



# CITY OF KIRKLAND

## CITY COUNCIL

Penny Sweet, Mayor • Jay Arnold, Deputy Mayor • Dave Asher • Kelli Curtis  
Tom Neir • Toby Nixon • Jon Pascal • Kurt Triplett, City Manager

### *Vision Statement*

*Kirkland is one of the most livable cities in America. We are a vibrant, attractive, green and welcoming place to live, work and play. Civic engagement, innovation and diversity are highly valued. We are respectful, fair and inclusive. We honor our rich heritage while embracing the future. Kirkland strives to be a model, sustainable city that values preserving and enhancing our natural environment for our enjoyment and future generations.*

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## AGENDA

### KIRKLAND CITY COUNCIL MEETING

City Council Chamber  
Tuesday, October 15, 2019  
6:00 p.m. – Study Session  
7:30 p.m. – Regular Meeting

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

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

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

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

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

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*
  - a. City Wide Connections
4. *EXECUTIVE SESSION*
  - a. Closed Session to Discuss Collective Bargaining
5. *HONORS AND PROCLAMATIONS*
  - a. Retirement Recognition - Municipal Court Judge Michael J. Lambo
6. *COMMUNICATIONS*
  - a. *Announcements*
  - b. *Items from the Audience*
  - c. *Petitions*
7. *PUBLIC HEARINGS*



**8. SPECIAL PRESENTATIONS**

- a. 2019 Annual Fall Employee Service Awards Recognition
- b. Kirkland Performance Center Annual Report

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

**9. CONSENT CALENDAR**a. *Approval of Minutes*

(1) October 1, 2019

b. *Audit of Accounts and Payment of Bills and Payroll*c. *General Correspondence*d. *Claims*

(1) Claims for Damages

e. *Award of Bids*(1) NE 132<sup>nd</sup> Street Sidewalk Improvements Projectf. *Acceptance of Public Improvements and Establishing Lien Period*(1) Edith Moulton Park Renovation and 108<sup>th</sup> Avenue NE Sidewalk Improvements Projectg. *Approval of Agreements*h. *Other Items of Business*

(1) Resolution R-5394, Authorizing the City Manager or His Designee to Enter Into a Contract with Kirkland Memory Care, LLC (Jefferson House), Regarding a Potential Multifamily Housing Property Tax Exemption and Approving the Issuance of a Conditional Certificate of Tax Exemption

(2) Resolution R-5395, Approving the City of Kirkland's Allocation for the North East King County Regional Public Safety Communications Agency (NORCOM) Budget

(3) Planning Commission Resignation and Appointment

(4) Procurement Report

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

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



*10. BUSINESS*

- a. Resolution R-5393, Adopting a Master Plan for 132<sup>nd</sup> Square Park and Providing for Funding Options and Updated Athletic Field Use Policies
- b. Resolution R-5396, Authorizing the City Manager to Sign a Temporary Road and Construction Access Agreement with Kirkland Urban Phase III Owner, LLC for the Temporary Use of City Property for the Purpose of Construction Access, Construction Staging and the Construction of Public Utilities and Park Improvements to be Permanently Located in the Easterly Edge of Peter Kirk Park
- c. Eastrail Partners Funding Contribution Update
- d. Resolution R-5397, Authorizing a Feasibility Study Related to Construction of Regional Stormwater Facilities and Stormwater Mitigation
- e. City Council Committees - Evaluation and Recommendation

*11. REPORTS*

- a. *City Council Regional and Committee Reports*
- b. *City Manager Reports*
  - (1) Calendar Update

*12. ITEMS FROM THE AUDIENCE*

*13. ADJOURNMENT*

**CITY COUNCIL COMMITTEE**  
agendas and minutes are posted on  
the City of Kirkland website,  
[www.kirklandwa.gov](http://www.kirklandwa.gov).

**ITEMS FROM THE AUDIENCE**

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



**CITY OF KIRKLAND****City Manager's Office**123 Fifth Avenue, Kirkland, WA 98033 425.587.3001  
[www.kirklandwa.gov](http://www.kirklandwa.gov)**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** James Lopez, Assistant City Manager  
Kathy Brown, Public Works Director  
John Starbard, Deputy Public Works Director  
Kari Page, Safer Routes to School Coordinator  
David Wolbrecht, Neighborhood Services Outreach Coordinator

**Date:** October 4, 2019

**Subject:** Citywide Transportation Connections Map

**RECOMMENDATION:**

City Council reviews the proposed staff recommendations for the Citywide Transportation Connections Map and provides direction regarding any changes to be brought forward for Council adoption in November or December as part of the 2019 *Comprehensive Plan* update. The most current draft map containing the staff recommendations and compilation of public comment is available on the righthand sidebar of the civic conversation webpage: <http://kirklandwa.gov/citywideconnections>. In addition, a large sized physical connections map will be placed in the Council study, and smaller compilations of neighborhood maps will be placed in each Councilmember's box in the Council study.

**BACKGROUND DISCUSSION:**

The City has a program to review and update its fourteen neighborhood plans that are part of the *Comprehensive Plan*. One of the more recent neighborhood plans acted on by the City Council was the Finn Hill Neighborhood Plan, which was adopted by the Council on January 16, 2018, by Ordinance O-4636. This was the first City-developed neighborhood plan for Finn Hill since the area's annexation in 2011. Staff and the community worked together over a two-year period to develop a recommended plan that addresses vision and values, the natural environment, land use, transportation and mobility, and other community planning topics. During the planning process, discussions were held about the fact that in some areas of Finn Hill the transportation system is underdeveloped. There are several dead-ends that preclude neighborhood connections, public street segments that lack sidewalks or even sufficient pavement, and areas that are inconsistent with the street standards found elsewhere in the City.

As was done when the Rose Hill and the Highlands neighborhood plans were updated and when the Totem Lake Business District Plan was created, potential motorized and nonmotorized connections were studied in the Finn Hill area. The issue was discussed with the community, and the point was made that likely most of these potential transportation connections would be made in conjunction with infill development. A map of potential transportation connections was drafted, an open house was conducted about many planning topics including connectivity, and staff provided the Finn Hill community and all interested parties with explanations about the draft transportation connections map and the reasons for creating it.

Because of community concerns raised about some of the connections, at the time of final review and unanimous adoption of the Finn Hill Neighborhood Plan, staff proposed postponing the inclusion of a transportation connections map. A connections map was postponed until a public outreach process could



be conducted in Finn Hill about connectivity issues, including developing priorities and objective criteria regarding transportation connections for vehicles and/or pedestrians and/or bicycles, evaluating emergency response times, and how best to address bollards and barriers in the area.

Staff returned to the Council on July 3, 2018 to continue the discussion of mapping transportation connections and outreach about that topic in Finn Hill. Staff also was seeking affirmation that it should continue applying the connections policies the City has now and recommended that connections maps should be discussed and included in future neighborhood plan updates throughout the City.

During that July 3 discussion, the Council expressed several views related to transportation connections:

- There was support for the City's policies on connectivity, though there was interest in having the City be more intentional about why certain connections are sought;
- That the Kirkland Municipal Code should be amended so to that all land use appeals, including those projects that recommend connections, be directed to the Hearing Examiner; and
- There was discussion about having connections identified on one citywide map rather than on a neighborhood-by-neighborhood basis.

Advantages noted by the Council to having a citywide transportation connections map were that the final map could be finished sooner, and that there would be a single source for seeing all proposed connections. The map could be finished sooner because the current practice of discussing connections at the neighborhood level means the mapping would be complete only after the multiyear neighborhood plan update cycle was complete, which takes about eight years. Also, the City's transportation network is an integrated system that provides service to the entire City and the region; evaluating connections on a neighborhood-by-neighborhood basis diminishes that perspective.

One advantage of the neighborhood-focused connections map process is that proposed connections benefit from the local knowledge of the people who live or who have businesses closest to the connections. The Council wanted to preserve this local input in the city-wide process and, ultimately the City crafted a public-involvement process (see "Outreach Methodology," below) that enabled residents to engage on specific connections based upon their local knowledge.

Staff discussed the idea of a citywide transportation connections map with the Public Safety Committee on October 18 (all committee members were present) and with the Public Works, Parks, and Human Services Committee on October 19 (all committee members were present). Both committees showed interest in a citywide transportation connections map. Committee members also discussed the following:

- That both the type of connection (e.g., foot path, street connection) and the rationale (e.g., pedestrian connection, emergency response time) should be identified;
- That transportation connections still could be discussed as part of neighborhood plan update processes, though any suggested amendments to the citywide map would be bundled and acted upon every few years; and
- That action on a proposed ordinance to amend the Hearing Examiner process should be postponed until the public process for the citywide transportation connections map is complete.

Based on Council direction, staff returned to the City Council on January 2, 2019, at which time Council adopted Resolution R-5350, which:

- Affirmed the Council's policy support for increasing transportation connections within the City;
- Directed staff to initiate a public engagement process for discussing and evaluating proposed transportation connections throughout the City;
- Directed staff to create a citywide transportation connections map to help fulfill the City's policies for improving safety, connectivity and multimodal mobility; and
- Determined that the final draft citywide transportation connections map shall be included in the 2019 annual update to the *Comprehensive Plan*.



## **POLICY BASIS FOR TRANSPORTATION CONNECTIONS**

Kirkland has a strong history of supporting transportation connections and increasing nonmotorized transportation options. The *Comprehensive Plan* speaks to connectivity in several policies and statements, including the following:

### Land Use Element

- Policy LU-3.9: "Encourage vehicular and non-motorized connectivity."
- Improved connectivity encourages walking and biking and reduces travel distance for all transportation modes.
- Vehicle connections between adjacent properties reduces congestion on streets, number of turning movements, and gasoline consumption.
- As a part of land development, new connections to the existing street system are often required.

### Transportation Element/Transportation Master Plan

- Policy T-5.2: "Design streets in a manner that supports the land use plan and that supports the other goals and policies of the transportation element."
- Policy T-5.3: "Create a transportation network that supports economic development goals."
- Policy T-5.6: "Create a system of streets and trails that form an interconnected network."
- Action T-5.6.1: "Develop a plan for connections between street ends and complete those connections."

Additionally, the Zoning Code and the Public Works Pre-approved Plans and Policies provide guidance and regulations concerning street connections and non-motorized improvements:

- Chapter 105: Parking Areas, Vehicle and Pedestrian Access, and Related Improvements
- Chapter 110: Required Public Improvements
- Chapter 180: Plates 34 A-P

Not only has staff worked to implement these policies and apply these regulations, staff also has made productive use of the three connections maps that have been adopted as well as the plates in the Zoning Code. The existing transportation connection maps, even though they show precise locations, are used in a more generalized way. As private and public development is proposed, staff refers to the connections maps to see if the proposed development could facilitate a connection, even if not exactly in the location shown on a map. As funding opportunities arise, these maps also are used in conjunction with public investments and development. Examples include:

- Of the 17 potential street connections originally mapped in the North Rose Hill Neighborhood Plan, six have been completed;
- In South Rose Hill, "The Preserve" subdivision completed a through-street connection and sidewalks on 128th Avenue N.E. between N.E. 70th Street and N.E. 80th Street, as originally mapped in Figure SRH-5 in the South Rose Hill Neighborhood Plan; and
- Both Plate 34C in Chapter 180 of the Zoning Code and Figure TL-6 in the Totem Lake Business District Plan propose a connection of 118th Avenue N.E. between N.E. 116<sup>th</sup> Street and 118th Street, which is being constructed now in association with the "Lifebridge" multifamily project.

## **OUTREACH METHODOLOGY**

### **STRATEGIC APPROACH TO CIVIC ENGAGEMENT**

The City Council was briefed by the Assistant City Manager at the February 23, 2018, Council Policy Retreat on a new strategic approach to civic engagement initiated to further the 2017-2018 City Work Program item: "Enhance resident and business engagement in Kirkland through community-based initiatives that foster a safe, inclusive and welcoming City and a love of Kirkland." The City Council received an update by the Assistant City Manager at the May 31, 2019, Council Financial Retreat, which



described in more detail staff's system of civic engagement, referred to by staff as Themed Resident Engagement for Kirkland (TREK). Staff's TREK system relies heavily upon the methodology of the International Association of Public Participation (IAP2), a robust framework used internationally for civic engagement in support of sustainable decisions, as well as other sources. Staff refer to feedback-collecting TREKs such as this citywide transportation connections map effort as "civic conversations".

### TECHNIQUES USED TO COLLECT FEEDBACK ABOUT CITYWIDE CONNECTIONS

At the direction of the Assistant City Manager, staff utilized the TREK framework to craft the strategy and techniques to collect public feedback on the draft citywide transportation connections map and oversaw the implementation of the engagement plan in coordination with various staff in the Public Works Department and the Communications Manager.

Staff collected feedback through submitted online comments, emails, mailed or hand-delivered letters, and notes from in-person meetings. Staff utilized four methods of in-person outreach and five methods of digital outreach. The specific methods and their reach include:

Table 1: **In-Person Techniques**

<b>Event Type</b>	<b>Quantity</b>	<b>Attendance*</b>
<b>Neighborhood Association Meetings</b> <i>Norkirk, Juanita, Moss Bay, S. Rose Hill / Bridle Trails, Finn Hill, Highlands, Market, N. Rose Hill, Central Houghton, Everest, Evergreen Hill</i>	11	246
<b>Kirkland Alliance of Neighborhoods Briefings</b> <i>April 3, May 8, June 12</i>	3	38
<b>Interest Group Meetings</b> <i>Site visits (x5), Goat Hill focus group</i>	6	44
<b>Community Meeting</b> <i>June 15 at City Hall</i>	1	75
<b>SUBTOTAL</b>	<b>21</b>	<b>403</b>

\*Total number of people that were present at a meeting.

Table 2: **Digital Outreach Techniques\*\*\***

<b>Digital Outreach Type</b>	<b>Quantity</b>	<b>Views****</b>
<b>Facebook Posts &amp; Events</b>	2	1,655
<b>Nextdoor Post</b>	1	1,585
<b>City Newsletter Articles</b>	2	2
<b>Video posted on YouTube and Facebook</b>	1	88
<b>Landing Webpage</b> ( <a href="http://www.kirklandwa.gov/citywideconnections">www.kirklandwa.gov/citywideconnections</a> )	1	455
<b>SUBTOTAL</b>	<b>7</b>	<b>5,790</b>

\*\*\* Metrics current as of September 16, 2019. A second round of outreach is occurring at the time of writing.

\*\*\*\* "Views" defined as: Facebook Reach, Twitter Impressions, Email Unique Opens, Webpage Unique Visits, YouTube Views, and Facebook 1m Video Views. All values collected as of time of writing.



