005, Public Works)*

3. Review feasibility of AM peak modeling to help identify potential relief projects in selected areas

4. Continue to develop use of modeling to educate public and to assist in project priority selection.

VIII. Capital Facilities Goal

Enhance the quality of life in Woodinville through the planned and coordinated provision of public and private capital facilities.

A. **Develop a review of Capital Improvement Plan (CIP) methodology for City Council discussion and direction** *(Executive, January, 2005)*

B. **Develop a set of criteria for investment in downtown grid roads** *(Executive, Public Works, January 2005)*

C. **Review potential funding CIP streams and borrowing opportunities to give City Council its options to incur non-voted and voted debt to achieve capital**

projects *(Executive, Administrative Services, May, 2005)*

D. **Analyze Utility Tax flexibility as a CIP funding source and determine whether utilization should sunset with current projects, should be expanded to city-wide capital, should be used as a fund source for debt service or should be used for operating costs.** *(Executive, Administrative Services, May, 2005)*

E. **Review existing CIP Projects and analyze current trends in construction pricing. Re-evaluate currently funded and proposed projects to update project cost estimates.** *(Executive, Public Works, P&R, March 2005)*

IX. Utilities Goal

Enhance the efficiency and quality of service from public and private utility providers through the coordination of utility, land use, and transportation planning.

A. **Participate in the Woodinville Water District Comprehensive Plan process. Analyze opportunities and threats to City policy trajectories** *(Public Works, 2005)*

B. **Analyze potential for right of way user impact fees for reducing life of pavement.** *(Analyze 2005, Implement 2006, Public Works)*

X. Environment Goal

Create a community that reduces waste stream, promotes energy conservation, preserves and enhances aquatic and wildlife habitat, protects and improves water quality, and protects the public from natural hazards.

A. **Remain an active partner in the WRIA Region 8 effort to develop, fund and implement early action strategies.** *(Community Development, City Council, Ongoing)*

B. **Work collaboratively through WRIA 8 with NMFS, State, tri-county and other public and private partners to develop a recovery plan for Puget Sound Chinook salmon.** *(Ongoing, Community Development)*

1. Work with Council, Commissions and Salmon Task Force to review and respond to the WRIA 8 Draft Salmon Conservation Plan. (Community Development, Public Works, Executive)

2. Evaluate current mapping of Critical Aquifer Recharge Areas (CARA) in Woodinville and determine need for additional study and mapping, including identification of any fuel storage tanks (Community Development, Public Works

a. Consider policy to ban fuel storage tanks in CARA’s.

XI. Budget

Support the programs and services of Woodinville with well-conceived budget policies.

A. Conduct a strategic budgeting review process & develop a strategic budgeting plan. (Admin Services/Finance, 2005)

1. Use study to inform on sustainability of overall staffing levels

B. Analyze and develop a response strategy to streamlined sales tax initiative. (Finance, 2005-2006)

C. Conduct an analysis of new City structures constructed since incorporation and determine whether there is an unfunded liability for system repair and replacement.

D. Conduct an analysis of the Equipment Replacement Fund and the replacement set-aside methodology to determine whether replacement is properly reserved and funded.

E. Conduct an analysis of inter-fund charges and overhead to make sure that capital, enterprise and other funds are fairly compensating the Current Expense Fund for services received.

F. Conduct a financial analysis of future pay and benefit projected costs, highlighting significant trends, and bring a comprehensive assessment to the City Council of a Total Compensation approach to employee compensation. *(Exec, Admin, June, 2005)*

G. Prepare a briefing for the Finance Committee and City Council on the 2006 changes in public sector accounting requirements, including any recommended adjustments to the biennial budget, and other areas *(Admin, June, 2005)*

XII. Operations

Continue to define, improve, and enhance the operational and service-level environment of Woodinville.

A. **Conduct study of development services departments to identify systemic changes and improvements and to inform about right staffing levels** *(Executive, 2005)*

1. Analyze option of enterprise fund for Permit Center

B. **Review effectiveness, development and enhancement of communications with citizens.** *(Executive)*

1. Proactively tell positive City story; address topical community issues through communications programs *(Ongoing)*

2. Develop Government Access Channel television Implementation Plan *(2005)*

C. **Continue to facilitate meaningful interaction among our citizens.** *(Executive, Ongoing)*

1. Examine methods to have quicker, lower maintenance, high-contact interactions with citizens.

2. Increase Council and Commission member participation in city and community events and public outreach.

3. Launch simple electronic distribution of City information (e-alerts)

D. **Use surveys and other methods to determine levels of citizen understanding of City programs and projects.** *(Ongoing, Executive)*

1. Review options for statistically valid surveys including means other than telephone due to refusals and diminishing number of land lines *(Executive, Ongoing)*

2. Continue to develop multi-lingual options and outreach (i.e. brochures, web, recordings, language banks)

E. **Continuous improvement of Emergency Management capabilities.** *(Ongoing, Emergency Manager)*

1. Participate in King County Region 6 Emergency Management Exercise,

F. **Support sustainable growth of the Carol Edwards Center Operations within the budget and service level prioritization process.**

G. **Implement IT Strategic Plan.** (*Executive, 2005)*

1. Discuss and prioritize IT Strategic Plan initiatives

a. Determine in-house vs. out-sourced solutions.

2. Develop and adopt a program to coordinate information storage and maintenance between departments.

3. Develop and adopt a decision-making process for technology acquisition and oversight.

a. Evaluate the impact of technology purchases on existing operations and maintenance.

b. Establish defined performance measures and post-implementation review.

c. Review business practices to justify IT purchases to avoid costly customization.

4. Finalize and test emergency operations procedures.

5. Continue to enforce hardware, software and data standards and naming conventions.

6. Continue to identify and eliminate redundant databases and processes.

7. Consider a separate replacement fund for server and network infrastructure during the bi-annual budget review to ensure that upgrades continue to be a planned process rather than a reactive event.

XIII. Regulatory

Continue to define, improve, and enhance the regulatory environment of Woodinville.

A. **Conduct study of Development Services to determine best practices and**

best staffing configuration. *(Executive, 2005)*

B. **Examine feasibility of disguised cell towers.** *(Community Development)*

C. **Review options to have compatibility with adjacent jurisdictions.** *(Community Development, Ongoing)*

D. **Sign Code: Develop sign code update program and study options with Planning Commission and City Council, including:** *(Community Development)*

1. Billboard Amortization: Further analysis and fiscal analysis

2. A Board Signs: Analyze options for use; present Report to City Council *(2005)*

3. Complete review of subdivision signs in Right-of-Way

XIV. Regional/Interlocal

Maintain an active posture on regional issues affecting Woodinville and represent the interests of Woodinville on agency interactions and services within Woodinville.

A. **Brightwater Regional Wastewater Facility** *(Executive, Parks & Recreation, Community Development)*

1. Permit review and mitigation plan.

B. **Be an active participant in the Parks & Recreation Service Area study to resolve area aquatics needs.** *(Parks & Recreation)*

C. **Be an active participant in response to jail, court, and solid waste service provision issues.** *(Executive, Police & Administrative Services, Ongoing)*

D. **Be active in the development of partnership options to meet the service gap in playing fields .** *(Parks & Recreation, Ongoing,)*

CITY OF KIRKLAND WASHINGTON

performance measures

city of kirkland • december 2007

city of kirkland
performance measures guide - 2007

Since 2004, the City of Kirkland has been monitoring key performance measures in six service areas: Fire and Emergency Medical Services; Streets; Information Technology; Police; Parks and Recreation; and Recycling. This guide book includes a report on the key performance measures for each of these service areas along with examples of service provided. As we continue to monitor these key measures over time, we will have a good indicator of how much progress the City is making in meeting our goals for providing high quality services in a cost-effective way. The booklet is intended to show the citizens of our community how we are doing on the following goals:

kirkland's core performance measurement goals

Fire and Emergency Medical Services:
Preserve lives and protect property through high quality response to fire and emergency medical incidents.
Key measures: Emergency Response Times and Effectiveness in Containing Fires

Streets:
Construct and maintain the public infrastructure of the City and ensure efficient and reliable public streets to Kirkland residents.
Key measures: Pavement condition rating and citizen rating of street maintenance.

Information Technology (IT):
Proactively provide cost effective, reliable, standardized, and current information technology tools, systems, and services including customer focused support.
Key measures: Share of the City's business that is conducted through E-Commerce and rating of IT services

Police:
Reduce crime and increase the community perception of safety through high quality law enforcement services.
Key measures: Crime rates and citizen ratings of safety in their neighborhoods.

Parks and Recreation:
Enrich and enhance Kirkland's quality of living by effectively managing our public lands and serving the leisure needs of all residents.
Key measures: Citizen rating of the City's parks and recreation programs and citizen enrollment in recreation classes.

Recycling:
Reduce waste generated by Kirkland residents and businesses by recycling, reducing, and reusing materials.
Key Measures: Citizen rating of recycling services and tons of recycling material collected.

key findings

Some notable findings of the Performance Measures Guide are:

- Total fire incidents per 1,000 population increased by nearly 23% and total non-fire incidents per 1,000 population increased by nearly 44%, yet the percent of fire response times under 5.5 minutes kept pace with a 3% decrease in times that met the department target of under 5.5 minutes.
- In the 2006, citizen survey 95% of residents rated road maintenance as satisfactory or better.
- Parks and Recreation on-line registration increased by 30%, more than doubling 2005 online registrations.
- 98% of respondents to the 2006 Citizen Survey rated their overall satisfaction with parks as satisfactory or better, a 3% increase in satisfaction since the 2004 Citizen Survey.
- Recycling rates continued to exceed City's single family recycling diversion goal of 52% (60% diversion in 2005 & 62% in 2006).
- Garbage rates continued to surpass City's waste generation goal of less than 33 lbs. of garbage per household per week among single family residents (27.30 lbs/wk in 2005 & 25.5 lbs/week in 2006).

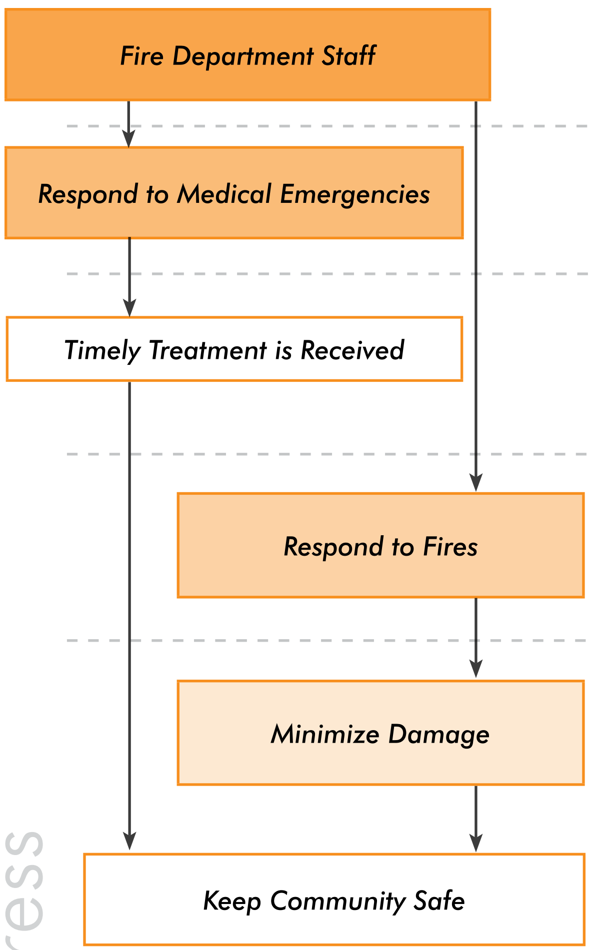
We hope you will find this guide a helpful tool for reviewing and understanding the services provided by the City of Kirkland.

fire and emergency medical services

goals

When Fire and Emergency Medical Services employees respond to fires and medical emergencies, they strive to preserve lives and protect property. Their goal is to provide effective and efficient services that enhance a safe environment for the public.

measuring progress



MEASURE	2004	2005	2006
Paid fire and EMS staffing per 1,000 population served	.89	.93	1.0
EMS responses per 1,000 population served (BLS and ALS)[1]	66.2	65.2	66.9
Average EMS response times (BLS and ALS)	4:36 min	4:29 min	4.34 min
% of EMS response times under 5 minutes	53%	52%	51%
Total fire incidents per 1,000 population	27.4	26.6	34.4
Total non-fire incidents per 1,000 population	12	9.6	17.0
Average fire (emergency) response times	5:58 min	5:53 min	6:02 min
% of fire response times under 5.5 minutes	43%	49%	46%
% of building fires confined to area of Origin	58%	67%	44.8%

[1] *BLS = Basic Life Support and ALS = Advanced Life Support*

analysis

- Total fire incidents per 1,000 population increased by nearly 23% and total non-fire incidents per 1,000 population increased by nearly 44%, yet the percent of fire response times under 5.5 minutes kept pace with a 3% decrease in times that met the department target of under 5.5 minutes.
- Average EMS and fire (emergency) response times have remained fairly stable over the past three years.

next steps

- Continue working on increasing the percent of fire response times under 5.5 minutes. The goal is 90%.
- Continue working on increasing the percent of EMS response times under 5 minutes. The goal is 90%.
- Continue working on increasing the percent of fires contained to room of origin to 60%
- Implement a new Paging & Alerting system to reduce the time it takes to notify firefighters of emergencies.
- Continue with the planning phase of consolidating two fire stations into a single facility to provide better fire response times in the Finn Hill area.
- Move from planning to implementation of NORCOM911 Regional Public Safety Communications Center.

Life vests should be worn at all time on the water! After falling in, it's too late to put them on. Once cold and fatigue set in, people reach a point where they can no longer move their limbs. That is when they sink and drown. The two young men who fell in were fortunate. Had two strong swimmers not been present, one of them might not have survived. Please make safety your priority when you enjoy water sports!

The Call of Duty

On May 24, 2006 the Fire crew at the Forbes Creek fire station in Kirkland responded to pounding on the station door. At the door, a young man stood wet, shivering, wearing only his shorts. He was yelling that his boat had capsized and his buddy was still out in the lake and needed to be rescued.

Battalion Chief Haschak went into action and quickly located the young man in the lake. From the Juanita Beach Park dock B.C. Haschak could see the young man in a canoe completely filled with water.

Suddenly, the canoe capsized and the young man ended up fully in the water, hanging onto the side of the boat. B.C. Haschak knew the man had been out there a long time and if he went under, he might not come up again. He and Firefighter Jeff Endsley were the strongest swimmers, on the scene and they prepared themselves to enter the water.

B.C. Haschak grabbed a torpedo tube (which can be wrapped around someone as a life preserver) and swam out. Firefighter Endsley followed, with a second tube and the end of a rope that would be used to tie off the boat. Both the B.C. and the Firefighter had life jackets on when they made the rescue.

B.C. Haschak reached the young man first and wrapped the tube around him. Firefighter Endsley tied off the boat and joined Haschak in bringing the young man in. Both young men were treated for a mild case of hypothermia, wrapped in blankets in a warmed room until they were doing well.

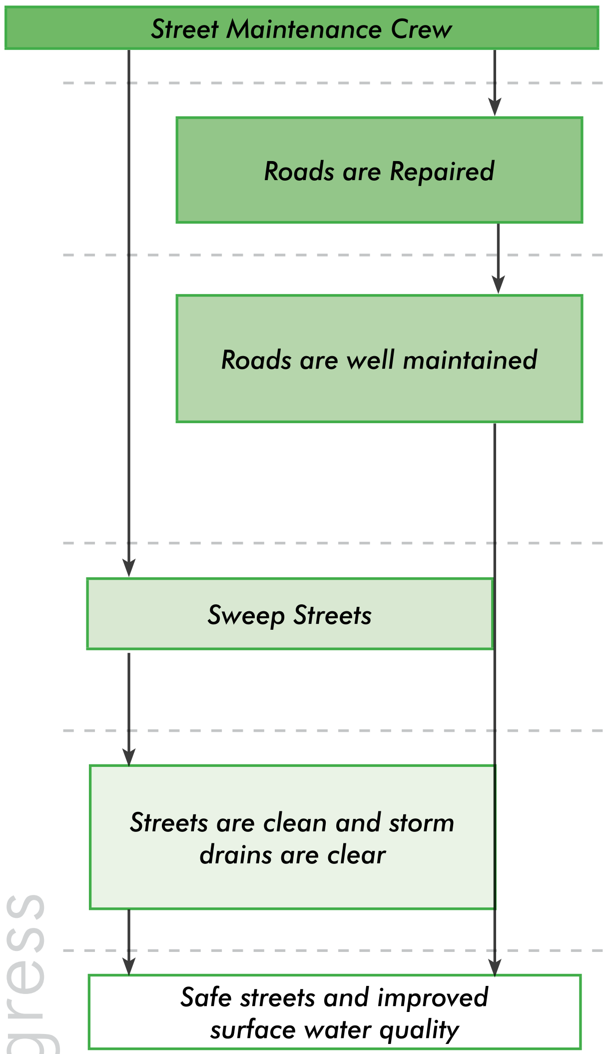
Through efforts of the whole Fire crew, a man was saved from possibly drowning. This is a memorable example of how the well-trained personnel of the Kirkland Fire Department respond effectively and efficiently to emergencies.

streets

goals

The Streets Division of the Public Works Department is responsible for keeping City-owned streets and landscaped surfaces maintained in an excellent manner. The work includes keeping roads repaired, landscapes aesthetically pleasing, and streets swept often to keep debris from entering the storm system and to improve water quality. A few of the Streets Division responsibilities include the maintenance, operation, and minor construction of roadways and roadsides, traffic signals and signs, alleys, public parking, sidewalks, paths and trails, crosswalks, and also to sweep streets and maintain street trees. The Streets Division works to provide the infrastructure for the City to ensure safe, attractive, efficient and reliable public streets and rights-of-way for Kirkland residents.

measuring progress



MEASURE	2004	2005	2006
Total paved lane miles	351.1	351.8	352.3
Road rehab expenses per paved lane mile	$4,310	$3,471	$4,919
Pavement condition index (PCI)[1]	70	*	*
Percentage of lane miles assessed as fair or better[2]	90%	*	*
Citizen ratings of road maintenance (satisfactory or better)[3]	94%	*	95%
Street sweeping expenditures per capita	$3.12	$4.42	$4.12
Steet sweeping (tons)	592	517	497
# of lane miles swept: Commercial Business District (Per Year)	500	500	500
# of lane miles swept: Residential (Per Year)	3,744	3,744	3,432

1. The City of Kirkland uses the Washington State DOT method for objectively rating the pavement condition based on factors including cracking, patching, weathering, and rutting. Every 3 to 4 years the PCI ratings for the entire City's street network are updated. The last survey was performed in 2004.
2. Based on 2004 PCI survey data; "fair or better" equates to a PCI of 40 or better
Pavement Condition Index (PCI) is a rating of the general condition of pavements and is based on a scale of 0 to 100. A PCI of 100 represents a newly constructed road with no distresses; a PCI below 10 corresponds to a failed road requiring complete reconstruction.
3. Survey completed every other year

analysis

- In 2006, the City of Kirkland invested a significant amount in the pavement overlay program resulting in an increase of 29% in expenditures.

next steps

- Maintain a Pavement Condition Index (PCI) of at least 70.
- Enhance central business district maintenance effort.
- Complete Non-motorized Plan Update.

"The Central Way project fixed the broken sidewalks and with the in-pavement lights it makes it easier and safer for pedestrians to get around downtown. The Central Way renovation is a great improvement for the community and for business."

--Dick Beazell

After

Before

Central Way Project

Dick Beazell, Executive Director of the Kirkland Downtown Association, knows how important it is for businesses to have well maintained roads and sidewalks. He recognizes the 2006 Central Way renovation as "a great improvement for the community and for business."

Central Way has an average daily travel of 20,000 cars and has a significant amount of foot and bike traffic. The City worked to ensure Central Way is a safe place for pedestrians through installation of new sidewalks and crosswalks with in-pavement lights.

Other citizen comments on the Central Way Project:

"My commute to and from work regularly includes walking across Central Way at 4th Street. During the winter, this was often done in the dark. Recently, the City installed in-pavement flashing crosswalk lights at this crosswalk, and the difference is night and day! Thank you!"

"I love the no-longer bumpy sidewalk on Central....Great work."

"On behalf of the Sylvan S. Shulman Company, I would like to thank you for your hard work in ensuring the ease of ingress and egress for Kirkland Park Place during the construction on Central Way. As a result of your efforts we have seen no appreciable loss in customer traffic or sales volume. Your diligence and excellent communication have ensured the Central Way business owners continue economic viability."
--Michael Shulman

information technology services

internal goals

Proactively provide cost effective, reliable, standardized, and current information technology tools, systems, and services including customer focused support. Provide responsive customer service to more than 400 city employees by maintaining a dependable computer network and creating technology tools to enhance productivity.

measuring progress

IT Department → *Provide IT tools* → *Training, tech support, telephone, desktop maintenance* → *Increase staff productivity / efficiency* → *Staff more efficient and satisfied*

	MEASURE	2004	2005	2006
IT Department	Total Apps / Network and Ops IT Staff	4.5/5	5/6	6.75/6
Provide IT tools	# of help desk calls per # of help desk employees	*	*	1,193
	# of help desk calls per # of city employees	*	*	7.67
Training, tech support, telephone, desktop maintenance	Help Desk calls resolved	3,398	3,835	3,580
	Total training sessions provided	33	37	9
	# of employees that took an IT Training class	*	*	53
Increase staff productivity / efficiency	Number of intranet user sessions	229,320	252,588	250,716
Staff more efficient and satisfied	Internal customer satisfaction: general IT services	*	*	3.6/4.0

* - *Information not collected*

analysis

- There has been a 76% decrease in staff training sessions provided by IT. This decrease is due to an increase in support needs of various technology programs the City implemented in 2006 including free wireless, the RAIN network to help police officers share data between jurisdictions, implementation of online utility bill payment and online permit status and the creation of a GIS and IT Strategic Plans.

next steps

- Enhance capability of police systems through support for regional dispatch or implementation of new capabilities for the existing police Computer Aided Dispatch, Records Management System, mobile, and jail system.
- Implement automated public safety scheduling and call out system.
- Establish a more robust disaster recovery plan for core critical systems which are not covered by current plans.
- Change IT Infrastructure to support new systems and new demands for data storage.
- Provide mobile computer access to City systems for inspectors and other field staff.
- Begin helping the City better manage records and paper through implementation of an electronic records system.

Police Technology

Rex Caldwell with the City of Kirkland Police Department recognizes the important role the Information Technology (IT) Department plays in keeping the community safe and City services running efficiently. In a recent interview he identified IT as playing a major role in supporting Police Services and ensuring that he can perform his job.