## **RECOMMENDATIONS**

### **RECOMMENDATION PROCESS**

Over the course of this civic conversation, the Public Works Director and Assistant City Manager convened a staff working group to: identify potential connections, apply criteria to each connection, and review public comments. Although additional staff were involved at various points of the process, the core working group membership included:

- Director, Public Works
- Deputy Director, Public Works
- Transportation Manager, Public Works
- Development Engineering Manager, Public Works
- Deputy Fire Chief, Fire
- Assistant City Manager, City Manager's Office
- Safer Routes to School Coordinator, City Manager's Office
- Neighborhood Services Coordinator, City Manager's Office

The connections working group met numerous times throughout the course of this civic conversation, both with members of the public at community meetings and site visits, as well as internally to evaluate public comment against the criteria of each connection. This iterative process culminated in the working group presenting their findings to the City Manager and drafting the following staff recommendations.

### **OVERVIEW OF RECOMMENDATIONS FOR PROMINENT CONNECTIONS**

During this civic conversation, staff identified through community feedback the benefit of categorizing connections not only by whether they are street or pathways, but also by the process through which they would be made. This categorization resulted in two overarching categories: potential **public** projects and potential **private** projects.

Of the 173 connections identified on the map, approximately a dozen garnered significant response from the community. Although staff have detailed recommendations for those connections further below in this report, the following synopses are provided for them as an overview:

Table 3: **Overview of Potential Public Projects With Significant Comments**

<b>ID</b>	<b>Staff Recommendation</b>	<b>Does staff recommendation mitigate stated neighborhood concerns</b>
T16	Remain as emergency-access as currently identified as on the 6 year unfunded CIP	Mitigates neighborhood concerns of potential traffic impacts of general vehicle access
T47.1	Emergency-access and pedestrian/bicycle connection at conceptual priority level	Somewhat mitigates neighborhood concerns of neighborhood character
T52	Emergency-access and pedestrian/bicycle connection at conceptual priority level	Somewhat mitigates neighborhood concerns of neighborhood character
T39	Replace existing barricade with emergency-access bollards as on the 6 year unfunded CIP	Mitigates neighborhood concerns of through traffic
T61	Remove existing barricade and create connection for general traffic	Does not mitigate neighborhood concerns of through traffic
T62	Replace existing barricade with emergency-access bollards as on the 6 year unfunded CIP	Mitigates neighborhood concerns of through traffic



Table 4: **Overview of Potential Private Projects With Significant Comments**

<b>ID</b>	<b>Staff Recommendation</b>	<b>Does staff recommendation mitigate neighborhood concerns</b>
T04	Street connection with planned traffic design features to integrate with existing Neighborhood Greenway	Does not mitigate neighborhood concerns of potential impacts to the existing Neighborhood Greenway
A39	Pedestrian pathway (renumbered <b>P37.1</b> )	Mitigates neighborhood concerns of potential vehicle traffic impacts
A40	Pedestrian pathway (renumbered <b>P37.2</b> )	Mitigates neighborhood concerns of potential vehicle traffic impacts
A46	Pedestrian pathway (renumbered <b>P46</b> )	Mitigates neighborhood concerns of potential vehicle traffic impacts
T46	Pedestrian pathway (renumbered <b>P49.2</b> ) that would allow for emergency vehicular access for residents using removable or flexible bollards, or similar traffic implements	Mitigates neighborhood concerns of potential vehicle traffic impacts but creates a new concept of a wide pedestrian pathway that can allow emergency access or emergency resident egress.
A50	Pedestrian pathway (renumbered <b>P49.1</b> ) that would allow for emergency vehicular access for residents using removable or flexible bollards, or similar traffic implements	Mitigates neighborhood concerns of potential vehicle traffic impacts but creates a new concept of a wide pedestrian pathway that can allow emergency access or emergency resident egress.
P37	Remain as pedestrian pathway	Consistent with general neighborhood support; inconsistent with immediate neighbors' concerns of behavior and property value impacts

## POTENTIAL PUBLIC PROJECTS - STREETS

Generally, these potential street connections would be initiated by the City. Each would only happen if they were chosen by the City Council to be prioritized as part of the City's Capital Improvement Program (CIP). Although identified and initiated by the City, funding for these streets may come from a variety of sources.

Most of the potential public street connections were identified in the Fire Department's 2014 Standards of Coverage and Deployment Plan. As mentioned in that Plan:

"Lack of street connectivity can cause a response unit to travel greater distances in order to reach an emergency. Well-gridded interconnected street systems provide faster travel times than those with numerous dead-end and meandering streets.

"Kirkland, for the most part, is served by interconnected streets. There are exceptions. Interstate 405 presents a significant barrier to east-west travel.

"The 100th Street pedestrian bridge represents an innovative approach to improving emergency response. This bridge was designed to carry the weight of fire apparatus and is used routinely for emergency response. Its existence provides neighborhoods to the west of Interstate 405 much quicker response than would otherwise be possible." (p.127)



Staff recommend the Council considers a two-step approach to assessing the potential public projects:

1. Council decides if the connection is important enough to remain on the map; if so, then
2. Council determines the relative level of priority of the connection as defined in the existing CIP framework. The priority levels, which would then be conveyed on the final map, are:
  - a. **2 Years** – Funded;
  - b. **6 Years** – Unfunded;
  - c. **7-20 Years** – Unfunded Projects in the Capital Facilities Plan and/or the Transportation Improvement Plan;
  - d. **Conceptual** – these projects are listed for community awareness, as they exist in strategic plans or other planning documents but are not actively considered for implementation.

*RECOMMENDATIONS FOR POTENTIAL PUBLIC PROJECTS - STREETS*

Below, staff provide information on connection background, feedback received and analysis, as well as recommendations for all the streets that are potential public projects.

**T08** – Connect NE 90th St from 132nd Ave NE to 128th Ave NE (two segments)

*Connection Background:* This connection was identified in the Rose Hill Neighborhood Plan.

*Feedback and Analysis:* The easterly segment, connecting NE 90<sup>th</sup> ST between 130<sup>th</sup> Ave NE and 132<sup>nd</sup> Ave NE, would happen if the property owner-initiated development of their property. The westerly section would require approval by the City Council as a funded project in the Capital Improvement Program. This connection would require additional environmental permitting.

*Recommendation:* Given its presence in the Rose Hill Neighborhood Plan, staff recommend T08 be categorized as a street connection with a conceptual priority level.

**T16** – Emergency access connection at 111th Ave NE between approximately Forbes Creek Drive and NE 106th Street

*Connection Background:* This connection was identified in the Highlands Neighborhood Plan. Additionally, this connection is identified as an unfunded project in the 2019-2024 CIP (NMC 05800), and it was also identified as such in the 2013-2018 CIP, 2015-2020 CIP, and 2017-2022 CIP.

*Feedback and Analysis:* Input provided during the Highlands Neighborhood Association meeting, the June 15 Community Meeting (at which this connection was the topic of a break-out session), and through online comments indicate an overall neighborhood sentiment of support for the emergency access connection as stated in the CIP. Although not unanimous, comments also indicate generally strong opposition to opening this connection to general traffic, with safety concerns and noise impacts from cut-through traffic (including commercial vehicles) being the main theme.

*Recommendation:* Given its presence in the Highlands Neighborhood Plan and as an unfunded project in the 2019-2024 CIP, staff recommend T16 be categorized as an emergency access connection maintained at the 6 Year Unfunded priority level.

**T27** – Connect 120th Ave NE to 120th PL NE along the Cross Kirkland Corridor

*Connection Background:* This connection was identified in the Totem Lake Business District Plan and the Totem Lake Urban Center Enhancement + Multimodal Network Plan.

*Feedback and Analysis:* This connection received no public comment.

*Recommendation:* T27 be categorized as a street connection with a conceptual priority level.



**T35** – Construct a connection between the switchback on Goat Hill located at NE 116th Place and NE 117th Place and 86th Avenue NE

*Connection Background:* This connection was identified as part of the Fire Department's Standards of Coverage and Deployment Plan.

*Feedback and Analysis:* Public comments received for this connection highlighted topographical and environmental concerns with this connection.

*Recommendation:* Given its presence in the Fire Department's Standards of Coverage and Deployment Plan, staff recommend T35 be categorized as a street connection with a conceptual priority level.

**T42** – Extend NE 124th Street between 88th Place NE and 93 Place NE

*Connection Background:* This connection was identified as part of the Fire Department's Standards of Coverage and Deployment Plan.

*Feedback and Analysis:* Comments provided indicate concerns for the physical feasibility and impact of this connection, although one comment indicated support for this connection providing a link between Juanita and Finn Hill.

*Recommendation:* Given its presence in the Fire Department's Standards of Coverage and Deployment Plan, staff recommend T42 be categorized as a street connection with a conceptual priority level.

**T47.1** – Extend NE 130th Place between 70th Ln NE and 66 Pl NE

*Connection Background:* This connection was identified as part of the Fire Department's Standards of Coverage and Deployment Plan. Although not explicitly stated in that Plan, this connection would be most effective in relationship to T52 (detailed later in this memo)

*Feedback and Analysis:* Comments provided indicate concerns for the physical feasibility and possible safety impact of this connection. One comment suggested this connection be created as a pedestrian pathway.

*Recommendation:* Given its presence in the Fire Department's Standards of Coverage and Deployment Plan, staff recommend T47.1 be categorized as an emergency access only connection with a conceptual priority level.

**T52** – Completion of NE 132nd Street between Juanita Drive NE and 76th Ave NE

*Connection Background:* This connection was identified as part of the Fire Department's Standards of Coverage and Deployment Plan. Additionally, this connection has been identified as part of an unfunded project in the 2019-2024 CIP (NMC 09011). That project consists of several pedestrian/bicycle improvements that originated in the Juanita Drive Corridor Study, including NM5 from Project Group 5 – "Construct pedestrian/bicycle pathway along existing easement. Build a nonmotorized bridge across Denny Creek."

*Feedback and Analysis:* Comments provided during this and the prior Finn Hill Neighborhood Planning process indicate an overall neighborhood sentiment of strong opposition to this potential connection being a vehicular connection open to general use, with impacts to neighborhood character, environmental concerns, and cost-benefit being some of the main themes of concern. There was some support for this as a bicycle/pedestrian only connection, and less support for this as an emergency access only connection (similar to the 100th Street bridge referenced above).



*Recommendation:* Given its presence in the Fire Department's Standards of Coverage and Deployment Plan, staff recommend T52 be categorized as an emergency access only connection with a conceptual priority level. However, staff also recommends keeping the unfunded NMC 09011 project in the CIP.

**T39** – Install retractable bollards at 8000 NE 120th St within the Finn Hill Neighborhood to replace existing Type III roadway barricades.

*Connection Background:* This connection was identified as part of the Fire Department's Standards of Coverage and Deployment Plan. Additionally, this connection has been identified as part of an unfunded project in the 2019-2024 CIP (STC 08600), and it was also identified as such in the 2015-2020 CIP and 2017-2022 CIP.

*Feedback and Analysis:* Comments provided during this and the prior Finn Hill Neighborhood Planning process indicate an overall neighborhood sentiment of strong opposition to this potential connection being a vehicular connection open to general use, with impacts to neighborhood character, intersection safety at Juanita Dr NE and NE 120th St, and need to improve NE 120th St through obtaining additional Right-of-Way from the King Conservation District's Juanita Woodlands being some of the main themes of concern. Staff assessment of the expressed concerns indicated that intersection improvements would be necessary, as would the obtaining of additional Right-of-Way along NE 120th St.

*Recommendation:* Given its presence in both the Fire Department's Standards of Coverage and Deployment Plan and the 2019-2024 CIP, as well as the significant improvements needed to both NE 120th St and the intersection of Juanita Dr NE and NE 120th St, staff recommend T39 remain as an emergency-access only connection with a replacement of the barricade with removable bollards maintained in the 6 Year Unfunded priority level.

**T61** – Install retractable bollards at 8400 NE 142nd St within the Finn Hill Neighborhood to replace existing Type III roadway barricades

*Connection Background:* This connection was identified as part of the Fire Department's Standards of Coverage and Deployment Plan. Additionally, this connection has been identified as part of an unfunded project in the 2019-2024 CIP (STC 08600), and it was also identified as such in the 2015-2020 CIP and 2017-2022 CIP.

*Feedback and Analysis:* Comments provided during this and the prior Finn Hill Neighborhood Planning process indicated strong opposition from several of the neighbors of this connection. Overall, neighbors expressed major concerns with the safety of children who are used to the absence of through traffic on NE 142nd St, as well as the speed and volume of potential cut-through traffic. Many comments indicated that the presence of the barricade, which created the functional equivalent of a dead-end street, was a factor in why residents decided to move to that street. Although the removal of the barricade on NE 142nd St could potentially change the character of the local neighborhood, staff are nonetheless guided by policy to balance and minimize impacts across the transportation network. As stated in Policy T-5.6: "the fact that new connections may increase traffic volume on some existing streets is not a sufficient reason for rejecting such new connections". Further, staff analysis suggests that the presence of existing connections between 84th Ave NE and 90th Ave NE on NE 137th St, NE 138th St, NE 139th St, NE 140th St, NE 141st St, and NE 145th St would minimize possible cut-through traffic that might be caused by this street connection open to general vehicular traffic.

*Recommendation:* Staff recommend T61 be categorized as a street connection maintained in the 6 Year Unfunded priority level. If Council decides to move forward with this recommendation, staff recommend updating CIP Project STC 08600 to indicate that removable bollards would not be installed as part of this project. Given the history, staff also recommend exploring traffic calming strategies to be funded as part of the CIP process.



**T62** – Install retractable bollards at 8500 NE 143rd St. within the Finn Hill Neighborhood to replace existing Type III roadway barricades

*Connection Background:* This connection was identified as part of the Fire Department's Standards of Coverage and Deployment Plan. Additionally, this connection has been identified as part of an unfunded project in the 2019-2024 CIP (STC 08600), and it was also identified as such in the 2015-2020 CIP and 2017-2022 CIP.

*Feedback and Analysis:* NE 143<sup>rd</sup> St, from 84<sup>th</sup> Ave NE to the barricade at 8500 NE 143<sup>rd</sup> St, is a privately-owned Right-of-Way by the adjacent neighbors. A letter and accompanying petition indicate an overall sentiment of strong opposition by the immediate neighbors to this potential connection being a vehicular connection open to general use. That same letter indicates possible support for replacing the current barricade with removable bollards, as expressed in the CIP Project (STC 08600).

*Recommendation:* Given its presence in both the Fire Department's Standards of Coverage and Deployment Plan and the 2019-2024 CIP, as well as the fact that NE 143<sup>rd</sup> St is privately-owned, staff recommend T62 remain as an emergency-access only connection with a replacement of the barricade with removable bollards maintained in the 6 Year Unfunded priority level.

#### **PRIVATE PROJECTS - STREETS**

Generally, these potential street connections would be initiated by development of the adjacent property(ies). There are a few actions that would meet the threshold of "development", including:

- Tear down and re-build triggers frontage improvements; or
- An addition of 2,165 or more square feet (\$262,000 or more project building valuation); or
- A remodel where more than 50% of the 1st floor walls are removed and the finished gross floor area of the house is at least 2,165 square feet (\$262,000 or more project building valuation).

If any of the above criteria are met, then the connection would be required to be put in.

#### *RECOMMENDATIONS FOR POTENTIAL PRIVATE PROJECTS - STREETS*

Below, staff provide information on feedback received and analysis, as well as recommendations for some of the streets that have been identified as potential private projects. Staff only provided information for those connections that received a substantial amount of public comment and/or had a recommended designation change.

**T04** – Connect NE 75th St between 128th and 130th using the unopened Right-of-Way

*Feedback and Analysis:* The South Rose Hill / Bridle Trails Neighborhood Association expressed strong opposition to T04 as a vehicular connection due to it being a part of the City's Greenways Network. In addition to other concerns, the Neighborhood Association's comments indicated a specific concern that opening the existing right-of-way as a vehicular connection would undermine the efficacy of that portion of the Greenway. Comments from the Neighborhood Association and others highlighted the need to balance potentially competing Transportation Master Plan policies, including:

- T-2.3 - Build a network of greenways
- T-5.5 - Require new development to mitigate site specific and system wide transportation impacts
- T-5.6 - Create a system of streets and trails that form an interconnected network

Specifically in tension are the needs of the Greenway (T-2.3), which includes lower auto volumes, with the policy guidance that an increase in traffic volume on some existing streets caused by new connections is not a sufficient reason for rejecting such new connections (T-5.6).



*Recommendation:* Staff recommends keeping T04 as a vehicular connection, with the following statement included in the connection's "Process" section: "Prior to any action, the City would explore ways to integrate this connection with the Neighborhood Greenway, which uses the pedestrian/bicycle connection as it currently exists." Based on T04's existence at the intersection of the NE 75<sup>th</sup> St Greenway and 126<sup>th</sup> Ave NE, staff would explore the utilization of such design options as laid out in "Appendix A – Design Tools" of the "Kirkland Neighborhood Greenways Guide for Implementation". Such design options might include, among other options: a diverter, crossing islands, or painted and patterned surfaces. Further, as a potential project that would be initiated through private development activity of the adjacent property, there is no set timing for when or if this connection would be constructed. Usage as a Greenway between now and the potential future time may provide additional insight on design options for the connection. Further consultation with the Neighborhood Association could be sought for feedback on observed usage and design considerations if and when development triggered this connection.

#### **A39 – Connect 80th Ave NE to NE 117th St**

*Feedback and Analysis:* This connection was identified on prior versions of the draft map as an "alternative" ("A") connection being considered as either a vehicular or pedestrian connection.

Comments provided during this and the prior Finn Hill Neighborhood Planning process indicated strong neighborhood opposition to this as a vehicular connection, with key concerns including the potential for cut-through traffic on streets not built for heavier traffic, intersection safety at Juanita Dr NE and 80th Ave NE/NE 112th St and impact to neighborhood character. Staff analysis suggests that this connections location as a street could attract significant cut through traffic between Juanita Dr NE and 84th Ave NE, providing an additional north-south route along 84<sup>th</sup> Ave NE. This route would include narrow and circuitous streets that were not designed for collector or minor arterial volumes, and would include a challenging intersection at 80th Ave NE/NE 112th St and Juanita Dr NE.

*Recommendation:* Staff recommend this as a pedestrian pathway (renumbered **P37.1**) that would connect NE 117<sup>th</sup> PL to 80<sup>th</sup> Ave NE if and when the adjacent property(ies) redevelop.

#### **A40 – Extending NE 119th St beyond 82nd Ave NE to 80th PL NE**

*Feedback and Analysis:* This connection was identified on prior versions of the draft map as an "alternative" ("A") connection being considered as either a vehicular or pedestrian connection.

Comments provided during this and the prior Finn Hill Neighborhood Planning process indicate strong opposition by nearby neighbors to this potential street connection. Similar to T39 described above, impacts to neighborhood character, intersection safety at Juanita Dr NE and NE 120<sup>th</sup> St, and need to improve NE 120<sup>th</sup> St through obtaining additional Right-of-Way from the King Conservation District's Juanita Woodlands were some of the main themes of concern. Staff assessment of the expressed concerns indicated that intersection improvements at Juanita Dr NE and NE 120<sup>th</sup> St would be necessary, as would the obtaining of additional Right-of-Way along NE 120<sup>th</sup> St.

*Recommendation:* Staff recommend this as a pedestrian pathway (renumbered **P37.2**) that would connect NE 119<sup>th</sup> PL to 80<sup>th</sup> PL NE if and when the adjacent property(ies) redevelop.

#### **A46 – Connect 80th Ave NE to Juanita Drive NE**

*Feedback and Analysis:* This connection was identified on prior versions of the draft map as an "alternative" ("A") connection being considered as either a vehicular or pedestrian connection.

No comments were provided for this potential connection. While this outreach process was underway, one of the properties along this connection was submitted for redevelopment. As part of that development review process, staff assessed that providing additional vehicular access to Juanita Dr NE at this location would not be beneficial to the overall transportation network along the corridor. As such,



staff is requesting a pedestrian easement as a condition of the development which will be the first in several needed to complete the pedestrian connection.

*Recommendation:* Staff recommend this as a pedestrian pathway (renumbered **P46**) that would connect Juanita Dr NE to 80<sup>th</sup> Ave NE.

**T46** – Extend 63rd Ave NE to connect to NE 129th St using existing Right-of-Way

*Feedback and Analysis:* Comments provided during this and the prior Finn Hill Neighborhood Planning process indicated strong opposition from several of the neighbors of this vehicular connection, with themes such as neighborhood character, safety issues for the potential connection intersecting at NE 129<sup>th</sup> St, and the lack of need. Similar to A50/P49.1 above, the comments provided and the in-person discussion for the site visit on July 24, 2019, highlighted key characteristics that differentiate this local neighborhood from others. Specifically, the local geography and historical pattern of platting in the area present unique challenges related to Policy T-5.6 - Create a system of streets and trails that form an interconnected network. However, NE 130<sup>th</sup> PL extends for approximately 0.4 miles up hill from Holmes Point Drive, which is the only egress route for the approximately 46 households accessible only from NE 130<sup>th</sup> PL. Referencing the City's Landslide Hazard Map, and considering other potential natural disasters such as earthquakes, windstorms, and forest fires (however seemingly-infeasible given current conditions), staff thought it prudent to provide an additional means of exit from NE 130<sup>th</sup> PL.

*Recommendation:* Staff recommend this as a pedestrian pathway (renumbered **P49.2**) that would allow for emergency vehicular access for residents using removable or flexible bollards, or similar traffic implements.

**A50** – Connect NE 130th PL to the north end of existing 64th Ave NE

*Feedback and Analysis:* This connection was identified on prior versions of the draft map as an "alternative" ("A") connection being considered as either a vehicular or pedestrian connection. Comments provided during this and the prior Finn Hill Neighborhood Planning process indicated strong neighborhood opposition to this as a vehicular connection. The comments provided highlighted key characteristics that differentiate this local neighborhood from others. Specifically, the local topography and historical pattern of platting in the area present unique challenges related to Policy T-5.6 - Create a system of streets and trails that form an interconnected network. However, NE 130<sup>th</sup> PL extends for approximately 0.4 miles up hill from Holmes Point Drive, which is the only egress route for the approximately 46 households accessible from NE 130<sup>th</sup> PL. Referencing the City's Landslide Hazard Map, and considering other potential natural disasters such as earthquakes, windstorms, and forest fires (however seemingly-infeasible given current conditions), staff thought it prudent to provide an additional means of exit from NE 130<sup>th</sup> PL.

*Recommendation:* Staff recommend this as a pedestrian pathway (renumbered **P49.1**) that would allow for emergency vehicular access for residents using removable or flexible bollards, or similar traffic implements.

**POTENTIAL PRIVATE PROJECTS - PEDESTRIAN**

Generally, these potential pedestrian connections would be initiated by development of the adjacent property(ies). In locations with high public benefit, the City may initiate a connection independent of development.

**P37** – Pedestrian access connection at NE 117<sup>th</sup> Street between 80<sup>th</sup> Avenue NE and 82<sup>nd</sup> Avenue NE

*Connection Background:* This connection was identified in Draft Finn Hill Street Connection Map, 9/2017 and adopted in the Finn Hill Neighborhood Plan as a desired bike route and greenway. The connection is also shown in the Kirkland Neighborhood Greenways Guide to Implementation.



*Feedback and Analysis:* Public sentiment related to this pedestrian/bicycle connection has strong feelings on both sides. Neighbors adjacent to the connection indicated concerns about garbage, dog harassment, drugs, partying, and property values. The surrounding neighbors indicated support for the connection, with the main reason being that it would enable children to walk to the Finn Hill schools on 84<sup>th</sup> Avenue NE without having to use Juanita Drive. The City has been receiving public input on this connection since the Juanita Drive Corridor Study in 2013/2014, during the June 15 Community Meeting, and through online comments during this Citywide Connections process.

*Recommendation:* Given its presence in the neighborhood and greenways plans and the City's initiative for safer routes to school, staff recommend P37 be approved as a pedestrian and bicycle connection. If approved, the City will work with adjacent property owners to address their concerns and consider condemnation as a last resort.

### **REMAINING OUTREACH**

As of the time of writing, staff are in the midst of the final phase of public outreach for this civic conversation, which is planned to consist of:

- a postcard mailing to all residences within 300 ft. of an identified potential connection on the draft map;
- an updated version of the informational video;
- additional posts to Facebook, Nextdoor, and Twitter; and
- at least one additional *This Week in Kirkland* newsletter article.

Staff will continue to compile community comments in anticipation of the following City Council and Planning Commission meetings this fall (meeting dates tentative and subject to change):

- City Council Study Session discussion – October 15, 2019
- Planning Commission public hearing – October 24, 2019
- City Council Meeting discussion – November 5, 2019
- City Council Meeting consideration for action – November 19, 2019

### **NEXT STEPS**

Staff is looking for Council review and guidance on the connections identified in the memo at the study session. Staff exercised best efforts to transparently highlight the projects with the most community concern and comment. However, staff acknowledges that members of the public or the Council may have concerns about some of the 173 connections identified on the map that were not highlighted. Staff intends that any such additional projects will be identified during the study session or the next round of outreach. If any additional analysis or outreach is required about additional connections, staff will complete that work prior to transmitting the final map.

As directed in Resolution R-5350, the final map is set to be adopted by City Council as part of the 2019 *Comprehensive Plan* update. Based on Council direction after their review of the draft Citywide Transportation Connections Map on October 15, staff will make changes and bring back a revised map for Council's further consideration at a future meeting.





**CITY OF KIRKLAND**  
**Human Resources Department**  
 123 5<sup>th</sup> Avenue, Kirkland, WA 98033 425.587-3210  
[www.kirklandwa.gov](http://www.kirklandwa.gov)

## MEMORANDUM

**To:** Kurt Triplett, City Manager  
**From:** Chris Thomas, Director of Human Resources  
**Date:** October 1, 2019  
**Subject:** 2019 Annual Fall Service Award Recognition

### Recommendation:

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

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

From the front of Council Chambers the Mayor or his/her designee and the HR Director will read each employee's name, years of service, department and position title accompanied by a handshake and photograph when presenting the award. Each recognized employee will be congratulated by councilmembers before returning to their seat. The names listed below are confirmed, any changes to the employee list below will be communicated prior to the ceremony. Employee names from of the Spring Awards Ceremony who were unable to attend may also be included in the list and communicated prior to the ceremony.

### Twenty years of Service -

<u>Employee Name</u>	<u>Department</u>	<u>Position</u>
Mary Isgrig	Planning & Building	Permit Technician
Dayleen Krueger	City Manager Office	Maintenance/Inventory
Lee Winston	Public Works	Lead person
Loni Rotter	Parks & Community Serv.	Program Assistant

### Thirty years of Service

<u>Employee Name</u>	<u>Department</u>	<u>Position</u>
William Henderson	Fire Department	Captain
Patrick Hund	Fire Department	Captain
Clifton Oleszko	Fire Department	Firefighter
Joseph Ruljancich	Fire Department	Firefighter
Patrick McManus	Fire Department	Firefighter
Dawn Nelson	Planning & Building	Planning Manager
Raymond Steiger	Public Works	Superintendent
Steven Hoopes	Public Works	Senior Construction Inspector

The next award ceremony recognizing employees who reach these yearly benchmarks between January 1 and June 30, 2020 will be scheduled for an upcoming Spring, 2020 Council meeting.





**CITY OF KIRKLAND**  
Department of Parks & Community Services  
123 5<sup>th</sup> Avenue, Kirkland, WA 98033 · 425.587.3300  
[www.kirklandwa.gov](http://www.kirklandwa.gov)

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Linda Murphy, Parks and Community Services Recreation Manager  
John Lloyd, Parks and Community Services Deputy Director

**Date:** September 23, 2019

**Subject:** Kirkland Performance Center Annual Report

## **RECOMMENDATION**

It is recommended that the City Council receive an annual report from the Kirkland Performance Center. Executive Director Jeff Lockhart will be presenting.

## **BACKGROUND DISCUSSION**

The City has a long history of support for Kirkland Performance Center (KPC). The initial 10-year agreement began in 1998 with an option to renew for 2 additional 10-year periods. In 2018 the City of Kirkland entered into its third 10-year agreement with the Kirkland Performance Center. Since 1998, the City has provided support to the KPC as both the facility owner and landlord. This includes \$500,000 towards the initial facility renovation, operational maintenance, capital maintenance, admissions tax rebate, gratis rent, limited use of the Peter Kirk Community Center lobby and annual funding allocations. The City has provided close to \$2.5 million dollars in funding to the KPC over the last 20 years.

The 2008-2018 agreement included quarterly reporting requirements and annual audited financial statements. During the renewal negotiations, it was agreed to reduce the reporting requirement to a single annual report, with audited financial statement required every other year. Additionally, to improve communication between the City and KPC, PCS staff facilitate routine meetings (typically quarterly) to discuss and schedule future up and coming maintenance work. In the past year several major projects have been completed at the KPC including the replacement of the roof, lobby renovation, and concession stand remodel.

The current agreement (**Attachment A**) states the KPC will provide a report in September of each year that includes the following: a budget for the forthcoming year (**Attachment B**), unaudited financial statements with a balance sheet (**Attachment C**), income statements depicting performance against budget (**Attachment D**), profit and loss statements (**Attachment E**), box office statements (statements depicting ticket sales, admission taxes collected, service charges and average ticket price) (**Attachment F**), and projected bookings and fund development progress (**Attachment G**). Bi-annually, in odd years beginning in 2019,



the report shall include a financial statement audited by an independent certified public accounting firm for the previous two (2) year period and prepared in accordance with GAAP. The agreement also requests the KPC complete a business plan within two (2) years after the start date of this agreement. The business plan is due July 1, 2020.