"We simply could not do our jobs effectively without the support of technology" Said Rex. "From GIS mapping of crime statistics to mobile computers in the police cars, the IT Department supports our critical work to ensure community safety." Other areas of IT assistance identified by Rex include computer aided dispatch of 911 calls, records management and communications.

Municipal services are very dependent on IT to ensure services are delivered efficiently and effectively.

information technology services

external goals

The City wants to make it easy for citizens to access services, so it provides useful online options.

Goal	MEASURE	2004	2005	2006
IT Department	Total Apps / Network and Ops IT Staff	4.5/5	5/6	6.75/6
Usability of Website	Average weekly hours upating site	15	15	17.5
	Number of user sessions per year	367,388	452,560	448,100
Citizens & Business Informed, Acess to Government Anytime and Anywhere	Percentage of Building Permits applied for online that are available online	*	30%	45%
	Percentage of Parks & Recreation registration online that is available online	28%	30%	60%
	E-Gov transactions dollar amount	$318,569	$434,469	$746,426
Citizens satisfied with City website	% of citizens who have visited the website[1]	44%	*	56%

1. *Based on 2004 & 2006 Citizen Surveys*

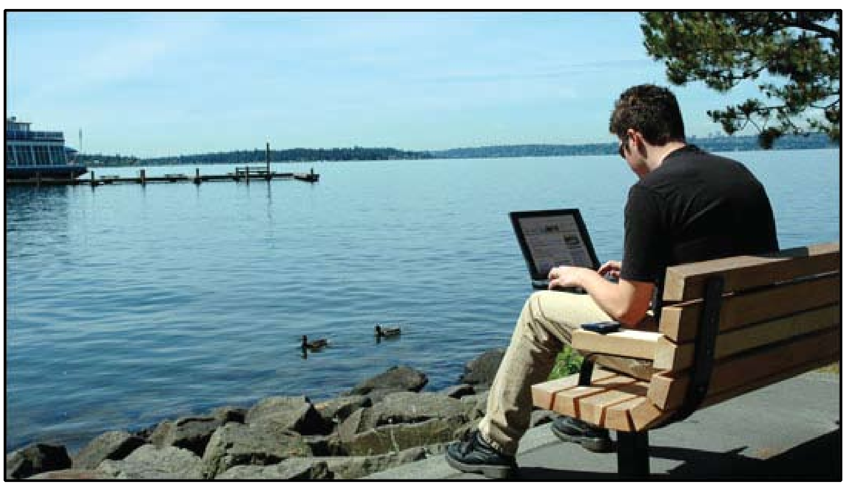
measuring progress

analysis

- Through website promotion and enhancement the City of Kirkland has been able to significantly improve online services for residents. This improvement and easy access is evidenced by significant increases in usage including a 15% increase in building permit transactions, a 30% increase in on-line Parks and Recreation registration and an increase of more than 40% for financial transactions.

next steps

- Enhance the eCityGov applications mybuildingpermit.com, nwmaps.net, myparksandrecreation.com, and nwproperty.net per the direction of the operating and executive boards.
- Develop recommendations for the next steps (expand, keep, discontinue, change) after the Kirkland Free Wireless program is through its pilot period.
- Encourage more debate and community input via our television stations so that they are more of an interactive medium and less like infomercials for the city.
- Help facilitate the technology decisions around creating a regional public safety dispatch center



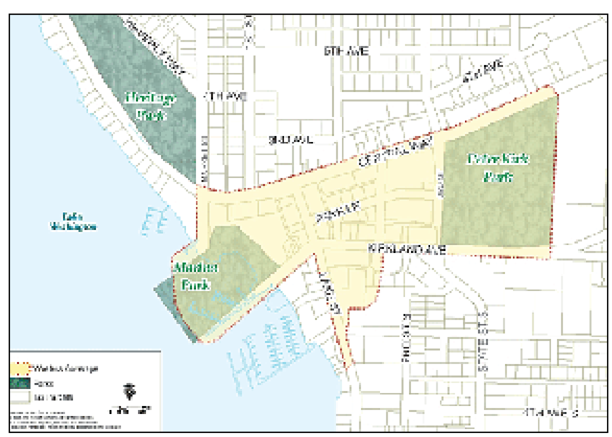
Free Wireless

In 2005, the City Council approved a pilot project for wireless (WiFi) in public spaces, primarily in Peter Kirk and Marina parks and the system was installed in summer, 2006.

Users of the service are generally supportive and find it a tremendous service to the community. One user wrote to the City: "I wanted to thank you for the free WiFi project. I'm a real estate appraiser who is constantly in the field. I have a laptop so that I can keep my work moving even when I'm away from my home office, but I often need to do research on the internet and am constantly on the look out for a WiFi connection.

I was very excited when I discovered that I can work anywhere in/around your downtown area. It definitely saved the day, when I needed to put some finishing touches on a report and get it emailed out to the client on-time. Best of luck to you on this trial project, I hope it becomes permanent and sets the bar for other cities in the Puget Sound area."

This is just one of the services the IT department provides the City of Kirkland community.



Free Wireless Area in Downtown Kirkland

police services

goals

The Kirkland Police Department strives to provide quality law enforcement that builds trust, confidence and respect throughout the community. The Police Department places a strong emphasis on ensuring that all those who live, shop, work, and play in Kirkland feel safe. The Police Department prevents and responds to crime so that Kirkland remains safe for all community members.

measuring progress

Police Department

MEASURE	2004	2005	2006

Prevent and respond to crime

MEASURE	2004	2005	2006
Total calls for service	*	43,120	43,682
Average # of Calls For Service per shift	*	59.1	59.8
Total 911 calls received	*	27,962	28,249
Average # of Patrol contacts per shift	9.63	8.82	8.84
Criminal Citations	*	1,468	1,775
Infractions	*	8,618	7,516
Collisions w/enforcement action	*	*	668

Keep city safe

MEASURE	2004	2005	2006
Sworn FTE's per 1,000 population[1] (authorized)	1.36	1.39	1.45
Average # of Officers per shift	7.09	6.49	6.59
Total Arrests per 1,000 population	51.5	42.6	50.9
DUI Arrests per 1,000 population	10.9	9.0	5.5
Total Part I Violent Crimes per 1000 population[2]	1.7	1.6	1.9
Total Part I Property Crimes per 1000 population[3]	37.1	39.0	40

Citizens feel safe[4]

MEASURE	2004	2005	2006
Citizen rating of safety in their neighborhood during the day	*	*	Very safe 89% Somewhat safe 9%
Citizen rating of safety of their neighborhoods after dark	*	*	Very safe 54% Somewhat safe 29%

1. *Increased personnel provide for additional patrol coverage, investigations & other police services that keep the community safe.*
2. *Part 1 violent crimes include: murder and non-negligible manslaughter, forcible rape, robbery and aggravated assault.*
3. *Part 1 property crimes include: burglary, larceny-theft, motor vehicle theft and arson.*
4. *2006 Citizen Opinion Survey rated Police services as one of the top 5 most important services.*

analysis

- Recruitment challenges have resulted in a 14% decrease in officers per shift since 2004. The Police Department is exploring innovative ways to recruit new officers.
- In 2006 there was a 39% decrease in DUI arrests per 1000 population, Police Department education and outreach efforts to downtown restaurants and drinking establishments may have had an impact.

next steps

- Continue 24/7 coverage of our city to protect the lives and property of our citizens.
- Emphasize enforcement on dangerous driving that can cause collisions and on alcohol related driving offenses.
- Continue the effort against domestic violence through our Family Violence Detective and civilian Domestic Violence Advocate. This unit works with the court system to make sure victim rights are protected.

School Crossing Guard

Volunteer Pete Quarre has been working with the Kirkland Police Department and Lake View Elementary for the past eight years to ensure a safe pedestrian environment, especially the safety of children and their parents walking to and from school. Pete uses a radar and speed display board, purchased with grant money from the Washington Traffic Safety Commission, to monitor traffic and later traffic violators are mailed warning notices.

In his volunteer uniform, Pete is a familiar and welcome sight for the parents and children walking to and from school at Lake View Elementary. The community is safer for pedestrians because of volunteers like Pete. Pete and the Police Department are not alone in their efforts to keep pedestrians and children walking to school safe. There are forty youth volunteers that work as crossing guards before and after school to ensure safe street crossing. Youth that work as crossing guards apply for the opportunity through a program operated by school personnel and the school district. The police department provides the crossing guard program assistance and support as needed.

In 2006, Teacher Charity Shallock, the school crossing guard program coordinator, Traffic Sergeant Ursino, Traffic Officer Evans and Pete provided a lunch hour presentation for the youth crossing guards on pedestrian and crossing guard safety. Later the forty youth toured the Police Department where they received additional information on pedestrian safety and bully prevention.

Safety programs are one of many ways the Police Department works to keep the community safe.

parks and recreation

goals

The City strives to provide high quality parks, facilities, and programs to support citizens in increasing their health and activity. The City Parks and Community Services Department wants to enrich and enhance Kirkland's quality of living by effectively managing our public lands and serving the leisure needs of all residents to make Kirkland the place to be.

measuring progress

	MEASURE	2004	2005	2006
Parks & Recreation Staff	Total staff for parks maintenance and recreation programs	55.8	59.8	70.89[1]
	Park maintenance FTE's per 100 acres developed land	15.5	14.8	19.99
	Number of volunteers/ volunteer hours	508/1,200	711/2,115	455/1,240
Maintain parks and provide recreation programs	Total O&M for recreation programs	$1,501,826	$1,659,619	$1,663,761
	Recreation O&M per capita	$32.80	$36.28	$35.26
	Total O&M for parks maintenance	$2,217,657	$2,446,832	$2,643,047
	Parks maintenance O&M per capita	$48.42	$53.49	$56.02
Provide high quality parks and recreation programs	Developed park acreage per 1000 population	4.6	4.6	4.38
	Citizen ratings of appearance of Parks & Recreation facilities - satisfactory or better[2]	*	*	98%
	Citizen ratings of the quality of Parks & Recreation programs - satisfactory or better[2]	*	*	89%
	Recreation classes offered	2,868	2,812	2,741
Increase citizens' health, activity and quality of life	Citizen's enrollment in classes	16,030	18,104	18,067
Citizen satisfaction	Citizen ratings of overall satisfaction with Parks & Recreation - satisfactory or better[3]	95%	*	98%

1. *Increased staffing due to increased programs and park development*
2. *2006 Citizen Opinion Survey results reflect Parks and Community Services as one of the top 5 services offered by the City.*
3. *Citizen Opinion Surveys are completed every other year.*

analysis

- In 2006 there was a 15% increase in parks maintenance and recreation staffing due to major park improvement projects including Heritage Park and Juanita Beach Park.
- 98% of respondents to the 2006 Citizen Survey rated their overall satisfaction with parks as satisfactory or better, a 3% increase in satisfaction since the 2004 Citizen Survey.

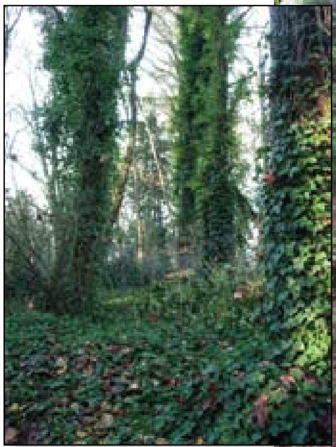
next steps

- Complete highest priority Green Kirkland Partnership natural area restoration projects by removing invasive plants and replanting native vegetation
- Implement Public-Private Partnership policy in order to contribute to the health and vitality of our parks and recreation programs.