In September of 2019, the KPC informed staff that due to the high cost and fees, a financial review was more appropriate than audited financial statements for an organization of their size. The City Manager approved the use of a financial review for 2019 only, as KPC recently concluded a full audit several years ago. Staff from Finance and Parks will review how often an audited financial statement is appropriate and make a recommendation to the City Manager and the Council as to whether to change the requirement.

**Attachment A** Kirkland Performance Center 2018-2028

**Attachment B** KPC 2019-2020 Budget

**Attachment C** KPC Balance Sheet

**Attachment D** KPC Budget Vs Actual P&L

**Attachment E** Profit and Loss Statements

**Attachment F** KPC P&L

**Attachment G** KPC Projected Bookings



# AGREEMENT

by and between

**The City of Kirkland, Washington**

and

**The Kirkland Performance Center**

regarding the  
use and occupancy  
of the  
Performing Arts Center

July 1, 2018 through June 30, 2028



R-5315  
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Exhibit A

**AGREEMENT BY AND BETWEEN THE CITY OF KIRKLAND, WASHINGTON  
AND THE KIRKLAND PERFORMANCE CENTER**

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THIS USE AND OCCUPANCY AGREEMENT is dated as of, July 1, 2018 and entered into by and between the CITY OF KIRKLAND (hereinafter referred to as the "City"), a Washington municipal corporation, and the KIRKLAND PERFORMANCE CENTER (hereinafter referred to as "KPC"), a Washington non-profit corporation.

WHEREAS, The City is interested in the artistic and cultural development of the City and its residents;

WHEREAS, KPC is organized for a express purpose of operating a performing arts center;

WHEREAS, the City and KPC cooperated in the development and construction of the performing arts center;

WHEREAS, both parties agree that the performing arts center provides an essential venue for the presentation of public entertainment and cultural events, and thereby fulfill an important public purpose;

WHEREAS, both parties agree that it would be in the best interests of the City, as Landlord, and KPC, as Tenant, for KPC to lease and have exclusive operational control of the performing arts center, and subject to the terms of this Agreement, reserving the right of the City to use the performing arts center;

WHEREAS, both parties agree that it would be in the best interests of the City and KPC for KPC to have total artistic and content control of performances at the performing arts center;

WHEREAS, both parties intend that KPC operate the performing arts center in a manner consistent with the important public purpose of presenting public entertainment and cultural events, and

WHEREAS, the parties hereto desire to document the terms and conditions they have agreed upon with respect to the use and occupancy of the performing arts center;

NOW, THEREFORE, in consideration of the mutual undertakings and promises contained herein, and as a direct benefit to the City, the parties agree as follows:



R-5315  
Exhibit A**ARTICLE 1 – DEFINITIONS**

All words in this Agreement bearing initial capitals, other than proper nouns, article headings or words required to be capitalized for proper usage, are defined terms and shall have the meanings specifically assigned to them in the Design and Construction Agreement as set forth below. Any sums set forth below are subject to modification by a written amendment to this Agreement in the form attached as Exhibit C. Unless otherwise expressly provided, use of the singular includes the plural and vice versa.

- 1.1 **Agreement** means this Use and Occupancy Agreement, as from time to time amended in accordance with the terms hereof.
- 1.2 **Approval** means the prior written consent of a party hereto or designated representatives thereof.
- 1.3 **Cash Equivalents** means funds of KPC which have been invested in financial instruments or investment funds that have maturity dates which are convertible to cash on demand (with or without penalties for early withdrawal).
- 1.4 **City** means the City of Kirkland.
- 1.5 **City Manager** means the City Manager of the City of Kirkland, or his or her designee.
- 1.6 **Facility** means the performing arts center to be developed pursuant to this Agreement.
- 1.7 **Kirkland Performance Center or KPC** means the Kirkland Performance Center, a Washington non-profit corporation.
- 1.8 **Tenant Improvements** means all property (such as equipment, fixtures and furnishings, whether the property is physically affixed to the Facility or not) which is used in the scheduling or presentation of events at the Facility, including, but not limited to, lighting, sound system, curtains, seating, carpeting, phone system, lift, piano, stage rigging, and computerized box office system. Tenant Improvements does not mean the structure and core of the Facility; HVAC, plumbing, electrical and mechanical systems; elevator; and stage.
- 1.9 **Use and Occupancy Agreement** means the Use and Occupancy Agreement to be executed prior to the award of the Construction Contract.

**ARTICLE 2 – LEASE AND DESCRIPTION OF PREMISES**

The City, as Landlord, hereby leases to KPC, and KPC, as Tenant, hereby leases from the City, subject to the terms and conditions hereof, the Premises, located at 350 Kirkland Avenue, Kirkland, Washington 98033.

**ARTICLE 3 – TERM OF AGREEMENT**

- 3.1 **Effective Date of Agreement.** This effective date of this Agreement shall be July 1, 2018.
- 3.2 **Term.** The Term of this Agreement shall expire on June 30, 2028, which is ten (10) years, after July 1, 2018 the Effective Date of this Agreement, unless terminated earlier pursuant to the provisions hereof.
- 3.3 **Option for Extension of Term.** KPC may extend the term of this Agreement for two (2) additional consecutive terms of ten (10) years; provided that, every five (5) years thereafter, the parties have the option to renegotiate the amount of annual rent and other terms and conditions (except KPC retention of total artistic control of performances) of this Agreement. If the parties fail to agree on a satisfactory amount of annual rent or other terms and conditions of this Agreement, the parties agree to use non-binding mediation before the City may terminate this Agreement. If the parties fail to agree on annual rent or other terms and conditions of this Agreement through mediation, the City may terminate this Agreement.



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- 3.3.1 Not later than six (6) months before the expiration of this Agreement, the City shall notify KPC of the City's exercise of its option to renegotiate the amount of annual rent, and other terms and conditions of this Agreement.
- 3.3.2 Not later than one (1) year before the expiration of this Agreement, KPC shall notify the City of KPC's exercise of its option to extend the initial term of this Agreement and of each extension. Notwithstanding any other provision of this Agreement, the option to extend the term of this Agreement shall not be assignable or exercisable by any person or entity other than KPC.
- 3.4. **Termination of Agreement.** Upon the occurrence of any event of default described in this Agreement, the City may terminate this Agreement. Upon not less than one (1) year's notice to the City, KPC may terminate this Agreement. In the event that this Agreement is terminated, KPC shall surrender the Premises to the City. The City shall not owe KPC any "refund" or other compensation for contributions made by KPC for the design and construction of the performing arts center, or tenant improvements to the performing arts center.

#### **ARTICLE 4 – AUTHORIZED USE OF PREMISES**

- 4.1 **Exclusive possession and operational control.** KPC shall have exclusive possession and operational control of the Premises, subject to the terms of this Agreement reserving the right of the City to use the performing arts center. KPC shall also have total artistic control of performances, also subject to the terms of this Agreement. KPC shall use the Premises for the presentation of performing arts, as well as for meetings of KPC Board members, staff, and other personnel directly associated with KPC, KPC classes and other KPC educational programs, presentations, KPC fund-raising endeavors, rehearsals, and other related activities, KPC offices, and such other activities as are incidental to the foregoing. KPC shall also use the Premises to actively encourage and provide for youth experiences with the performing arts. KPC may use the Premises for business and community meetings and activities; provided that, such meetings and activities shall not unduly interfere with the priority use of the Premises for the presentation of performing arts. KPC may use the Premises to engage in concession and catering activity only as provided in this Agreement. KPC may use the Premises for additional purposes with the prior written approval of the City Manager.
- 4.2 **Use of Meeting Room.**
  - 4.2.1 KPC shall has the right to use the Peter Kirk Community Center Lobby Meeting Room for up to ten days per year on a space available basis. These "KPC" dates must be reserved more than ninety (90) days in advance of the use date, and shall not compete with dates programmed or requested by Peter Kirk Community Center customers.
  - 4.2.2 **Conditions of Use include:**
    - 4.2.2.1 KPC staff will need to check the key in and out from the Peter Kirk Community Center staff. This will include a walk through prior to and after use to assess any damage.



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4.2.2.2 KPC shall pay for operational expenses arising from its use of the Premises including, but not limited to, janitorial services, security false alarms, and damage assessed during walk through.

4.2.2.3 KPC will have staff present at all times during use.

#### **ARTICLE 5 – CITY USE**

- 5.1 The City reserves the right to use the Premises with the exception of KPC's Administrative Offices up to seven (7) days per year on a space available basis. These "City use" dates must be reserved more than sixty (60) days in advance of the use date, and shall not compete with dates requested by KPC rental customers. The City also reserves the right to use the Premises on additional days on a space available basis. These "additional City use" dates may not be reserved more than sixty (60) days in advance of the use date and shall not compete with dates requested by KPC rental customers.
- 5.2 The City shall be allowed to use the Premises without rental charge, but shall pay operational expenses arising from its use of the Premises including, but not limited to, extra staffing or janitorial services.

#### **ARTICLE 6 – RENT**

In consideration of the value of KPC's contribution to development and operation of the performing arts center, the value of KPC's tenant improvements to the performing arts center, the value of KPC's maintenance and operation of the Premises, the value of KPC's payments of all utility charges, and subject to the terms and conditions of this Agreement, KPC hereby covenants and shall pay no rent for the Premises during the Term of this Agreement. The amount of the annual rent during additional terms shall be established in accordance with Article 3.3 of this Agreement.

#### **ARTICLE 7 – ADMISSIONS TAXES**

- 7.1 The City agrees to dedicate to KPC one hundred percent (100%) of the admissions taxes generated from KPC events at the Facility to support the public purposes served by the Facility for the first five (5) years of this Term, to be reviewed every additional five (5) years of this Agreement, to cover the periods of July 1, 2018 through 2028 and extension of terms.
- 7.2 The City agrees to pay to KPC such admissions taxes within thirty (30) days of receipt; provided, however, that KPC must pay to the City such admissions taxes in accordance with applicable provisions of the Kirkland Municipal Code and State law. Additionally, the payment of admission taxes is contingent upon upholding the terms of this agreement. Special attention should be brought to Article 8, Reserve, Record Keeping and Reporting below.

#### **ARTICLE 8 – RESERVE, RECORD KEEPING AND REPORTING**

- 8.1 KPC will make its best efforts to keep a minimum of \$200,000 in Operating Reserves.
- 8.2 The City shall appoint a liaison between the City and KPC who will ensure compliance with all record keeping and reporting requirements set forth in this article.



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- 8.3 KPC shall maintain books, records, documents and other accounting procedures and practices in accordance with Generally Accepted Accounting Principles ("GAAP") consistently applied (e.g., a unitary, internally consistent system of accounts and records) that sufficiently and properly reflect all receipts and direct and indirect costs of any nature associated with the exercise of rights and the performance of obligations by KPC under this Agreement.
- 8.4 KPC shall provide a report in September of each year that includes the following: a budget for the forthcoming year that provides adequate funding for maintenance and operations, unaudited financial statements with a balance sheet, income statements depicting performance against budget, profit and loss statements, box office statements (statements depicting ticket sales, admission taxes collected, service charges and average ticket price), projected bookings and fund development progress. Bi-annually, in odd years beginning in 2019, the report shall include a financial statement audited by an independent certified public accounting firm for the previous two (2) year period, and prepared in accordance with GAAP. The annual report shall summarize KPC's activities and status.
- 8.5 The City requests the completion of a business plan within two (2) years after the start date of this Agreement to be updated periodically as market conditions change. A business plan typically includes a market analysis, SWOT analysis, business model, financial plan and strategic planning.

#### **ARTICLE 9 – IMPROVEMENTS, ALTERATIONS AND ADDITIONS TO THE PREMISES**

- 9.1 **Tenant Improvements.** KPC may make Tenant Improvements to the Premises with the consent of the City. If an Event of Default occurs, if KPC fails to perform its duties under this Agreement, or if this Agreement expires, terminates, or is otherwise not renewed, all KPC-provided or owned Tenant Improvements on the Premises shall remain in place and shall automatically and without further notice or act by the City and without compensation to KPC become the property of the City.
- 9.2 **Other Improvements, Alterations and Additions.** KPC shall not alter any structural features of the Premises without City approval. KPC, at its sole expense, may redecorate any interior surface of walls, ceilings, windows and doors.
- 9.3 **Waiver of Artistic Rights.** In the event that KPC installs an art work in the Premises that will incorporate such work into the Premises in such a way that removing such work may subject it to destruction, distortion, mutilation or other modification, KPC shall require the artist to waive any rights under federal or state law (including without limitation the Visual Artists Rights Act and the New York Arts and Cultural Affairs Law) with respect to the consequences of removing all or part of such work from the Premises. The waiver must be in writing, be signed by the City, KPC and the artist, be approved as to form by the City Attorney, and be recorded. The waiver must specifically identify the art work and the uses to which it applies.

#### **ARTICLE 10 – QUIET ENJOYMENT**

The City covenants that it holds legal title to the Premises, free and clear of all liens and encumbrances, excepting only the lien for current taxes not yet due, if any, such mortgage or mortgages as are permitted by the terms of this Agreement, zoning ordinances and other building and fire ordinances and government regulations relating to the uses of such property, and easements, restrictions and other conditions of record. The City represents and warrants that it has full right and authority to enter into this Agreement and that KPC, upon performing its other covenants and agreements set forth in this Agreement and all extensions thereof, shall peaceably and quietly have, hold and enjoy the Premises for the term of this Agreement,



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including, but not limited to, the scheduling of KPC performances and events, management of operations, or selection of productions, employees and agents without hindrance or interference from the City, subject to the terms and provisions of this Agreement.

**ARTICLE 11 – HAZARDOUS SUBSTANCES**

KPC shall not cause or permit the presence, use, generation, release, discharge, storage, disposal, or transportation of any Hazardous Materials (as defined below) on, under, in, above, to, or from the Premises, the building, or the common areas, other than in strict compliance with all applicable federal, state and local laws, regulations and orders. The term "Hazardous Materials" refers to any substances, materials, and wastes that are or become regulated as hazardous or toxic substances under any applicable local, state or federal law, regulation or order. KPC shall indemnify, defend and hold the City harmless from and against (a) any loss, cost, expense, claim, or liability arising out of any investigation, monitoring, clean-up, containment, removal, storage, or restoration work ("remedial work") required by, or incurred by the City or any nongovernmental entity or person in reasonable belief that such work is required by any applicable federal, state or local law, governmental agency, or political subdivision, and (b) any claims of third parties for loss, injury, expense, or damage arising out of the presence, release, continuing release or discharge of any hazardous material on, under, in, above, to, or from the Premises that occurred or originated during the term of this Agreement. The City shall indemnify, defend and hold KPC harmless from and against (a) any loss, cost, expense, claim, or liability arising out of any investigation, monitoring, clean-up, containment, removal, storage, or restoration work ("remedial work") required by, or incurred by KPC or any nongovernmental entity or person in a reasonable belief that such work is required by any applicable federal, state or local law, governmental agency, or political subdivision, and (b) any claims of third parties for loss, injury, expense, or damage arising out of the presence, release, continuing release or discharge of any hazardous material on, under, in, above, to, or from the Premises that occurred or originated during a time other than the term of this Agreement. If any remedial work is so required under any applicable federal, state or local law during the term of this Agreement, KPC shall perform or cause to be performed the remedial work in compliance with such law, regulation or order. All remedial work shall be performed by one (1) or more contractors under the supervision of a consulting engineer, each selected by KPC and approved in advance in writing by the City. If KPC does not commence the remedial work in a timely fashion or does not diligently prosecute the remedial work to completion, the City may, but shall not be required to, cause the remedial work to be performed, subject fully to the indemnification of this paragraph. The foregoing indemnification obligation shall survive termination of this Agreement.