City volunteers after removing ivy from the base of a tree at Carillon Woods Park.

Restoration of Urban Forests

Kirkland's Green Kirkland Partnership depends on volunteers like Robin Jenkinson to be successful. Encouraged by the participation of her friend Jenny Schroder, the Parks Director, Robin decided to give volunteering with the partnership a try. One Saturday at Kiwanis Park, Robin, along with other volunteers, attacked blackberry canes with pruning shears, rakes, and pitch forks (everything but torches). Even though there was just a handful of people, including the City Mayor, the progress and improvement was amazing. Robin said, "It was a great aerobic workout and very satisfying. One of the neighbors brought homemade cookies and the Park neighbors whom I met were most appreciative."



Before

After

Robin said her second foray was to help remove invasive plants, including Laurel and Holly, along the trail down to Lake Washington. "The Parks Department brought along a very cool piece of equipment that you clamp onto the offending shrubs and trees and pull them right out of the ground. This was even more satisfying than the blackberry wars" "Kiwanis Park is on my regular running route and now when I go by I feel good about seeing how much better it looks."

The Green Kirkland Partnership is in the process of building a collaborative community volunteer base to sustain the program for the long term. Already from 2005 through mid-June 2007, a total of 767 volunteers have contributed 2,400 hours to removing invasive plants.

For more information, visit: http://www.ci.kirkland.wa.us/depart/parks/Green_Kirkland.htm

refuse & recycling

goals

The City encourages residents to participate in recycling. Recycling reduces the amount of garbage that the community produces so that the life span of our local landfill can be extended. Recycling can help protect the environment and reduce the costs of garbage disposal.

measuring progress

Recycling Program

Residents participate

MEASURE	2004	2005	2006
Participation rate SFR[1]	66.3%	64.3%	84%
Participation rate MFR[2]	94%	95%	95%

Minimize garbage output

MEASURE	2004	2005	2006
Total tons of garbage collected - SFR & MFR	31,213 tons	33,000 tons	33,690 tons
Average pounds of garbage collected per week per SFR account	32 lbs	27.30 lbs	25.5 lbs
Actions that the City has taken to promote product stewardship and to reduce the generation of waste	Major expansion of recycling program, including food waste and electronics	Pilot commercial food waste recycling program	Commercial organics and residential food waste, MFR outreach

Divert waste from landfill

MEASURE	2004	2005	2006
Total tons of recycled material	9,154 tons	8,713.8 tons	8,906 tons
Diversion rate SFR[3]	60.1%	59.8%	62.5%
Diversion rate MFR[3]	12.1%	16.4%	16.9%
Total tons of SFR food & yard waste collected	7,346.31 tons	6,663.74 tons	7,099.08 tons

Extend landfill life

MEASURE	2004	2005	2006
Expected life span of Cedar Hills Landfill	2015	2015	2016

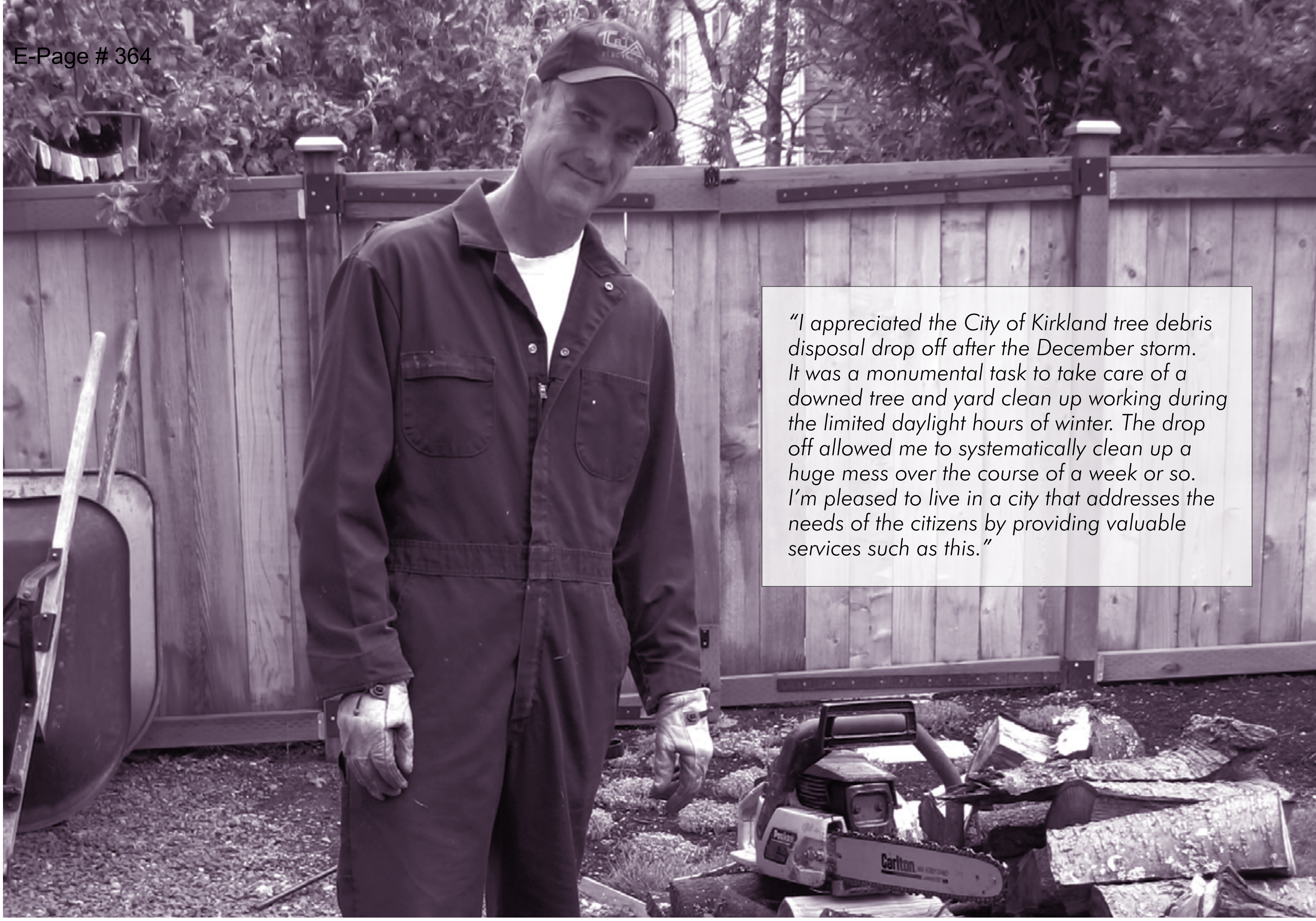
1. *SFR — Single Family Residence*
2. *MFR — Multi-Family Residence*
3. *Diversion Rate — the percent of waste materials diverted from the landfill or incineration to be recycled, composted or reused. SFR — includes yard waste, MFR — does not include yard waste.*

analysis

- Over the past two years the City of Kirkland population has increased by approximately 2.9% and the average pounds of garbage collected per week per SFR account has decreased by approximately 20%. Through efforts of the whole City more recycling is being diverted from the landfill and the life expectancy of the landfill has been extended, this shows that the City recycling program is working.

next steps

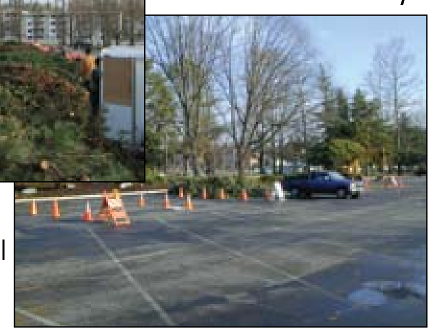
- Conduct two residential recycling collection events, Include fluorescent light disposal service at the fall residential recycling collection event
- Conduct one business recycling collection event (to be held September 20, 2007)
- Create a commercial foodwaste recycling program in order to divert organic materials from burial in the landfill and, instead, turn the materials into compost for landscaping.
- Participate in regional solid waste planning to update King County's 2001 Solid Waste Comprehensive Plan and prepare the system for the eventual closure of the Cedar Hills Landfill (currently expected in 201



> *"I appreciated the City of Kirkland tree debris disposal drop off after the December storm. It was a monumental task to take care of a downed tree and yard clean up working during the limited daylight hours of winter. The drop off allowed me to systematically clean up a huge mess over the course of a week or so. I'm pleased to live in a city that addresses the needs of the citizens by providing valuable services such as this."*

Refuse & Recycling

Day 2



Day 1

On December 14-15, 2006 the Puget Sound region experienced the worst windstorm to hit the region since the Inauguration Day storm of 1993, breaking an all-time record with wind gusts of 69 miles per hour. The storm left hundreds of thousands of people without electricity, toppled trees, blew down tree branches and in some cases completely covered yards with debris.

The aftermath of the storm left many Kirkland residents with an abundance of tree debris. The City of Kirkland responded with a program wherein residents were given the option to bring their tree debris to two area parks, and the City would pay for its removal and recycling. This collaborative effort between the Public Works Department and the Parks Department was well received by the citizens who participated.

The debris drop off site remained open for three weeks due to the extensive need of Kirkland residents. During the three weeks more than 3,500 cubic yards of material was received or about 1,750 full size pick up truck beds full to the top of the bed.

Public Works Refuse and Recycling Program received many compliments on the responsiveness of the City and how easy it was to participate in the free program.

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: Daryl Grigsby, Public Works Director
David Godfrey, P.E., Transportation Engineering Manager

Date: March 11, 2007

Subject: Tolling

This memo describes past City and Eastside Transportation Partnership positions on tolling, recent state legislation and information about tolling under construction on SR 167 and potential tolling on I-405.

Past Positions
ETP has supported highway tolling/pricing in general and the SR 167 project in particular. Letters of support are attached as Attachment 1 and 2. City of Kirkland representatives to ETP have supported these positions. In 2002 the City of Kirkland helped to sponsor a tolling/pricing conference held at Carillon point. More information about that conference is available on line at http://www.psrc.org/projects/pricing/agenda.htm

Recent legislation
House Bill 3096 pertaining to the funding of SR 520 has passed both the State House and State Senate and has the support of the Governor. A summary of the tolling provisions of the bill is as follows:

1) Funding of the SR 520 bridge includes $2 billion in tolling revenue, including pre-construction tolling.
2) Creates a 520 tolling committee consisting of the Secretary of Transportation, the Executive Director of the PSRC and a member of the Transportation Commission from King County. Among other things, the Committee is to:
   a) Examine diversion to other routes from tolling SR 520 alone or in connection with I-90.
   b) Confer with City Councils and Mayors of cities adjacent to the SR 520 and I-90 corridors about tolling impacts to those cities.
   c) Listen to public opinions on various aspects of tolling through open houses and other methods.
   d) Report to the governor and legislature by January 1, 2009.

Attachment 3 contains the full text of the final bill.

House Bill 1773 has also passed both the House and Senate and it sets forth principles for tolling and describes details about how tolling can be implemented such as:

1) The State Transportation Commission sets and monitors toll rates, but the state legislature authorizes tolling on state facilities. The Commission can establish a tolling advisory committee to assist it in setting toll rates.
2) Tolls should be instituted where revenue is necessary for completion of projects or to optimize performance of the transportation system.
3) Toll rates should be set to optimize transportation system performance in consideration of the trade offs necessary to meet revenue requirements.
4) Local governments, Regional Transportation Improvement Districts and Transportation Benefit Districts can also impose tolls on local roads, but they are subject to approval by the state if such tolls would effect the operation of state routes.
5) Toll revenue can be used for a variety of purposes such as construction, improvement, management, maintenance, operation, preservation and conveyance of people, but it must be used on the facility where it was collected.
6) Tolls may remain in place after initial construction expenses are paid.
7) Variable tolls are allowed. Tolling technology must be coordinated and integrated throughout all state systems. Use of toll booths shall be minimized.

Attachment 4 contains the full text of the final bill.

Urban Partnership Grant

The Puget Sound Regional Council, Washington State Department of Transportation and King County were awarded an Federal Urban Partnership Grant to help fund, among other things, implementation of tolls on the SR 520 corridor.

SR 167

The project is scheduled to launch in spring 2008. A single HOT lane in each direction will run along nine miles of State Route 167 between Renton and Auburn in King County. Carpools of two people or more, transit, vanpools and motorcycles will use the HOT lanes toll free and do not need a transponder to use HOT lanes. Solo vehicles that wish to use the HOV lane will pay a toll that can vary between 50¢ and $9.00 depending on congestion levels. Tolling will be done completely electronically. The HOT lane will be separated from the general purpose lane by a double white solid lines with designated entry points. Much more information on this project is available at http://www.wsdot.wa.gov/Projects/SR167/HOTLanes/Default.htm

SR 405

The following information is from the WSDOT website (http://www.wsdot.wa.gov/Operations/Tolling/default.htm)and describes potential projects on I-405. Note that the new lanes referred to below have already been built in Kirkland, but are yet to be completed north of Kirkland. The lanes north of Kirkland will be completed when stage two of the Kirkland nickel project is completed, resulting in a new lane between NE 70th Street and I-5. As described below, two express lanes could operate in each direction from SR 520 in Bellevue to SR 522 in Bothell, and one express lane in each direction from SR 522 to I-5 in Lynnwood.

Moving more people; delivering more options
Our goal at WSDOT is to move more people in the safest, most efficient way possible. We also want to give commuters more options to get where they need to go.

To move more people and increase transit reliability on I-405 north of SR 520, WSDOT traffic engineers are investigating two options to improve traffic flow and give commuters more choices. One option engineers are looking at is to maintain the current high-occupancy vehicle (HOV) lanes and build new general purpose lanes. A second option would be to build two new lanes and make them express toll lanes. Express toll lanes have been used in other states and are a safe and proven method to move more people in a very efficient manner. WSDOT is completing an environmental assessment to analyze these improvement options between SR 520 in Bellevue and I-5 in Lynnwood.

What are express toll lanes?
Express toll lanes preserve trip reliability for transit users, while providing a new option to other motorists who choose to pay a toll when lane capacity is available. We are exploring building and operating two I-405 express toll lanes in each direction between SR 520 in Bellevue and SR 522 in Bothell, and one express toll lane in each direction between SR 522 and I-5 in Lynnwood. Express toll lanes on I-405 would be similar to the high-occupancy toll lanes or HOT lanes on SR 167 as part of the SR 167 HOT lanes pilot project.

Why are we looking at express toll lanes on I-405?
HOV lanes lose their efficiency if they are too congested. Likewise, HOV lanes with low volumes are not being used as efficiently as possible. To make sure we can move more people as efficiently as possible, WSDOT is considering express toll lanes on I-405.

Traffic data shows the I-405 HOV lanes between SR 520 and I-5 are under utilized mid-day, but congested during peak periods. One option to improve HOV traffic flow is to increase the HOV requirement from 2+ occupants to 3+; this would reduce the number of vehicles entering the system. This is one of the options environmental staff and traffic engineers are evaluating in the environmental assessment.

Another option is to convert HOV lanes to express toll lanes. Express toll lanes would be toll-free to transit. Other toll-free HOV passenger requirements are currently under evaluation. On the SR 167 HOT lanes pilot project, for example, two-person carpools will be toll-free when the project opens.

Managing traffic flow with express toll lanes would improve the overall efficiency across all lanes, and increase the number of vehicles and people moving through the system at all times. Adding the second express lane from SR 520 to SR 522 would add additional capacity, increasing the overall system wide benefit - smoothing out the flow for all drivers.

Converting HOV lanes to express toll lanes has been successful in other U.S. cities.

What are the key features of express toll lanes?

- *Tolls would rise and fall to manage the number of vehicles entering the express lanes, ensuring transit receives a reliable trip.*
- *Tolls charged would be deducted electronically from drivers' accounts at normal highway speeds; there will be no toll booths.*
- *Access to express lanes would be limited to specific entry and exit points.*
- *Toll-paying drivers would only have access to express lanes when there is available capacity.*
- *General-purpose lanes would remain toll-free to all drivers.*

What are the benefits of express toll lanes?

- *Improved trip reliability for transit;*
- *Options to drivers who are willing to pay for a faster trip;*
- *Managed traffic by moving vehicles and people out of general-purpose lanes to increase the overall flow of traffic;*
- *Easy access to drivers;*
- *Fairness; research shows that express toll lanes are used by drivers at all income levels who are looking for a more reliable trip.*

EASTSIDE
TRANSPORTATION
PARTNERSHIP

MS: KSC-TR-0814
201 South Jackson Street
Seattle, WA 98104-3856
Phone (206) 263-4710 Fax (206) 684-2111

February 13, 2004

The Honorable Jim Horn
Chair, Highways and Transportation Committee
The Honorable Bill Finkbeiner
Senate Majority Leader
Washington State Senate
P.O. Box 40482
Olympia, WA 98504-0482

Dear Senators Horn and Finkbeiner:

The Eastside Transportation Partnership (ETP) has recently received a briefing on the SR 167 HOT lane pilot project. Our members were extremely interested in this project, and expressed strong support for HB 2808 and SB 6672. We wanted to be sure to let you know of ETP's support and ask that you move this legislation forward.

The region's adopted plan includes policy language to advance transportation pricing strategies, and Destination 2030 includes specific policy language supporting demonstration projects. We believe that it is time to undertake a practical application of these policies.

ETP has previously expressed support for the use of tolling, both as a revenue source and as a means of managing existing facilities and traffic flow. Recent polling results indicate that the public also supports the use of tolls, and is interested in relying more on user fees for transportation related investments. We believe that this pilot project offers an excellent opportunity to test the concept of HOT lanes in this region. The outcome of the pilot project will provide useful information for additional steps this region may want to take for a broader application of this method and/or other tolling options.

We hope that you will support this legislation and this pilot project.

Thank you for your consideration.

Sincerely,

[signatures on original]
Fred Butler Phil Noble
Chair Vice Chair
Eastside Transportation Partnership

cc: ETP members

EASTSIDE
TRANSPORTATION
PARTNERSHIP

MS: KSC-TR-0814
201 South Jackson Street
Seattle, WA 98104-3856
Phone (206) 263-4710 Fax (206) 684-2111

October 4, 2006

Commission Richard Ford
Chair, Washington State Transportation Commission
P.O. Box 47308
Olympia, WA 98504-7308

Dear Commissioner Ford:

On behalf of the Eastside Transportation Partnership (ETP), we are providing you with our comments on the Proposed Tolling Policies for Washington State (as of June 2006). We recognize that the Commission already has taken action to adopt these policies, but ETP wanted to be on record with our comments.

ETP recognizes that the limited funding available for transportation will not be sufficient to keep up with increased travel demand, so mobility will increasingly depend on our willingness and ability to manage the transportation system to maximize its efficiency and effective capacity. We have previously supported the SR 167 HOT lane pilot project to gain more information about the broader application of tolls and tolling. And we believe that it is time to position the State to move in the direction of transportation pricing. By that, we mean the broad definition of pricing, including tolling, that reflects state-of-the-art strategies and technologies. ETP supports the Commission's effort to advance this approach, and offers the following comments:

- We support the Commission's proposal to use pricing to fund and manage the transportation system.
- We recommend that dynamic pricing initially be introduced on limited access facilities as new capacity is provided.
- While we support tolling, we are concerned about the possible impacts of diverted traffic on other facilities and communities. We recommend actions to minimize these impacts, including directing additional funding for improvements that would address adverse impacts on the parallel facilities and affected communities.
- We agree that further consideration should be given to leaving pricing in place following completion of projects to provide additional resources for new capacity, capital rehabilitation, maintenance, and operations throughout the system, and to optimize performance of the system.

- We agree that toll revenue should be used only to improve, maintain or operate the transportation system.

We look forward to working with you, the legislature and the Governor to ensure a constructive dialog on these proposed tolling policies and implementation of this necessary measure. Please feel free to contact either of us if you have any questions.

Sincerely,

Phil Noble
Councilmember, City of Bellevue
Chair

Mary-Alyce Burleigh
Councilmember, City of Kirkland
Vice Chair

Eastside Transportation Partnership

ENGROSSED SUBSTITUTE HOUSE BILL 3096

AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By House Transportation (originally sponsored by Representatives Clibborn and McIntire; by request of Governor Gregoire)

READ FIRST TIME 02/12/08.

AN ACT Relating to financing the state route number 520 bridge replacement project; adding new sections to chapter 47.01 RCW; adding new sections to chapter 47.56 RCW; creating new sections; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** The legislature finds that the replacement of the vulnerable state route number 520 bridge is a matter of urgency for the safety of Washington's traveling public and the needs of the transportation system in central Puget Sound. The state route number 520 bridge is forty-four years old and has a useful remaining life of between thirteen and eighteen years. While one hundred fifteen thousand vehicles travel on the bridge each day, there is an ever present likelihood that wind or an earthquake could suddenly destroy the bridge or render it unusable. Therefore, the state must develop a comprehensive approach to fund a state route number 520 bridge replacement to be constructed by 2018.

NEW SECTION. **Sec. 2.** A new section is added to chapter 47.01 RCW to read as follows:

(1) The state route number 520 bridge replacement and HOV project shall be designed to provide six total lanes, with two lanes that are for transit and high-occupancy vehicle travel, and four general purpose lanes.

(2) The state route number 520 bridge replacement and HOV project shall be designed to accommodate effective connections for transit, including high capacity transit, to the light rail station at the University of Washington.

NEW SECTION. **Sec. 3.** A new section is added to chapter 47.56 RCW to read as follows:

The state route number 520 bridge replacement and HOV project finance plan must include:

(1) Recognition of revenue sources that include: One billion seven hundred million dollars in state and federal funds allocated to the project; one billion five hundred million dollars to two billion dollars in tolling revenue, including early tolls that could begin in late 2009; eighty-five million dollars in federal urban partnership grant funds; and other contributions from private and other government sources; and

(2) Recognition of savings to be realized from:

(a) Potential early construction of traffic improvements from the eastern Lake Washington shoreline to 108th Avenue Northeast in Bellevue;

(b) Early construction of a single string of pontoons to support two lanes that are for transit and high-occupancy vehicle travel and four general purpose lanes;

(c) Preconstruction tolling to reduce total financing costs; and

(d) A deferral of the sales taxes paid on construction costs.

NEW SECTION. **Sec. 4.** A new section is added to chapter 47.56 RCW to read as follows:

(1) Following the submission of the report required in section 6 of this act, the department may seek authorization from the legislature to collect tolls on the existing state route number 520 bridge or on a replacement state route number 520 bridge.

(2) The schedule of toll charges must be established by the

transportation commission and collected in a manner determined by the department.

NEW SECTION. **Sec. 5.** A new section is added to chapter 47.56 RCW to read as follows:

The department shall work with the federal highways administration to determine the necessary actions for receiving federal authorization to toll the Interstate 90 floating bridge. The department must periodically report the status of those discussions to the governor and the joint transportation committee.