**ARTICLE 12 – MAINTENANCE, CLEANING, REPAIR AND UTILITIES**

12.1 City. The City is responsible for maintenance and repair of the structural components of the performing arts center which shall include the roof, the exterior walls, the foundation, the HVAC system, and the elevator. The City is also responsible for maintenance which is necessary for the structural integrity of the performing arts center, including maintenance of load-bearing members, and of main lines of mechanical, electrical, and plumbing systems to the point of entry. The City will coordinate a routine meeting with KPC to discuss and schedule future up and coming maintenance work. The City is responsible for and will pay for landscaping and landscape maintenance that meet City standards; provided, that if KPC wants special plantings or landscaping and landscape maintenance that exceed City standards, KPC will be responsible for and will pay for such plantings or features. The City is also responsible for and will pay for maintenance of the parking lot that meets City standards.

12.1.1 The City make its best efforts to coordinate Maintenance work with KPC so as not to interfere with KPC's operations. At minimum the City shall give KPC at least



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twenty-four (24) hour notice; provided that, such maintenance and repair work shall not unduly interfere with the use of the premises for the presentation of the performing arts. In the event of an emergency, however, no such notice shall be required.

- 12.2 **KPC.** KPC is responsible for maintenance and repair of the interior of the performing arts center which shall include tenant improvements, audio/visual systems, sound system, telephone equipment, lighting and plumbing fixtures and appliances. KPC's responsibility for plumbing fixtures and appliances extends through fixture drain and trap down to the junction with the line into wall or floor, and includes attempting to clear clogs by means of plunger and toilet auger. KPC's janitorial and routine maintenance responsibilities include: timely repair or replacement of light fixtures or bulbs, electrical switches or controls; cleaning, repair or replacement of seating, curtains, carpets, flooring, and faucets; cleaning windows and walls; and servicing of audience areas and restrooms. KPC shall timely pay all utility charges for utility service to the Premises including, but not limited to, electricity, water, storm water, sewer, garbage, and telephone.

**ARTICLE 13 – INDEMNIFICATION**

- 13.1 The City shall not be liable to KPC or KPC's employees, agents, guests, invitees or visitors, or to any other person for any injury to person or damage to property on or about the Premises, resulting from and/or caused in part or whole by the negligence or misconduct of KPC, its employees, agents, servants, guests, invitees, and visitors, or of any other person entering upon the Premises, or caused by the building and improvements located on the Premises becoming out of repair, or caused by leakage of gas, oil, water or steam or by electricity emanating from the Premises, or due to any other cause except injury to persons or damages to property solely caused by the negligence of the City.
- 13.2 KPC shall defend, indemnify, and hold harmless the City, its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of KPC's use of the Premises, or from the conduct of KPC's business, or from any activity, work or thing done, permitted, or suffered by KPC in or about the Premises, except only such injury or damage as shall have been occasioned by the sole negligence of the City.

**ARTICLE 14 – INSURANCE**

- 14.1 The City shall maintain insurance covering the building of which the Premises are a part in an amount equal to its replacement cost, insuring against the perils of Fire, Lightning, Extended Coverage, Vandalism and Malicious Mischief, extended by Special Extended Coverage Endorsement to insure against all other Risks of Direct Physical Loss, such coverage and endorsements to be as defined, provided and limited in the standard bureau forms prescribed by the insurance regulatory authority for the State of Washington for use by insurance companies admitted in such state for the writing of such insurance on risks located within such state. Subject to the terms of this Agreement, such insurance shall be for the sole benefit of the City and under its sole control.
- 14.2 KPC shall notify the City immediately after a casualty occurs to the Premises or the building. (1) If the building is totally destroyed by fire or other casualty, (2) if the casualty is not insured, (3) if the cost of restoration would exceed the total Insurance proceeds and KPC's available funds, including the Operating Reserve, provided that KPC replenishes the Operating Reserve in



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- accordance with Article 8.1 of this Agreement, or (4) if rebuilding or repairs cannot in the City's estimation be completed with three hundred sixty-five (365) days after the date upon which the City is notified by KPC of such damage, then the Agreement shall terminate effective upon the date of the occurrence of such damage. The City shall give notice to KPC in writing of its determination to terminate this Agreement within ninety (90) days following the date of the occurrence of such damage.
- 14.3 If the building is damaged by any peril covered by the Insurance to be provided by the City, but only to such extent that rebuilding or repairs can in the City's estimation be completed within three hundred sixty-five (365) days after the date upon which the City is notified by KPC of such damage, this Agreement shall not terminate, and the City shall at its sole cost and expense thereupon proceed with reasonable diligence to rebuild and repair such building to substantially the condition in which it existed prior to such damage, except that the City shall not be required to rebuild, repair or replace any part of the partition, fixtures, additions and other improvements which may have been placed in, or about the Premises by KPC. If the building is subsequently damaged while the City is rebuilding and repairing the building, the City shall estimate whether rebuilding or repairs can be completed within three hundred sixty-five (365) days after the date upon which the City is notified by KPC of such subsequent damage. If the Premises are untenantable in whole or in part following such damage, the rent payable during the period in which they are untenantable shall be reduced to such extent as may be fair and reasonable under all of the circumstances. If the City does not complete such repairs and rebuilding within three hundred sixty-five (365) days after the date upon which the City is notified by KPC of such damage or such subsequent damage, as appropriate, KPC may at its option terminate this Agreement by delivering written notice of termination to the City within three hundred ninety-five (395) days after the date of the notice of the damage or the subsequent damage, as appropriate, as KPC's exclusive remedy, whereupon all rights and obligations hereunder shall cease and terminate.
- 14.4 Notwithstanding anything in this Agreement to the contrary, if the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises requires that the insurance proceeds be applied to such indebtedness, then the City shall have the right to terminate this Agreement by delivering written notice of termination to KPC within fifteen (15) days after such requirement is made by and such holder, whereupon all rights and obligations under this Agreement shall cease and terminate.
- 14.5 KPC shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the KPC's operation and use of the Premises.
- 14.6 No Limitation. KPC's maintenance of insurance as required by the agreement shall not be construed to limit the liability of KPC to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.
- 14.6.1 Minimum Scope of Insurance. KPC shall obtain insurance of the types described below:
- 14.6.1.1 Commercial General Liability insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover premises and contractual liability. The City shall be named as an insured on KPC's Commercial General Liability insurance policy using ISO Additional Insured-Managers or



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Lessors of Premises Form CG 20 11 or a substitute endorsement providing equivalent coverage.

14.6.1.2 Property insurance shall be written on an all risk basis.

14.6.2 Minimum Amounts of Insurance. KPC shall obtain the following insurance limits:

14.6.2.1 Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$5,000,000 general aggregate.

14.6.2.2 Property insurance shall be written covering the full value of KPC's property and improvements with no coinsurance provisions.

14.6.3 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Commercial General Liability insurance:

14.6.3.1 KPC's insurance coverage shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of KPC's insurance and shall not contribute with it.

14.6.3.2 KPC's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

14.6.4 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

14.6.5 Verification of Coverage. KPC shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of KPC.

14.6.6 Waiver of Subrogation. KPC and City hereby release and discharge each other from all claims, losses and liabilities arising from or caused by any hazard covered by property insurance on or in connection with the premises or said building. This release shall apply only to the extent that such claim, loss or liability is covered by insurance.

14.6.7 City's Property Insurance. City shall purchase and maintain during the term of the lease all-risk property insurance covering the Building for their full replacement value without any coinsurance provisions.



## **ARTICLE 15 – SIGNS**

The KPC may install signs on the exterior of the Premises, identifying the building as the Kirkland Performance Center or other mutually agreed upon name, and containing other information related to KPC, including without limitation, program information, fundraising information and special KPC announcements. The design, installation and location of said signs shall comply with applicable provisions of the Kirkland Municipal Code, including but not limited to zoning provisions and building regulations, and shall be subject to the written approval of the City Manager, which approval shall not be unreasonably withheld.

## **ARTICLE 16 - ASSIGNMENT, SUBLEASE OR TRANSFER**

Obligations or rights of KPC under this Agreement may not be assigned, subleased, or otherwise transferred by KPC, without the prior written consent of the City, which consent may be withheld at the sole discretion of the City. The assignment, sublease, or transfer of this Agreement without such consent shall constitute an Event of Default. Any such assignment, sublease, or transfer shall be specifically subject to all the terms and conditions of this Agreement. In the event of any proposed assignment, sublease, or transfer of this Agreement, KPC shall cause to be delivered to the City simultaneously with such proposed assignment, sublease, or transfer, an instrument in writing, executed by the assignee, in which the assignee shall assume and agree to accept all the terms and conditions of this Agreement.

## **ARTICLE 17 – CONCESSIONS AND CATERING ACTIVITY**

- 17.1 **Definitions.** As used in this article, unless the context clearly requires a different meaning:
- 17.1.1 “Concession and catering activity” means and includes the preparation, service, free distribution, or sale of food or any beverage, including any alcoholic beverage, or the free distribution or sale of any concession merchandise or service; and
  - 17.1.2 “Concession merchandise or service” means and includes inedible goods and services such as souvenirs, novelties and tickets to events at other venues.
- 17.2 **Grant of Right.** The City grants to KPC the exclusive right to engage in concession and catering activity and to enter into agreements authorizing one (1) or more concessionaires to engage in such activity for and on the behalf of, or under the auspices of, KPC, at the Premises, subject to the terms of this Agreement. If KPC decides to retain any such concessionaire(s), KPC shall select such concessionaire(s). If KPC enters into any such agreement(s), KPC shall remain ultimately responsible for compliance with terms and conditions, and performance of obligations under this Agreement. Any such agreement shall incorporate terms and conditions related to concessions and catering activity under this Agreement.
- 17.3 **Right Not Effective During City Use Periods.** The concession and catering rights granted in this article shall not be effective during any period of time when the Premises are used by the City, unless by express request of the City, with the exception of the box office.
- 17.4 **Food Service Establishment Permit Required.** KPC, or any such concessionaire(s), shall ensure that all food offered for sale on or from the Premises has been prepared, transported, served and otherwise provided only by a person or entity issued a current valid Food Service Establishment permit by the Seattle-King County Department of Public Health or its successor.



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- 17.5 Licenses and Permits Required: Contingent Expiration of Right. KPC, or any such concessionaire(s), shall be responsible for obtaining and maintaining, at no cost to the City, all licenses, permits and other authorization required in order to legally conduct the concession and catering activity contemplated herein. The City shall have no obligation to issue such licenses, permits, or other authorization. The City shall issue such licenses, permits, or other authorization in accordance with applicable City rules and regulations. The inability of KPC, or any such concessionaire(s), to secure or to maintain any such license, permit or other authorization shall not invalidate the concession and catering right granted herein.

#### **ARTICLE 18 – COMPLIANCE WITH LAW**

- 18.1 Lawful Use. KPC and the City each agree to abide by, conform and comply with all applicable federal, state and local laws, and obtain all required licenses, permits, and authorizations. Whenever either party or its authorized representative is informed of any violation of any such law, ordinance, rule, regulation, license, permit, or authorization committed by it, it shall immediately desist from such violation. The final judgment of any court or administrative body of competent jurisdiction or the admission by a party in any action against it, whether the other party is a party thereto or otherwise, that it or its invitees has violated any law, ordinance, rule, or regulation shall be conclusive of that fact as between the City and KPC.
- 18.2 Licenses and Similar Authorization. KPC, at no expense to the City, shall secure and maintain in full force and effect during the term of this Agreement all required licenses, permits and similar legal authorizations, and comply with all requirements thereof. The City shall have no obligation to issue such licenses, permits, or authorizations. The City shall issue such licenses, permits, or authorizations in accordance with applicable City rules and regulations.
- 18.3 Taxes. KPC shall pay, before delinquency, all taxes, levies, and assessments of whatever kind or nature are imposed or become due during the term of this Agreement and arise from any activity on or use and occupancy of the Premises pursuant to this Agreement, including but not limited to taxes arising out of the activity or business conducted on the Premises; taxes levied on KPC property, equipment, and improvements on the Premises; taxes on KPC's interest in this Agreement and any leasehold interest created thereby under RCW 82.29A., if applicable; and any assessment levied for any local improvement, utility local improvement, or any similar undertaking. In the event the State of Washington makes any demand upon the City for payment of any tax resulting from KPC's use or occupancy of the Premises or the conduct of any activity subject to tax, or the State withholds funds due to the City to enforce collection of leasehold excise or any other tax, KPC, at its sole expense, shall contest such action and indemnify the City for all sums expended by or withheld by the State from the City in connection with such taxation; provided, that KPC may pay any such tax in lieu of contesting it or indemnifying the City. The City shall pay and shall indemnify and hold KPC harmless for all taxes imposed, that relate to City sponsored events at the Premises (except for taxes imposed on concession sales by KPC or for KPC's benefit), and for all taxes that may be imposed on KPC or KPC use of the Premises resulting from any City use under this Agreement.
- 18.4 Attendance and Safety Standards. The Kirkland Fire Chief or his/her designee shall have the authority to determine, in the reasonable exercise of his/her discretion, the number of persons that may be admitted to, and safely and freely move about in the Premises. KPC shall not sell or issue tickets or credentials for admission to the Premises in an aggregate number that exceeds the Kirkland Fire Chief's determined number. KPC shall not admit to the Premises more people than the number so determined by the Kirkland Fire Chief. KPC shall not permit any chair or movable



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seat or other obstruction to the erected or placed in any passageway or fire exit. Sidewalks, grounds, entries, passages, vestibules, halls, elevators, abutting streets and all ways of access to the Premises shall not be obstructed by KPC or used for any purpose other than for ingress and egress to the Premises for persons or property. The City shall be responsible for assuring compliance with each of the foregoing requirements during periods of City use of the Premises under this Agreement.