NEW SECTION. **Sec. 6.** (1) The executive director of the Puget Sound regional council, the secretary of the department of transportation or his or her designee, and a member of the state transportation commission from King county shall form a state route number 520 tolling implementation committee.

(2) The committee must:

(a) Evaluate the potential diversion of traffic from state route number 520 to other parts of the transportation system, including state route number 522 and local roadways, when tolls are implemented on state route number 520 or other corridors, and recommend mitigation measures to address the diversion;

(b) Evaluate the most advanced tolling technology to ensure an efficient and timely trip for users of the state route number 520 bridge;

(c) Evaluate available active traffic management technology to determine the most effective options for technology that could manage congestion on the state route number 520 bridge and other impacted facilities;

(d) Explore opportunities to partner with the business community to reduce congestion and financially contribute to the state route number 520 bridge replacement project;

(e) Confer with the mayors and city councils of jurisdictions adjacent to the state route number 520 corridor, the state route number 522 corridor, and the Interstate 90 corridor regarding the implementation of tolls, the impacts that the implementation of tolls might have on the operation of the corridors, the diversion of traffic to local streets, and potential mitigation measures;

(f) Conduct public work sessions and open houses to provide information to citizens, including users of the bridge and business and freight interests, regarding implementation of tolls on the state route number 520 bridge and solicit citizen views on the following items:

(i) Funding a portion of the state route number 520 bridge replacement project with tolls on the existing bridge;

(ii) Funding the state route number 520 bridge replacement project and improvements on the Interstate 90 bridge with a toll paid by drivers on both bridges;

(iii) Providing incentives and choices for users of the state route number 520 bridge replacement project to use transit and to carpool; and

(iv) Implementing variable tolling as a way to reduce congestion on the facility; and

(g) Provide a report to the governor and the legislature by January 2009.

(3) The department of transportation shall provide staff support to the committee.

NEW SECTION. **Sec. 7.** A new section is added to chapter 47.01 RCW to read as follows:

(1)(a) Any person involved in the construction of the state route number 520 bridge replacement and HOV project may apply for deferral of state and local sales and use taxes on the site preparation for, the construction of, the acquisition of any related machinery and equipment that will become a part of, and the rental of equipment for use in, the project.

(b) Application shall be made to the department of revenue in a form and manner prescribed by the department of revenue. The application must contain information regarding estimated or actual costs, time schedules for completion and operation, and other information required by the department of revenue. The department of revenue shall approve the application within sixty days if it meets the requirements of this section.

(2) The department of revenue shall issue a sales and use tax deferral certificate for state and local sales and use taxes imposed or authorized under chapters 82.08, 82.12, and 82.14 RCW and RCW 81.104.170 on the project.

(3) A person granted a tax deferral under this section shall begin paying the deferred taxes in the fifth year after the date certified by the department of revenue as the date on which the project is operationally complete. The project is operationally complete under this section when the replacement bridge is constructed and opened to traffic. The first payment is due on December 31st of the fifth calendar year after the certified date, with subsequent annual payments due on December 31st of the following nine years. Each payment shall equal ten percent of the deferred tax.

(4) The department of revenue may authorize an accelerated repayment schedule upon request of a person granted a deferral under this section.

(5) Interest shall not be charged on any taxes deferred under this section for the period of deferral, although all other penalties and interest applicable to delinquent excise taxes may be assessed and imposed for delinquent payments under this section. The debt for deferred taxes is not extinguished by insolvency or other failure of any private entity granted a deferral under this section.

(6) Applications and any other information received by the department of revenue under this section are not confidential and are subject to disclosure. Chapter 82.32 RCW applies to the administration of this section.

(7) For purposes of this section, "person" has the same meaning as in RCW 82.04.030 and also includes the department of transportation.

NEW SECTION. **Sec. 8.** Section 6 of this act expires February 1, 2009.

--- END ---

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1773

AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By House Transportation (originally sponsored by Representatives Clibborn and Jarrett)

READ FIRST TIME 02/04/08.

AN ACT Relating to the imposition of tolls; amending RCW 47.56.030, 47.56.040, 47.56.070, 47.56.076, 47.56.078, 47.56.120, 47.56.240, 35.74.050, 36.120.050, 36.73.040, 47.29.060, 47.58.030, 47.60.010, and 53.34.010; reenacting and amending RCW 43.79A.040; adding new sections to chapter 47.56 RCW; repealing RCW 47.56.0761 and 47.56.080; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** The legislature finds and declares that it is the policy of the state of Washington to use tolling to provide a source of transportation funding and to encourage effective use of the transportation system.

The legislature intends that the policy framework created by this act will guide subsequent legislation and decisions regarding the tolling of specific facilities and corridors. For each state-owned facility or corridor, the legislature intends that it will authorize the budget and finance plan. Specific issues that may be addressed in the finance plan and budget authorization legislation include the amount of financing required for a facility or corridor, the budget for any construction and operations financed by tolling, whether and how variable pricing will be applied, and the timing of tolling.

The legislature also intends that while the transportation commission, as the toll-setting authority, may set toll rates for facilities, corridors, or systems thereof, the legislature reserves the authority to impose tolls on any state transportation route or facility. Similarly, local or quasi-local entities that retain the power to impose tolls may do so as long as the effect of those tolls on the state highway system is consistent with the policy guidelines detailed in this act. If the imposition of tolls could have an impact on state facilities, the state tolling authority must review and approve such tolls.

NEW SECTION. **Sec. 2.** This subchapter applies only to all state toll bridges and other state toll facilities, excluding the Washington state ferries, first authorized within this state after July 1, 2008.

NEW SECTION. **Sec. 3.** The definitions in this section apply throughout this subchapter unless the context clearly requires otherwise:

(1) "Tolling authority" means the governing body that is legally empowered to review and adjust toll rates. Unless otherwise delegated, the transportation commission is the tolling authority for all state highways.

(2) "Eligible toll facility" or "eligible toll facilities" means portions of the state highway system specifically identified by the legislature including, but not limited to, transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bistate facilities, and interconnections between highways.

(3) "Toll revenue" or "revenue from an eligible toll facility" means toll receipts, all interest income derived from the investment of toll receipts, and any gifts, grants, or other funds received for the benefit of the eligible toll facility.

NEW SECTION. **Sec. 4.** (1) Unless otherwise delegated, only the legislature may authorize the imposition of tolls on eligible toll facilities.

(2) All revenue from an eligible toll facility must be used only to construct, improve, preserve, maintain, manage, or operate the eligible toll facility on or in which the revenue is collected. Expenditures of toll revenues are subject to appropriation and must be made only:

(a) To cover the operating costs of the eligible toll facility, including necessary maintenance, preservation, administration, and toll enforcement by public law enforcement within the boundaries of the facility;

(b) To meet obligations for the repayment of debt and interest on the eligible toll facilities, and any other associated financing costs including, but not limited to, required reserves and insurance;

(c) To meet any other obligations to provide funding contributions for any projects or operations on the eligible toll facilities;

(d) To provide for the operations of conveyances of people or goods; or

(e) For any other improvements to the eligible toll facilities.

NEW SECTION. **Sec. 5.** Any proposal for the establishment of eligible toll facilities shall consider the following policy guidelines:

(1) Overall direction. Washington should use tolling to encourage effective use of the transportation system and provide a source of transportation funding.

(2) When to use tolling. Tolling should be used when it can be demonstrated to contribute a significant portion of the cost of a project that cannot be funded solely with existing sources or optimize the performance of the transportation system. Such tolling should, in all cases, be fairly and equitably applied in the context of the statewide transportation system and not have significant adverse impacts through the diversion of traffic to other routes that cannot otherwise be reasonably mitigated. Such tolling should also consider relevant social equity, environmental, and economic issues, and should be directed at making progress toward the state's greenhouse gas reduction goals.

(3) Use of toll revenue. All revenue from an eligible toll facility must be used only to improve, preserve, manage, or operate the eligible toll facility on or in which the revenue is collected.

Additionally, toll revenue should provide for and encourage the inclusion of recycled and reclaimed construction materials.

(4) Setting toll rates. Toll rates, which may include variable pricing, must be set to meet anticipated funding obligations. To the extent possible, the toll rates should be set to optimize system performance, recognizing necessary trade-offs to generate revenue.

(5) Duration of toll collection. Because transportation infrastructure projects have costs and benefits that extend well beyond those paid for by initial construction funding, tolls on future toll facilities may remain in place to fund additional capacity, capital rehabilitation, maintenance, management, and operations, and to optimize performance of the system.

NEW SECTION. **Sec. 6.** (1) A tolling advisory committee may be created at the direction of the tolling authority for any eligible toll facilities. The tolling authority shall appoint nine members to the committee, all of whom must be permanent residents of the affected project area as defined for each project. Members of the committee shall serve without receiving compensation.

(2) The tolling advisory committee shall serve in an advisory capacity to the tolling authority on all matters related to the imposition of tolls including, but not limited to: (a) The feasibility of providing discounts; (b) the trade-off of lower tolls versus the early retirement of debt; and (c) consideration of variable or time of day pricing.

(3) In setting toll rates, the tolling authority shall consider recommendations of the tolling advisory committee.

NEW SECTION. **Sec. 7.** (1) Unless these powers are otherwise delegated by the legislature, the transportation commission is the tolling authority for the state. The tolling authority shall:

(a) Set toll rates, establish appropriate exemptions, if any, and make adjustments as conditions warrant on eligible toll facilities;

(b) Review toll collection policies, toll operations policies, and toll revenue expenditures on the eligible toll facilities and report annually on this review to the legislature.

(2) The tolling authority, in determining toll rates, shall consider the policy guidelines established in section 5 of this act.

(3) Unless otherwise directed by the legislature, in setting and periodically adjusting toll rates, the tolling authority must ensure that toll rates will generate revenue sufficient to:

(a) Meet the operating costs of the eligible toll facilities, including necessary maintenance, preservation, administration, and toll enforcement by public law enforcement;

(b) Meet obligations for the repayment of debt and interest on the eligible toll facilities, and any other associated financing costs including, but not limited to, required reserves, minimum debt coverage or other appropriate contingency funding, and insurance; and

(c) Meet any other obligations of the tolling authority to provide its proportionate share of funding contributions for any projects or operations of the eligible toll facilities.

(4) The established toll rates may include variable pricing, and should be set to optimize system performance, recognizing necessary trade-offs to generate revenue for the purposes specified in subsection (3) of this section. Tolls may vary for type of vehicle, time of day, traffic conditions, or other factors designed to improve performance of the system.

Sec. 8. RCW 47.56.030 and 2002 c 114 s 19 are each amended to read as follows:

(1) Except as permitted under chapter 47.29 or 47.46 RCW:

(a) Unless otherwise delegated, and subject to section 4 of this act, the department of transportation shall have full charge of the planning, analysis, and construction of all toll bridges and other toll facilities including the Washington state ferries, and the operation and maintenance thereof.

(b) The transportation commission shall determine and establish the tolls and charges thereon((~~, and shall perform all duties and exercise all powers relating to the financing, refinancing, and fiscal management of all toll bridges and other toll facilities including the Washington state ferries, and bonded indebtedness in the manner provided by law~~)).

(c) Unless otherwise delegated, and subject to section 4 of this act, the department shall have full charge of planning, analysis, and design of all toll facilities. The department may conduct the planning, analysis, and design of toll facilities as necessary to support the legislature's consideration of toll authorization.