- 18.5 **Nondiscrimination.** KPC shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.
- 18.6 **Americans with Disabilities Act.** KPC shall comply with all governmental laws, ordinances and regulations applicable to the use of the Premises, including without limitation Title III of the Americans with Disabilities Act.
- 18.7 **Applicable Law and Venue.** This Agreement shall be construed under the laws of the State of Washington. The venue for any litigation relating to this Agreement shall be in the Superior Court of the State of Washington for King County.

#### **ARTICLE 19 – ROYALTIES, LICENSE FEES AND SIMILAR PAYMENTS**

KPC shall pay, before delinquency, all royalties, license fees, and other charges due and payable to any person or entity as the consequence of any public performance(s) or display(s) of copyrighted work(s) during its use of the Premises. The City shall be responsible for all similar royalties, license fees and other charges in connection with the City's use of the Premises.

#### **ARTICLE 20 – LIENS AND ENCUMBRANCES**

KPC shall keep the Premises, the Tenant's interest in this Agreement, and the Tenant Improvements free and clear of any liens and encumbrances. Notwithstanding the foregoing, KPC may finance up to \$20,000 of the total costs of the Tenant Improvements. At the City's request, KPC shall furnish the City written proof of payment of any items that would or might constitute the basis for such a lien on the Premises, the Tenant's interest in this Agreement, and the Tenant Improvements if not paid.

#### **ARTICLE 21 – DEFAULT**

- 21.1 **Default.** The following events shall constitute a default and material breach of this Agreement:
- 21.1.1 The failure to comply with any of the terms of this Agreement regarding insurance;
  - 21.1.2 The material violation of any law, ordinance, rule or regulation which, after notice and reasonable time to cure, remains uncured;
  - 21.1.3 The abandonment or vacating of the Premises for a period of twenty (20) days or more;



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- 21.1.4 The absence of any KPC-scheduled performing arts event for a period of ninety (90) days or more, when not due to repair problems or maintenance work for which the City is responsible;
  - 21.1.5 The failure to pay any sum of money due to the City within thirty (30) days after such notice from the City that such a payment is overdue;
  - 21.1.6 The dissolution of the KPC or the merger of KPC with another entity without the prior written approval of the City;
  - 21.1.7 The assignment or transfer of this Agreement without the prior written consent of the City as described in Article 16 of this Agreement; and
  - 21.1.8 The failure to perform any other condition or covenant of this Agreement where such failure in performance is not remedied within the time allowed by this Agreement, or such other period for remedial action as is expressly otherwise provided for in this Agreement, or agreed upon by both parties.
- 21.2 **Extension of Period to Remedy Default.** Neither the City nor KPC shall be in default unless such party fails to perform an obligation required of it within thirty (30) days after written notice from the aggrieved party has been sent by the other, specifying the particular obligation that the other has failed to perform; provided, that if the nature of the other party's obligation is such that more than thirty (30) days are reasonably required for performance, then the other party shall not be in default if it commences performance within such thirty (30) day period, and thereafter diligently prosecutes the same to completion within one hundred eighty (180) days.

**ARTICLE 22 – REMEDIES UPON DEFAULT AND MATERIAL BREACH**

Upon the occurrence of any Event of Default by KPC, the City shall have the option to pursue any one (1) or more of the following remedies without notice or demand.

- 22.1 Accelerate all rent payments under this Agreement which shall then become immediately due and payable.
- 22.2 Terminate this Agreement, in which event KPC shall immediately surrender the Premises to the City, and if KPC fails so to do, the City may, without prejudice to any other remedy it may have for possession or unpaid rent, enter upon and take possession of the Premises and expel or remove KPC and any other person who may be occupying such Premises or any part thereof, and KPC agrees to pay to the City on demand the amount of all loss and damage the City may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.
- 22.3 Enter upon and take possession of the Premises and expel or remove KPC and any other person who may be occupying such Premises or any part thereof, and relet the Premises for such terms ending before, on or after the expiration date of the term of this Agreement, at such rentals and upon such other conditions (including concessions and prior occupancy periods) as the City in its sole discretion may determine, and receive the rent therefor; and KPC agrees to pay to the City on demand any deficiency that may arise by reason of such reletting. The City shall have no obligation to relet the Premises or any part thereof and shall not be liable for refusal or failure to relet or in the event of reletting for refusal or failure to collect any rent due upon such reletting. If the City is



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successful in reletting the Premises at a rental in excess of that agreed to be paid by KPC pursuant to the terms of this Agreement, the City and KPC each mutually agree that KPC shall not be entitled, under any circumstances, to the excess rental, and KPC specifically waives any claim to the excess rental.

- 22.4 Enter upon the Premises, and do whatever KPC is obligated to do under the terms of this Agreement. KPC agrees to reimburse the City on demand for any expenses which the City may incur in thus effecting compliance with KPC's obligations under this Agreement, and KPC further agrees that the City shall not be liable for any damages resulting to the KPC from such action, whether caused by the negligence of the City or otherwise.
- 22.5 Whether or not the City retakes possession or relets the Premises, the City shall have the right to recover unpaid rent and all damages caused by KPC's default, including attorney's fees. Damage shall include, without limitation: all rentals lost, all legal expenses and other related costs incurred by the City following KPC's default, all costs incurred by the City in restoring the Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Premises for reletting the Premises for a comparable use, all costs (including without limitation any brokerage commissions and the value of the City's time) incurred by the City, plus interest thereon from the date of expenditure until fully repaid at the rate of eighteen percent (18%) per year.
- 22.6 If KPC does not pay any installment of rent, additional rent or other charges owed the City under this Agreement as and when due, to help defray the additional cost to the City for processing late payments KPC shall pay to the City on demand a late charge in an amount equal to five percent (5%) of the payment. The late charge shall be in addition to all of the City's other rights and remedies under this Agreement or at law and shall not be construed as liquidated damages or as limiting the City's remedies in any manner.
- 22.7 Pursuit of one (1) remedy shall not preclude pursuit of any other remedies, such remedies being cumulative and non-exclusive, nor shall pursuit of any remedy constitute a forfeiture or waiver of any rent due the City or of any damages accruing to the City by reason of KPC's breach of this Agreement. No act or thing done by the City or its agents during the term of this Agreement shall be deemed a termination of this Agreement or an acceptance of the surrender of the Premises. No agreement to terminate this Agreement or accept a surrender of said Premises shall be valid unless in writing signed by the City. No waiver by the City of any violation or breach of this Agreement shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms of this Agreement. The City's acceptance of the payment of rental or other payments after the occurrence of an event of default shall not be deemed or construed as a waiver of such default, or as an accord and satisfaction. Forbearance by the City to enforce one (1) or more of the remedies upon an event of default shall not be deemed or construed to constitute a waiver of such default or of the City's right to enforce any remedies with respect to such default or any subsequent default.
- 22.8 If the City employs the services of an attorney in connection with an event of default by KPC under this Agreement, or if either party brings an action or proceeding against the other party arising out of or concerning performance or interpretation of this Agreement, the prevailing party shall be entitled to recover from the other party its attorney's fees and costs.

#### **ARTICLE 23 – SURRENDER OF PREMISES AND REMOVAL OF PROPERTY**

- 23.1 Surrender of Premises. Upon termination or expiration of this Agreement, KPC shall surrender to the City the Premises and all keys therefor.



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- 23.2 **Conditions of Premises upon Surrender.** The Premises to be surrendered to City shall be surrendered in as good a condition as on the date of their acceptance by KPC, except for the effects of improvements, additions, alterations, and repairs made with the concurrence of City; property damage by fire and other perils insured in contracts or policies of fire, extended coverage, and vandalism; reasonable wear and tear, and acts of God.
- 23.3 **Removal of Property.** Prior to the expiration of this Agreement, or within sixty (60) days after termination in the event of an earlier termination of this Agreement, KPC shall remove from the Premises, at no cost or expense to the City, all personal property owned and placed in or on the Premises by KPC, its agents, invitees, employees, contractors or successors. In removing such personal property, KPC shall take due care to not damage or injure the Premises, and any such damage or injury shall be immediately repaired by the KPC to the City Manager's reasonable satisfaction, at KPC's sole cost and expense. Structural alterations, additions, and Tenant Improvements shall not be removed. In no event shall either party make any claim or demand upon the other, nor shall either party be liable for any inconvenience, annoyance, disturbance, or loss of business arising out of such removal operation during such sixty (60) day period.

#### **ARTICLE 24 – NO WAIVERS**

No action other than a written document by the City Manager or the KPC Board President specifically so stating shall constitute a waiver by a party of any particular breach or default by the other. No such document shall waive a failure to fully comply with any term or condition of this Agreement not specifically referenced therein, irrespective of any knowledge any officer or employee of a party may have of such breach, default, or noncompliance. A party's failure to insist upon full performance of any provision of this Agreement shall not be deemed to constitute consent to or acceptance of such incomplete performance in the future.

#### **ARTICLE 25 – REMEDIES CUMULATIVE**

The rights under this Agreement are cumulative; the failure to exercise promptly any right recognized hereunder shall not operate to forfeit any such right. The use of one (1) remedy shall not be taken to exclude or waive the right to use another.

#### **ARTICLE 26 – OBLIGATION OF KPC LIMITED TO CORPORATION**

Any and all obligations of KPC under this Agreement are enforceable only against Kirkland Performance Center, a nonprofit corporation, and are not enforceable against nor do they impose any liability upon KPC's officers, directors, trustee, members, employees, or agents.

#### **ARTICLE 27 – ADDRESSES**

- 27.1 Unless otherwise directed in writing, all notices and reports shall be in writing, and together with any payments, shall be delivered to City at the following address:

Kurt Triplett  
City Manager  
City of Kirkland  
123 Fifth Avenue  
Kirkland, Washington, 98033-6189



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27.2 and to KPC at the following address:

Jeff Lockhart  
Executive Director  
Kirkland Performance Center  
350 Kirkland Avenue  
Kirkland, Washington, 98033

27.3 Either party may change its address for receipt of reports, notices or payments without the formal amendment of this Agreement by giving the other party written notice of such change not less than fifteen (15) days prior to the effective date thereof.

#### **ARTICLE 28 – TITLES OF ARTICLES**

The titles of articles and subsections set forth herein are for convenience only, and do not in any way define, limit or construe the contents of any article.

#### **ARTICLE 29 – AMENDMENTS**

No change, alteration, modification, or addition to this Agreement shall be effective unless it is in writing and properly signed by both parties hereto.

#### **ARTICLE 30 – DISPUTE RESOLUTION**

In the event a dispute arises as to whether the parties are complying with the terms of this Agreement, the parties agree to use the following dispute resolution procedure before pursuing any other remedy. First, either party may give notice to the other of the dispute and the City Manager and the KPC President or their designees will meet within three (3) City business days to attempt to resolve the dispute. If the dispute continues, either party may give written notice to the other and a Resolution Panel will be formed consisting of one (1) member selected by the City Manager, one (1) member selected by the KPC President, and a third member selected by the first two. The City shall pay any costs or fees associated with the member it selects. KPC shall pay any costs or fees associated with the member it selects. The City and KPC shall each pay one half (1/2) of any costs or fees required for the third member. The parties agree to present the dispute to the Resolution Panel within twenty (20) calendar days after the written notice. The decision of the Resolution Panel will be announced within ten (10) City business days.

#### **ARTICLE 31 – ENTIRE AGREEMENT**

The parties hereto acknowledge that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against either party on the basis of that party's having drafted the same. This Agreement, together with all of the exhibits attached hereto, embodies the entire Agreement of the parties hereto. There are no other understandings or agreements, written or oral, between the parties regarding the Premises except as expressly referenced herein.





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Exhibit A

IN WITNESS, WHEREOF, the authorized representatives of the parties hereto have executed this Agreement by affixing their signatures in the spaces below.

DATED this 31<sup>st</sup> day of May, 2018.

CITY OF KIRKLAND

KIRKLAND PERFORMANCE CENTER

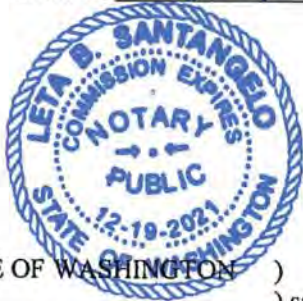
By: Kurt Triplett  
Kurt Triplett, City Manager

By: Jeff Lockhart  
Jeff Lockhart, Executive Director

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Jeff Lockhart is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the Executive Director of the Kirkland Performance Center, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 5/31/18



Leta B. Santangelo  
Leta B. Santangelo [Print Name]  
NOTARY PUBLIC in and for the State of  
Washington, residing at Kirkland  
My commission expires: 12-19-2021

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Kurt Triplett is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the City Manager of the City of Kirkland, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 5/31/18



Leta B. Santangelo  
Leta B. Santangelo [Print Name]  
NOTARY PUBLIC in and for the State of  
Washington, residing at Kirkland  
My commission expires: 12-19-2021



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Accrual Basis

# Kirkland Performance Center

## Profit & Loss Budget Overview

### July 2019 through June 2020

	Jul '19 - Jun 20
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
43400 · Program Contributions	
43410 · Individ, Business Contributions	125,938.00
43420 · Corporate_Found. Contributions	50,000.00
43430 · Government	
43435 · COK Support Contract	50,000.00
43436 · COK Admission Tax Refund	31,122.00
<b>Total 43430 · Government</b>	<b>81,122.00</b>
43600 · Fundraising Event Income	
43700 · Auction Gala - Cash Receipts	225,000.00
43800 · Fundraising Show Donations	19,000.00
44000 · Artist Sponsorship	103,500.00
<b>Total 43600 · Fundraising Event Income</b>	<b>347,500.00</b>
<b>Total 43400 · Program Contributions</b>	<b>604,560.00</b>
50000 · Theatre Performances	
50100 · Rental Revenue	425,613.00
50200 · Presented Ticket Sales	516,695.00
50300 · Ticketing Fees	137,700.00
<b>Total 50000 · Theatre Performances</b>	<b>1,080,008.00</b>
50400 · Concession Sales	68,700.00
51000 · Interest-Savings, Short-term CD	20,000.00
<b>Total Income</b>	<b>1,773,268.00</b>
<b>Gross Profit</b>	<b>1,773,268.00</b>
<b>Expense</b>	
72000 · Personnel Expenses	
72050 · Salary - Executive Director	114,996.00
72100 · Salaries (Except ED)	369,444.00
72200 · Hourly Wages- Tech	96,298.00
72225 · Hourly wages - FOH	25,590.00
72260 · Hourly Wages- Box office	22,367.00
72270 · Hourly Wages - Development	20,400.00
72300 · Payroll taxes	71,186.00
72400 · Employee Benefits	
72410 · 401k ER Match	16,716.00
72415 · Health Benefits-Medical	45,936.00
72420 · Other Employee Benefits	2,140.00
<b>Total 72400 · Employee Benefits</b>	<b>64,792.00</b>
<b>Total 72000 · Personnel Expenses</b>	<b>785,073.00</b>
75000 · Contract Services	
75200 · Accounting Fees	123,703.76
75450 · Programming Services	20,000.04
<b>Total 75000 · Contract Services</b>	<b>143,703.80</b>
81000 · Direct Presented Expenses	
81100 · Artist Fees	332,136.00
81200 · Artist Hospitality	26,368.00
81300 · Production Expense	80,303.00