(d) The department shall utilize and administer toll collection systems that are simple, unified, and interoperable. To the extent practicable, the department shall avoid the use of toll booths. The department shall set the statewide standards and protocols for all toll facilities within the state, including those authorized by local authorities.

(e) Except as provided in this section, the department shall proceed with the construction of such toll bridges and other facilities and the approaches thereto by contract in the manner of state highway construction immediately upon there being made available funds for such work and shall prosecute such work to completion as rapidly as practicable. The department is authorized to negotiate contracts for any amount without bid under ((~~(d)(i)~~)) (e)(i) and (ii) of this subsection:

(i) Emergency contracts, in order to make repairs to ferries or ferry terminal facilities or removal of such facilities whenever continued use of ferries or ferry terminal facilities constitutes a real or immediate danger to the traveling public or precludes prudent use of such ferries or facilities; and

(ii) Single source contracts for vessel dry dockings, when there is clearly and legitimately only one available bidder to conduct dry dock-related work for a specific class or classes of vessels. The contracts may be entered into for a single vessel dry docking or for multiple vessel dry dockings for a period not to exceed two years.

(2) The department shall proceed with the procurement of materials, supplies, services, and equipment needed for the support, maintenance, and use of a ferry, ferry terminal, or other facility operated by Washington state ferries, in accordance with chapter 43.19 RCW except as follows:

(a) ((~~Except as provided in (d) of this subsection,~~)) When the secretary of the department of transportation determines in writing that the use of invitation for bid is either not practicable or not advantageous to the state and it may be necessary to make competitive evaluations, including technical or performance evaluations among acceptable proposals to complete the contract award, a contract may be entered into by use of a competitive sealed proposals method, and a formal request for proposals solicitation. Such formal request for proposals solicitation shall include a functional description of the needs and requirements of the state and the significant factors.

(b) When purchases are made through a formal request for proposals solicitation the contract shall be awarded to the responsible proposer whose competitive sealed proposal is determined in writing to be the most advantageous to the state taking into consideration price and other evaluation factors set forth in the request for proposals. No significant factors may be used in evaluating a proposal that are not specified in the request for proposals. Factors that may be considered in evaluating proposals include but are not limited to: Price; maintainability; reliability; commonality; performance levels; life cycle cost if applicable under this section; cost of transportation or delivery; delivery schedule offered; installation cost; cost of spare parts; availability of parts and service offered; and the following:

(i) The ability, capacity, and skill of the proposer to perform the contract or provide the service required;

(ii) The character, integrity, reputation, judgment, experience, and efficiency of the proposer;

(iii) Whether the proposer can perform the contract within the time specified;

(iv) The quality of performance of previous contracts or services;

(v) The previous and existing compliance by the proposer with laws relating to the contract or services;

(vi) Objective, measurable criteria defined in the request for proposal. These criteria may include but are not limited to items such as discounts, delivery costs, maintenance services costs, installation costs, and transportation costs; and

(vii) Such other information as may be secured having a bearing on the decision to award the contract.

(c) When purchases are made through a request for proposal process, proposals received shall be evaluated based on the evaluation factors set forth in the request for proposal. When issuing a request for proposal for the procurement of propulsion equipment or systems that include an engine, the request for proposal must specify the use of a life cycle cost analysis that includes an evaluation of fuel efficiency. When a life cycle cost analysis is used, the life cycle cost of a proposal shall be given at least the same relative importance as the initial price element specified in the request of proposal documents. The department may reject any and all proposals received. If the proposals are not rejected, the award shall be made to the proposer whose proposal is most advantageous to the department, considering price and the other evaluation factors set forth in the request for proposal.

((~~(d) If the department is procuring large equipment or systems (e.g., electrical, propulsion) needed for the support, maintenance, and use of a ferry operated by Washington state ferries, the department shall proceed with a formal request for proposal solicitation under this subsection (2) without a determination of necessity by the secretary.~~))

Sec. 9. RCW 47.56.040 and 1984 c 7 s 248 are each amended to read as follows:

The department is empowered, in accordance with the provisions of this chapter, to provide for the establishment and construction of toll bridges upon any public highways of this state together with approaches thereto wherever it is considered necessary or advantageous and practicable for crossing any stream, body of water, gulch, navigable water, swamp, or other topographical formation whether that formation is within this state or constitutes a boundary between this state and an adjoining state or country. ((~~The necessity or advantage and practicability of any such toll bridge shall be determined by the department, and the feasibility of financing any toll bridge in the manner provided by this chapter shall be a primary consideration and determined according to the best judgment of the department.~~)) For the purpose of obtaining information for the consideration of the department upon the construction of any toll bridge or any other matters pertaining thereto, any cognizant officer or employee of the state shall, upon the request of the department, make reasonable examination, investigation, survey, or reconnaissance for the determination of material facts pertaining thereto and report this to the department. The cost of any such examination, investigation, survey, or reconnaissance shall be borne by the department or office conducting these activities from the funds provided for that department or office for its usual functions.

Sec. 10. RCW 47.56.070 and 1977 ex.s. c 151 s 67 are each amended to read as follows:

The department of transportation may, ((~~with the approval of the transportation commission~~)) in accordance with this chapter, provide for the ((~~establishment,~~)) construction((~~,~~)) and operation of toll tunnels, toll roads, and other facilities necessary for their construction and connection with public highways of the state. It may cause surveys to be made to determine the propriety of their ((~~establishment,~~)) construction((~~,~~)) and operation, and may acquire rights-of-way and other facilities necessary to carry out the provisions hereof; and may issue, sell, and redeem bonds, and deposit and expend them; secure and remit financial and other assistance in the construction thereof; carry insurance thereon; and handle any other matters pertaining thereto, all of which shall be conducted in the same manner and under the same procedure as provided for the ((~~establishing,~~)) constructing, operating, and maintaining of toll bridges by the department, insofar as reasonably consistent and applicable. ((~~No toll facility, toll bridge, toll road, or toll tunnel, shall be combined with any other toll facility for the purpose of financing unless such facilities form a continuous project, to the end that each such facility or project be self-liquidating and self-sustaining.~~))

Sec. 11. RCW 47.56.076 and 2006 c 311 s 19 are each amended to read as follows:

(1) Upon approval of a majority of the voters within its boundaries voting on the ballot proposition, ((~~and with the approval of the state transportation commission or its successor statewide tolling authority,~~)) a regional transportation investment district may authorize vehicle tolls on a local or regional arterial or a state or federal highway within the boundaries of the district. The department shall administer the collection of vehicle tolls authorized on designated facilities unless otherwise specified in law or by contract, and the commission or its successor statewide tolling authority shall set and impose the tolls in amounts sufficient to implement the regional transportation investment plan under RCW 36.120.020.

(2) Consistent with section 4 of this act, vehicle tolls must first

be authorized by the legislature if the tolls are imposed on a state route.

(3) Consistent with section 7 of this act, vehicle tolls, including any change in an existing toll rate, must first be reviewed and approved by the tolling authority designated in section 7 of this act if the tolls, or change in toll rate, would have a significant impact, as determined by the tolling authority, on the operation of any state facility.

Sec. 12. RCW 47.56.078 and 2005 c 336 s 25 are each amended to read as follows:

(1) Subject to the provisions under chapter 36.73 RCW, a transportation benefit district may authorize vehicle tolls on state routes or federal highways, city streets, or county roads, within the boundaries of the district, unless otherwise prohibited by law. The department of transportation shall administer the collection of vehicle tolls authorized on state routes or federal highways, unless otherwise specified in law or by contract, and the state transportation commission, or its successor, may approve, set, and impose the tolls in amounts sufficient to implement the district's transportation improvement finance plan. The district shall administer the collection of vehicle tolls authorized on city streets or county roads, and shall set and impose the tolls, only with approval of the transportation commission, in amounts sufficient to implement the district's transportation improvement plan. Tolls may vary for type of vehicle, for time of day, for traffic conditions, and/or other factors designed to improve performance of the facility or the transportation network.

(2) Consistent with section 4 of this act, vehicle tolls must first be authorized by the legislature if the tolls are imposed on a state route.

(3) Consistent with section 7 of this act, vehicle tolls, including any change in an existing toll rate, must first be reviewed and approved by the tolling authority designated in section 7 of this act if the tolls, or change in toll rate, would have a significant impact, as determined by the tolling authority, on the operation of any state facility.

Sec. 13. RCW 47.56.120 and 1977 ex.s. c 151 s 70 are each amended to read as follows:

In the event that ((~~the transportation commission should determine that~~)) any toll bridge should be constructed, all cost thereof including right-of-way, survey, and engineering shall be paid out of any funds available for payment of the cost of such toll bridge under this chapter.

Sec. 14. RCW 47.56.240 and 1984 c 7 s 265 are each amended to read as follows:

<u>Except as otherwise provided in section 7 of this act, t</u>he commission is hereby empowered to fix the rates of toll and other charges for all toll bridges built under the terms of this chapter. Toll charges so fixed may be changed from time to time as conditions warrant. The commission, in establishing toll charges, shall give due consideration to the cost of operating and maintaining such toll bridge or toll bridges including the cost of insurance, and to the amount required annually to meet the redemption of bonds and interest payments on them. The tolls and charges shall be at all times fixed at rates to yield annual revenue equal to annual operating and maintenance expenses including insurance costs and all redemption payments and interest charges of the bonds issued for any particular toll bridge or toll bridges as the bonds become due. The bond redemption and interest payments constitute a first direct ((~~and exclusive~~)) charge and lien on all such tolls and other revenues and interest thereon. Sinking funds created therefrom received from the use and operation of the toll bridge or toll bridges, and such tolls and revenues together with the interest earned thereon shall constitute a trust fund for the security and payment of such bonds and shall not be used or pledged for any other purpose as long as any of these bonds are outstanding and unpaid.

Sec. 15. RCW 35.74.050 and 1965 c 7 s 35.74.050 are each amended to read as follows:

A city or town may build and maintain toll bridges and charge and collect tolls thereon, and to that end may provide a system and elect or appoint persons to operate the same, or the said bridges may be made free, as it may elect.

Consistent with section 7 of this act, any toll proposed under this section, including any change in an existing toll rate, must first be reviewed and approved by the tolling authority designated in section 7 of this act if the toll, or change in toll rate, would have a significant impact, as determined by the tolling authority, on the operation of any state facility.

Sec. 16. RCW 36.120.050 and 2006 c 311 s 13 are each amended to read as follows:

(1) A regional transportation investment district planning committee may, as part of a regional transportation investment plan, recommend the imposition or authorization of some or all of the following revenue sources, which a regional transportation investment district may impose or authorize upon approval of the voters as provided in this chapter:

(a) A regional sales and use tax, as specified in RCW 82.14.430, of up to 0.1 percent of the selling price, in the case of a sales tax, or value of the article used, in the case of a use tax, upon the occurrence of any taxable event in the regional transportation investment district;

(b) A local option vehicle license fee, as specified under RCW 82.80.100, of up to one hundred dollars per vehicle registered in the district. As used in this subsection, "vehicle" means motor vehicle as defined in RCW 46.04.320. Certain classes of vehicles, as defined under chapter 46.04 RCW, may be exempted from this fee;

(c) A parking tax under RCW 82.80.030;

(d) A local motor vehicle excise tax under RCW 81.100.060;

(e) A local option fuel tax under RCW 82.80.120;

(f) An employer excise tax under RCW 81.100.030; and

(g) Vehicle tolls on new or reconstructed local or regional arterials or state ((~~or federal highways~~)) routes within the boundaries of the district, if the following conditions are met:

(i) ((~~Any such toll must be approved by the state transportation commission or its successor statewide tolling authority;~~

~~(ii)~~)) Consistent with section 4 of this act, the vehicle toll must first be authorized by the legislature if the toll is imposed on a state route;

(ii) Consistent with section 7 of this act, the vehicle toll, including any change in an existing toll rate, must first be reviewed and approved by the tolling authority designated in section 7 of this act if the toll, or change in toll rate, would have a significant impact, as determined by the tolling authority, on the operation of any state facility;

(iii) The regional transportation investment plan must identify the facilities that may be tolled; and

((~~(iii)~~)) (iv) Unless otherwise specified by law, the department shall administer the collection of vehicle tolls on designated facilities, and the state transportation commission, or its successor, shall be the tolling authority, and shall act in accordance with section 7 of this act.

(2) Taxes, fees, and tolls may not be imposed or authorized without an affirmative vote of the majority of the voters within the boundaries of the district voting on a ballot proposition as set forth in RCW 36.120.070. Revenues from these taxes and fees may be used only to implement the plan as set forth in this chapter. A district may contract with the state department of revenue or other appropriate entities for administration and collection of any of the taxes or fees authorized in this section.

(3) Existing statewide motor vehicle fuel and special fuel taxes, at the distribution rates in effect on January 1, 2001, are not intended to be altered by this chapter.

Sec. 17. RCW 36.73.040 and 2005 c 336 s 4 are each amended to read as follows:

(1) A transportation benefit district is a quasi-municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.

(2) A transportation benefit district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, to

acquire, hold, and dispose of real and personal property, and to sue and be sued. Public works contract limits applicable to the jurisdiction that established the district apply to the district.

(3) To carry out the purposes of this chapter, and subject to the provisions of RCW 36.73.065, a district is authorized to impose the following taxes, fees, charges, and tolls:

(a) A sales and use tax in accordance with RCW 82.14.0455;

(b) A vehicle fee in accordance with RCW 82.80.140;

(c) A fee or charge in accordance with RCW 36.73.120. However, if a county or city within the district area is levying a fee or charge for a transportation improvement, the fee or charge shall be credited against the amount of the fee or charge imposed by the district. Developments consisting of less than twenty residences are exempt from the fee or charge under RCW 36.73.120; and

(d) Vehicle tolls on state routes ((~~or federal highways~~)), city streets, or county roads, within the boundaries of the district, unless otherwise prohibited by law. However, consistent with section 4 of this act, the vehicle toll must first be authorized by the legislature if the toll is imposed on a state route. The department of transportation shall administer the collection of vehicle tolls authorized on state routes ((~~or federal highways~~)), unless otherwise specified in law or by contract, and the state transportation commission, or its successor, may approve, set, and impose the tolls in amounts sufficient to implement the district's transportation improvement finance plan. The district shall administer the collection of vehicle tolls authorized on city streets or county roads, and shall set and impose((~~, only with approval of the transportation commission, or its successor,~~)) the tolls in amounts sufficient to implement the district's transportation improvement plan. However, consistent with section 7 of this act, the vehicle toll, including any change in an existing toll rate, must first be reviewed and approved by the tolling authority designated in section 7 of this act if the toll, or change in toll rate, would have a significant impact, as determined by the tolling authority, on the operation of any state facility.

Sec. 18. RCW 47.29.060 and 2005 c 317 s 6 are each amended to read as follows:

(1) Subject to the limitations in this section, the department may,

in connection with the evaluation of eligible projects, consider any financing mechanisms identified under subsections (3) through (5) of this section or any other lawful source, either integrated as part of a project proposal or as a separate, stand-alone proposal to finance a project. Financing may be considered for all or part of a proposed project. A project may be financed in whole or in part with:

(a) The proceeds of grant anticipation revenue bonds authorized by 23 U.S.C. Sec. 122 and applicable state law. Legislative authorization and appropriation is required in order to use this source of financing;

(b) Grants, loans, loan guarantees, lines of credit, revolving lines of credit, or other financing arrangements available under the Transportation Infrastructure Finance and Innovation Act under 23 U.S.C. Sec. 181 et seq., or any other applicable federal law;

(c) Infrastructure loans or assistance from the state infrastructure bank established by RCW 82.44.195;

(d) Federal, state, or local revenues, subject to appropriation by the applicable legislative authority;

(e) User fees, tolls, fares, lease proceeds, rents, gross or net receipts from sales, proceeds from the sale of development rights, franchise fees, or any other lawful form of consideration. However, projects financed by tolls or equivalent funding sources must first be authorized by the legislature under section 4 of this act.

(2) As security for the payment of financing described in this section, the revenues from the project may be pledged, but no such pledge of revenues constitutes in any manner or to any extent a general obligation of the state. Any financing described in this section may be structured on a senior, parity, or subordinate basis to any other financing.

(3) For any transportation project developed under this chapter that is owned, leased, used, or operated by the state, as a public facility, if indebtedness is issued, it must be issued by the state treasurer for the transportation project.

(4) For other public projects defined in RCW 47.29.050(2) that are developed in conjunction with a transportation project, financing necessary to develop, construct, or operate the public project must be approved by the state finance committee or by the governing board of a public benefit corporation as provided in the federal Internal Revenue Code section 63-20;

(5) For projects that are developed in conjunction with a transportation project but are not themselves a public facility or public project, any lawful means of financing may be used.

Sec. 19. RCW 47.58.030 and 1984 c 7 s 290 are each amended to read as follows:

<u>Except as otherwise provided in section 7 of this act, t</u>he secretary shall have full charge of the construction of all such improvements and reconstruction work and the construction of any additional bridge, including approaches and connecting highways, that may be authorized under this chapter and the operation of such bridge or bridges, as well as the collection of tolls and other charges for services and facilities thereby afforded. The schedule of charges for the services and facilities shall be fixed and revised from time to time by the commission so that the tolls and revenues collected will yield annual revenue and income sufficient, after payment or allowance for all operating, maintenance, and repair expenses, to pay the interest on all revenue bonds outstanding under the provisions of this chapter for account of the project and to create a sinking fund for the retirement of the revenue bonds at or prior to maturity. The charges shall be continued until all such bonds and interest thereon and unpaid advancements, if any, have been paid.

Sec. 20. RCW 47.60.010 and 1984 c 18 s 1 are each amended to read as follows:

The department is authorized to acquire by lease, charter, contract, purchase, condemnation, or construction, and partly by any or all of such means, and to thereafter operate, improve, and extend, a system of ferries on and crossing Puget Sound and any of its tributary waters and connections thereof, and connecting with the public streets and highways in the state. The system of ferries shall include such boats, vessels, wharves, docks, approaches, landings, franchises, licenses, and appurtenances as shall be determined by the department to be necessary or desirable for efficient operation of the ferry system and best serve the public. <u>Subject to section 4 of this act, t</u>he department may in like manner acquire by purchase, condemnation, or construction and include in the ferry system such toll bridges, approaches, and connecting roadways as may be deemed by the department advantageous in channeling traffic to points served by the ferry system. In addition to the powers of acquisition granted by this section, the department is empowered to enter into any contracts, agreements, or leases with any person, firm, or corporation and to thereby provide, on such terms and conditions as it shall determine, for the operation of any ferry or ferries or system thereof, whether acquired by the department or not.

The authority of the department to sell and lease back any state ferry, for federal tax purposes only, as authorized by 26 U.S.C., Sec. 168(f)(8) is confirmed. Legal title and all incidents of legal title to any ferry sold and leased back (except for the federal tax benefits attributable to the ownership thereof) shall remain in the state of Washington.

Sec. 21. RCW 53.34.010 and 1984 c 7 s 365 are each amended to read as follows:

In addition to all other powers granted to port districts, any such district may, with the consent of the department of transportation, acquire by condemnation, purchase, lease, or gift, and may construct, reconstruct, maintain, operate, furnish, equip, improve, better, add to, extend, and lease to others in whole or in part and sell in whole or in part any one or more of the following port projects, within or without or partially within and partially without the corporate limits of the district whenever the commission of the district determines that any one or more of such projects are necessary for or convenient to the movement of commercial freight and passenger traffic a part of which traffic moves to, from, or through the territory of the district:

(1) Toll bridges;

(2) Tunnels under or upon the beds of any river, stream, or other body of water, or through mountain ranges.

In connection with the acquisition or construction of any one or more of such projects the port districts may, with the consent of the state department of transportation, further acquire or construct, maintain, operate, or improve limited or unlimited access highway approaches of such length as the commission of such district deems advisable to provide means of interconnection of the facilities with public highways and of ingress and egress to any such project, including plazas and toll booths, and to construct and maintain under, along, over, or across any such project telephone, telegraph, or electric transmission wires and cables, fuel lines, gas transmission lines or mains, water transmission lines or mains, and other mechanical equipment not inconsistent with the appropriate use of the project, all for the purpose of obtaining revenues for the payment of the cost of the project.

Consistent with section 7 of this act, any toll, including any change in an existing toll rate, proposed under this section must first be reviewed and approved by the tolling authority designated in section 7 of this act if the toll, or change in toll rate, would have a significant impact, as determined by the tolling authority, on the operation of any state facility.

NEW SECTION. **Sec. 22.** The following acts or parts of acts are each repealed:

(1) RCW 47.56.0761 (Regional transportation investment district--Tolls on Lake Washington bridges) and 2006 c 311 s 20; and

(2) RCW 47.56.080 (Construction of toll bridges and issuance of bonds authorized) and 1977 ex.s. c 151 s 68 & 1961 c 13 s 47.56.080.

NEW SECTION. **Sec. 23.** A new section is added to chapter 47.56 RCW to read as follows:

The toll collection account is created in the custody of the state treasurer. All receipts from prepaid customer tolls must be deposited into the account. Distributions from the account may be used only to refund customers' prepaid tolls or for distributions into the appropriate toll facility account. Distributions into the appropriate toll facility account shall be based on charges incurred at each toll facility and shall include a proportionate share of interest earned from amounts deposited into the account. For purposes of accounting, distributions from the account constitute earned toll revenues in the receiving toll facility account at the time of distribution. Only the secretary of transportation or the secretary's designee may authorize distributions from the account. Distributions of revenue and refunds from this account are not subject to the allotment procedures under chapter 43.88 RCW and an appropriation is not required.

Sec. 24. RCW 43.79A.040 and 2007 c 523 s 5, 2007 c 357 s 21, and 2007 c 214 s 14 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury.

(2) All income received from investment of the treasurer's trust fund shall be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer shall distribute the earnings credited to the investment income account to the state general fund except under (b) and (c) of this subsection.

(b) The following accounts and funds shall receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The Washington promise scholarship account, the college savings program account, the Washington advanced college tuition payment program account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the students with dependents grant account, the basic health plan self-insurance reserve account, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the Washington international exchange scholarship endowment fund, <u>the toll collection account,</u> the developmental disabilities endowment trust fund, the energy account, the fair fund, the family leave insurance account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the grain inspection revolving fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the sulfur dioxide abatement account, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account (earnings from the Washington horse racing commission operating account must be credited to the Washington horse racing commission class C purse fund account), the life sciences discovery fund, the Washington state heritage center account, and the reading achievement account. However, the earnings to be distributed shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(c) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced environmental mitigation revolving account, the city and county advance right-of-way revolving fund, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. **Sec. 25.** Sections 1 through 7 of this act are each added to chapter 47.56 RCW under the subchapter heading "toll facilities created after July 1, 2008."

NEW SECTION. **Sec. 26.** Sections 23 and 24 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

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