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Accrual Basis

# Kirkland Performance Center

## Profit & Loss Budget Overview

July 2019 through June 2020

	Jul '19 - Jun 20
85100 · Marketing/PR/Advertising	14,890.00
87050 · Merchant Account Fees	40,421.00
<b>Total 81000 · Direct Presented Expenses</b>	<b>494,118.00</b>
82000 · Concession Expense	21,900.00
83000 · Facilities and Equipment	
83100 · Utilities	45,400.00
83150 · Repairs & Maintenance	6,000.00
83200 · Technical supplies	2,600.00
83250 · Cleaning & Janitorial	7,650.00
<b>Total 83000 · Facilities and Equipment</b>	<b>61,650.00</b>
84000 · Marketing & PR (indirect)	22,601.00
86000 · Office expenses	
86550 · Equipment Rental	20,040.00
86600 · Supplies	8,450.00
86700 · Postage	4,200.00
86800 · Telephone, Telecommunications	12,000.00
86900 · Service Charges	1,630.00
<b>Total 86000 · Office expenses</b>	<b>46,320.00</b>
86200 · Insurance - Liability, D and O	
86250 · Insurance- Directors & Officers	1,813.00
86300 · Liability	13,860.00
<b>Total 86200 · Insurance - Liability, D and O</b>	<b>15,673.00</b>
87000 · Other Types of Expenses	
65130 · Books, Subscriptions, Reference	1,790.00
84050 · Travel & Meeting Expenses	
84100 · Travel & Vehicle Exp	5,475.00
84200 · Conference, Convention, Meeting	4,330.00
<b>Total 84050 · Travel &amp; Meeting Expenses</b>	<b>9,805.00</b>
86500 · Information Technology	45,708.00
87200 · License & Permits	981.00
87500 · Misc	550.00
90000 · Interest Expense	375.00
<b>Total 87000 · Other Types of Expenses</b>	<b>59,209.00</b>
89000 · Special Event Expense	112,600.00
<b>Total Expense</b>	<b>1,762,847.80</b>
<b>Net Ordinary Income</b>	<b>10,420.20</b>
<b>Net Income</b>	<b>10,420.20</b>



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## Kirkland Performance Center

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## Balance Sheet

Accrual Basis

As of June 30, 2019

	Jun 30, 19
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
10000 · Cash	
10010 · Checking - Operating 284	206,787.50
10020 · Checking - Box Office 292	253,383.52
10030 · Charles Schwab Cash Account	291.32
10350 · Ameritrade Cash Account	2,336.75
10400 · Savings - WA Fed 8005	21,346.39
10460 · Concession Till	600.00
10470 · Box office till	300.00
10480 · DIT Till Accounts	1,293.00
Total 10000 · Cash	486,338.48
Total Checking/Savings	486,338.48
Accounts Receivable	
11000 · Accounts Receivable	39,292.43
12000 · Pledges Receivable	50,834.00
Total Accounts Receivable	90,126.43
Other Current Assets	
10150 · Undeposited Funds	7,450.53
12501 · Allowance -Uncollectable pledge	-5,083.00
13000 · Prepaids & Other Current Assets	
13010 · Auction Gala	23,925.00
13030 · Ticket Fees & other	10,312.71
Total 13000 · Prepaids & Other Current Assets	34,237.71
13100 · Charles Scwab Investment	3,794.25
Total Other Current Assets	40,399.49
Total Current Assets	616,864.40
Fixed Assets	
15000 · Office Equipment & Furniture	46,717.24
15100 · Theatre Improvements & Equip	3,871,673.30
15200 · Accumulated Depreciation	-2,459,560.39
Total Fixed Assets	1,458,830.15
Other Assets	
18000 · Endowment	
18100 · Certificate of Deposit	110,011.11
18200 · Ameritrade Investment	416,174.00
Total 18000 · Endowment	526,185.11
18300 · Assets held by foundation	84,763.53
Total Other Assets	610,948.64
<b>TOTAL ASSETS</b>	<b>2,686,643.19</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	27,422.25
Total Accounts Payable	27,422.25



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Accrual Basis

**Kirkland Performance Center****Balance Sheet**

As of June 30, 2019

	Jun 30, 19
<b>Credit Cards</b>	
20200 · Credit Cards	
20295 · ED- Citibank Costco 1997	4,803.42
<b>Total 20200 · Credit Cards</b>	<b>4,803.42</b>
<b>Total Credit Cards</b>	<b>4,803.42</b>
<b>Other Current Liabilities</b>	
21000 · Accrued Expenses	
21100 · Accrued Payroll	37,832.91
21150 · Accrued Vacation	7,297.60
21200 · Accrued Payroll Taxes	3,054.04
21300 · Sales Tax Payable	307.31
21350 · Admission tax payable	258.38
21400 · Accrued Expenses - Other	3,675.72
<b>Total 21000 · Accrued Expenses</b>	<b>52,425.96</b>
23000 · Deferred Revenue	
23100 · Ticket Sales	59,643.00
23200 · Rental Deposits	78,555.00
23300 · KP Cards / Gift Certificates	7,629.40
23410 · Auction	
23415 · Auction Event	36,000.00
23420 · Donated Goods	8,500.00
<b>Total 23410 · Auction</b>	<b>44,500.00</b>
<b>23500 · Onstage</b>	<b>83,501.00</b>
<b>Total 23000 · Deferred Revenue</b>	<b>273,828.40</b>
<b>Total Other Current Liabilities</b>	<b>326,254.36</b>
<b>Total Current Liabilities</b>	<b>358,480.03</b>
<b>Total Liabilities</b>	<b>358,480.03</b>
<b>Equity</b>	
32000 · Unrestricted Net Assets	2,430,154.59
Net Income	-101,991.43
<b>Total Equity</b>	<b>2,328,163.16</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,686,643.19</b>



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Accrual Basis

**Kirkland Performance Center**  
**Profit & Loss Budget vs. Actual**  
**July 2018 through June 2019**

	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
51000 · Interest-Savings, Short-term CD	13,054.71	9,702.00	3,352.71	134.6%
50400 · Concession Sales	69,865.55	63,586.00	6,279.55	109.9%
43400 · Program Contributions				
43500 · Noncash donations				
43500 · Noncash donations - Other				
43520 · Gifts in Kind - Goods	400.00		400.00	100.0%
43510 · Donated Professional Services	13,379.00		13,379.00	100.0%
<b>Total 43500 · Noncash donations</b>	<b>13,779.00</b>		<b>13,779.00</b>	<b>100.0%</b>
43420 · Corporate_Found. Contributions	37,416.09	55,800.00	-18,383.91	67.1%
43430 · Government				
43430 · Government - Other				
43437 · Restricted Equipment Grant				
43435 · COK Support Contract	50,000.00	50,000.00		100.0%
43436 · COK Admission Tax Refund	56,790.60	43,000.00	13,790.60	132.1%
<b>Total 43430 · Government</b>	<b>106,790.60</b>	<b>93,000.00</b>	<b>13,790.60</b>	<b>114.8%</b>
43410 · Individ, Business Contributions				
43411 · Education grant- restricted	11,412.00		11,412.00	100.0%
43410 · Individ, Business Contributions - Other	122,380.27	117,000.00	5,380.27	104.6%
<b>Total 43410 · Individ, Business Contributions</b>	<b>133,792.27</b>	<b>117,000.00</b>	<b>16,792.27</b>	<b>114.4%</b>
43600 · Fundraising Event Income				
43600 · Fundraising Event Income - Other	19,215.00	29,000.00	-9,785.00	66.3%
44000 · Artist Sponsorship	19,429.68	107,000.00	-87,570.32	18.2%
43700 · Auction Gala - Cash Receipts				
43700 · Auction Gala - Cash Receipts - Other		210,000.00	-210,000.00	
43735 · Merchandise sales	3,760.00			
43719 · Benefactors	22,350.00			
43720 · Table sponsorships				
43725 · Ticket Sales	11,900.00			
43728 · Contributions	11,900.00			
<b>Total 43720 · Table sponsorships</b>	<b>23,800.00</b>			
43730 · Live & Silent Auction Proceeds	26,886.00			
43740 · Raise the Paddle	42,750.00			
<b>Total 43700 · Auction Gala - Cash Receipts</b>	<b>119,546.00</b>	<b>210,000.00</b>	<b>-90,454.00</b>	<b>56.9%</b>
<b>Total 43600 · Fundraising Event Income</b>	<b>158,190.68</b>	<b>346,000.00</b>	<b>-187,809.32</b>	<b>45.7%</b>
<b>Total 43400 · Program Contributions</b>	<b>449,968.64</b>	<b>611,800.00</b>	<b>-161,831.36</b>	<b>73.5%</b>
50000 · Theatre Performances				
50250 · Education & Outreach Events	2,637.14			
50300 · Ticketing Fees	162,651.30	143,682.00	18,969.30	113.2%
50100 · Rental Revenue	386,324.83	354,040.00	32,284.83	109.1%
50200 · Presented Ticket Sales	536,345.79	451,576.00	84,769.79	118.8%
<b>Total 50000 · Theatre Performances</b>	<b>1,087,959.06</b>	<b>949,298.00</b>	<b>138,661.06</b>	<b>114.6%</b>
<b>Total Income</b>	<b>1,620,847.96</b>	<b>1,634,386.00</b>	<b>-13,538.04</b>	<b>99.2%</b>
<b>Gross Profit</b>	<b>1,620,847.96</b>	<b>1,634,386.00</b>	<b>-13,538.04</b>	<b>99.2%</b>
<b>Expense</b>				
86200 · Insurance - Liability, D and O				
86250 · Insurance- Directors & Officers	1,812.96	1,852.00	-39.04	97.9%
86300 · Liability	13,944.80	14,460.00	-515.20	96.4%
<b>Total 86200 · Insurance - Liability, D and O</b>	<b>15,757.76</b>	<b>16,312.00</b>	<b>-554.24</b>	<b>96.6%</b>
82000 · Concession Expense				
82000 · Concession Expense - Other		18,687.00	-18,687.00	
82200 · Alcoholic Beverages	7,687.33			
82100 · Food & Nonalcoholic beverage	12,613.91		12,613.91	100.0%
<b>Total 82000 · Concession Expense</b>	<b>20,301.24</b>	<b>18,687.00</b>	<b>1,614.24</b>	<b>108.6%</b>
84000 · Marketing & PR (indirect)	22,627.17	15,000.00	7,627.17	150.8%



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Accrual Basis

**Kirkland Performance Center**  
**Profit & Loss Budget vs. Actual**  
**July 2018 through June 2019**

	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>87000 · Other Types of Expenses</b>				
87500 · Misc	107.58			
90000 · Interest Expense	591.37	120.00	471.37	492.8%
87200 · License & Permits	1,006.20	905.00	101.20	111.2%
65130 · Books, Subscriptions, Reference	1,069.64	825.00	244.64	129.7%
87300 · Bad Debt Expense	4,183.00			
<b>84050 · Travel &amp; Meeting Expenses</b>				
84100 · Travel & Vehicle Exp	432.09	4,590.00	-4,157.91	9.4%
84300 · Meals / Business Development	988.29			
84200 · Conference, Convention, Meeting	3,101.00	595.00	2,506.00	521.2%
<b>Total 84050 · Travel &amp; Meeting Expenses</b>	<b>4,521.38</b>	<b>5,185.00</b>	<b>-663.62</b>	<b>87.2%</b>
<b>86500 · Information Technology</b>	<b>24,706.09</b>	<b>20,760.00</b>	<b>3,946.09</b>	<b>119.0%</b>
<b>Total 87000 · Other Types of Expenses</b>	<b>36,185.26</b>	<b>27,795.00</b>	<b>8,390.26</b>	<b>130.2%</b>
<b>86000 · Office expenses</b>				
86900 · Service Charges	884.13	1,140.00	-255.87	77.6%
86700 · Postage	3,699.03	2,504.00	1,195.03	147.7%
86600 · Supplies	9,243.34	5,274.00	3,969.34	175.3%
86800 · Telephone, Telecommunications	11,208.88	10,247.00	961.88	109.4%
86550 · Equipment Rental	20,378.54	19,152.00	1,226.54	106.4%
<b>Total 86000 · Office expenses</b>	<b>45,413.92</b>	<b>38,317.00</b>	<b>7,096.92</b>	<b>118.5%</b>
<b>83000 · Facilities and Equipment</b>				
83200 · Technical supplies	4,571.25	6,000.00	-1,428.75	76.2%
83150 · Repairs & Maintenance	4,890.77	6,178.00	-1,287.23	79.2%
83250 · Cleaning & Janitorial	6,734.13	8,100.00	-1,365.87	83.1%
83100 · Utilities	41,634.35	44,724.00	-3,089.65	93.1%
<b>Total 83000 · Facilities and Equipment</b>	<b>57,830.50</b>	<b>65,002.00</b>	<b>-7,171.50</b>	<b>89.0%</b>
<b>75000 · Contract Services</b>				
75500 · Fundraising	1,653.50			
75400 · Legal Fees	2,145.08			
75450 · Programming Services	20,000.04	20,000.00	0.04	100.0%
75200 · Accounting Fees	55,603.14	66,920.00	-11,316.86	83.1%
<b>Total 75000 · Contract Services</b>	<b>79,401.76</b>	<b>86,920.00</b>	<b>-7,518.24</b>	<b>91.4%</b>
<b>89000 · Special Event Expense</b>				
89305 · Sound		2,000.00	-2,000.00	
89000 · Special Event Expense - Other				
89325 · Printing and Design -	1,508.79	4,000.00	-2,491.21	37.7%
89300 · Audio Visual Decor	8,480.47	9,000.00	-519.53	94.2%
89350 · Other	8,606.34	5,000.00	3,606.34	172.1%
89150 · Entertainment	8,716.00	9,000.00	-284.00	96.8%
89250 · Auction Coordinator Fee	17,342.50	17,000.00	342.50	102.0%
89100 · Catering and Wine	18,296.27	43,000.00	-24,703.73	42.5%
89200 · Merchandise purchases	24,892.12	10,000.00	14,892.12	248.9%
<b>Total 89000 · Special Event Expense</b>	<b>87,842.49</b>	<b>99,000.00</b>	<b>-11,157.51</b>	<b>88.7%</b>
<b>81000 · Direct Presented Expenses</b>				
85100 · Marketing/PR/Advertising	15,820.51	12,451.00	3,369.51	127.1%
81500 · Ticket fees	23,892.86	23,676.00	216.86	100.9%
81200 · Artist Hospitality				
81200 · Artist Hospitality - Other		30,775.00	-30,775.00	
81220 · Hospitality & Transportation	8,670.13			
81210 · Lodging	15,934.08		15,934.08	100.0%
<b>Total 81200 · Artist Hospitality</b>	<b>24,604.21</b>	<b>30,775.00</b>	<b>-6,170.79</b>	<b>79.9%</b>
<b>87050 · Merchant Account Fees</b>	<b>44,455.19</b>	<b>35,941.00</b>	<b>8,514.19</b>	<b>123.7%</b>
<b>81300 · Production Expense</b>				
81300 · Production Expense - Other		46,912.00	-46,912.00	
81310 · Royalties	4,910.15			
81320 · Equipment Rental	17,037.03			
81330 · Cleaning	34,218.50		34,218.50	100.0%
<b>Total 81300 · Production Expense</b>	<b>56,165.68</b>	<b>46,912.00</b>	<b>9,253.68</b>	<b>119.7%</b>
<b>81100 · Artist Fees</b>	<b>382,066.56</b>	<b>300,422.00</b>	<b>81,644.56</b>	<b>127.2%</b>
<b>Total 81000 · Direct Presented Expenses</b>	<b>547,005.01</b>	<b>450,177.00</b>	<b>96,828.01</b>	<b>121.5%</b>



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08/27/19

Accrual Basis

**Kirkland Performance Center**  
**Profit & Loss Budget vs. Actual**  
**July 2018 through June 2019**

	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>72000 · Personnel Expenses</b>				
72250 · Hourly Wages - Marketing	556.88			
72225 · Hourly wages - FOH	7,854.00	17,492.00	-9,638.00	44.9%
72260 · Hourly Wages- Box office	24,406.63	22,854.00	1,552.63	106.8%
72270 · Hourly Wages - Development	29,248.91	35,100.00	-5,851.09	83.3%
<b>72400 · Employee Benefits</b>				
72420 · Other Employee Benefits	2,179.58	3,890.00	-1,710.42	56.0%
72410 · 401k ER Match	14,276.32	16,307.00	-2,030.68	87.5%
72415 · Health Benefits-Medical	49,822.31	45,847.00	3,975.31	108.7%
<b>Total 72400 · Employee Benefits</b>	<b>66,278.21</b>	<b>66,044.00</b>	<b>234.21</b>	<b>100.4%</b>
<b>72300 · Payroll taxes</b>	<b>67,366.38</b>	<b>67,811.00</b>	<b>-444.62</b>	<b>99.3%</b>
72200 · Hourly Wages- Tech	88,742.26	82,314.00	6,428.26	107.8%
72050 · Salary - Executive Director	127,209.43	125,000.00	2,209.43	101.8%
72100 · Salaries (Except ED)	329,804.05	330,504.96	-700.91	99.8%
<b>Total 72000 · Personnel Expenses</b>	<b>741,466.75</b>	<b>747,119.96</b>	<b>-5,653.21</b>	<b>99.2%</b>
<b>Total Expense</b>	<b>1,653,831.86</b>	<b>1,564,329.96</b>	<b>89,501.90</b>	<b>105.7%</b>
<b>Net Ordinary Income</b>	<b>-32,983.90</b>	<b>70,056.04</b>	<b>-103,039.94</b>	<b>-47.1%</b>
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
90501 · Unrealized Gain/Loss on Invest	-13,945.57			
90500 · Realized Gain/Loss on Investmen	-8,119.90			
90510 · Depreciation	91,073.00			
<b>Total Other Expense</b>	<b>69,007.53</b>			
<b>Net Other Income</b>	<b>-69,007.53</b>		<b>-69,007.53</b>	<b>100.0%</b>
<b>Net Income</b>	<b>-101,991.43</b>	<b>70,056.04</b>	<b>-172,047.47</b>	<b>-145.6%</b>



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08/27/19

Accrual Basis

## Kirkland Performance Center

## Profit &amp; Loss

July 2018 through June 2019

	Jul '18 - Jun 19
Ordinary Income/Expense	
Income	
43400 · Program Contributions	
43410 · Individ, Business Contributions	
43411 · Education grant- restricted	11,412.00
43410 · Individ, Business Contributions - Other	122,380.27
Total 43410 · Individ, Business Contributions	133,792.27
43420 · Corporate_Found. Contributions	37,416.09
43430 · Government	
43435 · COK Support Contract	50,000.00
43436 · COK Admission Tax Refund	56,790.60
Total 43430 · Government	106,790.60
43500 · Noncash donations	
43510 · Donated Professional Services	13,379.00
43520 · Gifts in Kind - Goods	400.00
Total 43500 · Noncash donations	13,779.00
43600 · Fundraising Event Income	
43700 · Auction Gala - Cash Receipts	
43719 · Benefactors	22,350.00
43720 · Table sponsorships	
43725 · Ticket Sales	11,900.00
43728 · Contributions	11,900.00
Total 43720 · Table sponsorships	23,800.00
43730 · Live & Silent Auction Proceeds	26,886.00
43735 · Merchandise sales	3,760.00
43740 · Raise the Paddle	42,750.00
Total 43700 · Auction Gala - Cash Receipts	119,546.00
44000 · Artist Sponsorship	19,429.68
43600 · Fundraising Event Income - Other	19,215.00
Total 43600 · Fundraising Event Income	158,190.68
Total 43400 · Program Contributions	449,968.64
50000 · Theatre Performances	
50100 · Rental Revenue	386,324.83
50200 · Presented Ticket Sales	536,345.79
50250 · Education & Outreach Events	2,637.14
50300 · Ticketing Fees	162,651.30
Total 50000 · Theatre Performances	1,087,959.06
50400 · Concession Sales	69,865.55
51000 · Interest-Savings, Short-term CD	13,054.71
Total Income	1,620,847.96
Gross Profit	1,620,847.96
Expense	
72000 · Personnel Expenses	
72050 · Salary - Executive Director	127,209.43
72100 · Salaries (Except ED)	329,804.05
72200 · Hourly Wages- Tech	88,742.26
72225 · Hourly wages - FOH	7,854.00
72250 · Hourly Wages - Marketing	556.88
72260 · Hourly Wages- Box office	24,406.63
72270 · Hourly Wages - Development	29,248.91
72300 · Payroll taxes	67,366.38



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08/27/19

Accrual Basis

## Kirkland Performance Center

## Profit &amp; Loss

July 2018 through June 2019

	Jul '18 - Jun 19
72400 · Employee Benefits	
72410 · 401k ER Match	14,276.32
72415 · Health Benefits-Medical	49,822.31
72420 · Other Employee Benefits	2,179.58
Total 72400 · Employee Benefits	66,278.21
Total 72000 · Personnel Expenses	741,466.75
75000 · Contract Services	
75200 · Accounting Fees	55,603.14
75400 · Legal Fees	2,145.08
75450 · Programming Services	20,000.04
75500 · Fundraising	1,653.50
Total 75000 · Contract Services	79,401.76
81000 · Direct Presented Expenses	
81100 · Artist Fees	382,066.56
81200 · Artist Hospitality	
81210 · Lodging	15,934.08
81220 · Hospitality & Transportation	8,670.13
Total 81200 · Artist Hospitality	24,604.21
81300 · Production Expense	
81310 · Royalties	4,910.15
81320 · Equipment Rental	17,037.03
81330 · Cleaning	34,218.50
Total 81300 · Production Expense	56,165.68
81500 · Ticket fees	23,892.86
85100 · Marketing/PR/Advertising	15,820.51
87050 · Merchant Account Fees	44,455.19
Total 81000 · Direct Presented Expenses	547,005.01
82000 · Concession Expense	
82100 · Food & Nonalcoholic beverage	12,613.91
82200 · Alcoholic Beverages	7,687.33
Total 82000 · Concession Expense	20,301.24
83000 · Facilities and Equipment	
83100 · Utilities	41,634.35
83150 · Repairs & Maintenance	4,890.77
83200 · Technical supplies	4,571.25
83250 · Cleaning & Janitorial	6,734.13
Total 83000 · Facilities and Equipment	57,830.50
84000 · Marketing & PR (indirect)	22,627.17
86000 · Office expenses	
86550 · Equipment Rental	20,378.54
86600 · Supplies	9,243.34
86700 · Postage	3,699.03
86800 · Telephone, Telecommunications	11,208.88
86900 · Service Charges	884.13
Total 86000 · Office expenses	45,413.92
86200 · Insurance - Liability, D and O	
86250 · Insurance- Directors & Officers	1,812.96
86300 · Liability	13,944.80
Total 86200 · Insurance - Liability, D and O	15,757.76
87000 · Other Types of Expenses	
65130 · Books, Subscriptions, Reference	1,069.64



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08/27/19

Accrual Basis

## Kirkland Performance Center

## Profit &amp; Loss

July 2018 through June 2019

	Jul '18 - Jun 19
84050 · Travel & Meeting Expenses	
84100 · Travel & Vehicle Exp	432.09
84200 · Conference, Convention, Meeting	3,101.00
84300 · Meals / Business Development	988.29
Total 84050 · Travel & Meeting Expenses	4,521.38
86500 · Information Technology	24,706.09
87200 · License & Permits	1,006.20
87300 · Bad Debt Expense	4,183.00
87500 · Misc	107.58
90000 · Interest Expense	591.37
Total 87000 · Other Types of Expenses	36,185.26
89000 · Special Event Expense	
89100 · Catering and Wine	18,296.27
89150 · Entertainment	8,716.00
89200 · Merchandise purchases	24,892.12
89250 · Auction Coordinator Fee	17,342.50
89300 · Audio Visual Decor	8,480.47
89325 · Printing and Design -	1,508.79
89350 · Other	8,606.34
Total 89000 · Special Event Expense	87,842.49
Total Expense	1,653,831.86
Net Ordinary Income	-32,983.90
Other Income/Expense	
Other Expense	
90500 · Realized Gain/Loss on Investmen	-8,119.90
90501 · Unrealized Gain/Loss on Invest	-13,945.57
90510 · Depreciation	91,073.00
Total Other Expense	69,007.53
Net Other Income	-69,007.53
Net Income	-101,991.43



Event	Tickets Sold	Total Ticket Sales	Admissions Tax Collected	Service Charges	Average Ticket Price
7th Annual In Concert for Cancer Benefit	295	\$ 24,509.00	\$ 1,167.10	\$ 1,140.00	\$ 83.08
A Gala of Three Baritones	118	\$ 5,560.00	\$ 264.76	\$ 472.00	\$ 47.12
Aaron Mahnke	71	\$ 2,769.00	\$ 131.86	\$ 684.00	\$ 39.00
Across the Great Divide: Dustbowl Revival and Hot Club of Cowtown	317	\$ 13,280.40	\$ 632.40	\$ 2,976.00	\$ 41.89
Amazing Bubble Man (archived)	772	\$ 13,398.52	\$ 638.02	\$ 3,088.00	\$ 17.36
An Evening with Colin Hay	369	\$ 20,240.00	\$ 963.81	\$ 4,404.00	\$ 54.85
Andy McKee	167	\$ 5,565.00	\$ 265.00	\$ 1,644.00	\$ 33.32
Asleep At The Wheel	376	\$ 16,060.50	\$ 764.79	\$ 4,428.00	\$ 42.71
Barvinok Ukrainian Dance Ensemble	309	\$ 5,300.00	\$ 252.38	\$ 1,236.00	\$ 17.15
Best of the Seattle Comedy Competition starring Ty Barnett	255	\$ 8,813.00	\$ 419.67	\$ 2,664.00	\$ 34.56
Brazilian Duo Yamandu Costa and Guto Wirtti	163	\$ 7,224.00	\$ 344.00	\$ 588.00	\$ 44.32
Capitol Steps	385	\$ 19,220.00	\$ 915.24	\$ 3,084.00	\$ 49.92
Dawg Trio ? With David Grisman, Sam Grisman & Danny Barnes	424	\$ 18,093.00	\$ 861.57	\$ 4,236.00	\$ 42.67
Don Felder, Formerly of the Eagles	705	\$ 63,611.20	\$ 3,029.10	\$ 8,112.00	\$ 90.23
Double Trouble	297	\$ 25,044.00	\$ 1,192.57	\$ 1,188.00	\$ 84.32
Geoffrey Castle's 11th Annual Celtic Christmas Celebration	378	\$ 12,094.00	\$ 575.90	\$ 4,164.00	\$ 31.99
Geoffrey Castle's 14th Annual St. Patrick's Celebration	352	\$ 11,264.00	\$ 536.38	\$ 3,768.00	\$ 32.00
Hamed Nikpay in Seattle	221	\$ 12,355.00	\$ 588.33	\$ 884.00	\$ 55.90
Hot Club of San Francisco	254	\$ 8,038.40	\$ 382.78	\$ 2,400.00	\$ 31.65
Janeane Garofalo	370	\$ 14,800.00	\$ 704.76	\$ 3,420.00	\$ 40.00
Jim French's Imagination Theater 2018-19	741	\$ 11,527.00	\$ 548.90	\$ 3,612.00	\$ 15.56
John McCutcheon	354	\$ 8,845.00	\$ 421.19	\$ 1,866.00	\$ 24.99
Jubal Flagg: Burn it Down	649	\$ 14,278.00	\$ 679.90	\$ 2,588.00	\$ 22.00
Karla Bonoff	351	\$ 14,742.00	\$ 702.00	\$ 3,072.00	\$ 42.00
Kirkland Community Musical: The Music Man	1514	\$ 46,836.00	\$ 2,230.29	\$ 5,520.00	\$ 30.94
Kirkland Investor Sharks-2018	104	\$ 3,904.00	\$ 185.90	\$ 400.00	\$ 37.54
La Dentro Da Mata, a kids play full of adventure!	219	\$ 3,285.00	\$ 156.43	\$ 876.00	\$ 15.00
Los Lobos - 2018-19 Season	370	\$ 21,090.00	\$ 1,004.29	\$ 4,416.00	\$ 57.00
Lost in Translation	76	\$ 2,180.00	\$ 103.81	\$ 304.00	\$ 28.68
Maria Schneider with SRJO   Presented with Earshot Jazz	55	\$ 2,865.00	\$ 136.43	\$ 172.00	\$ 52.09
Movements in Form	220	\$ 7,346.00	\$ 349.81	\$ 600.00	\$ 33.39
Natalie MacMaster & Donnell Leahy	373	\$ 18,650.00	\$ 888.10	\$ 3,336.00	\$ 50.00
NW Royal Natural Bodybuilding 2018	378	\$ 11,940.00	\$ 568.57	\$ 1,016.00	\$ 31.59
PNW Truthteller Tour	191	\$ 6,938.50	\$ 330.40	\$ 764.00	\$ 36.33
Rise Up- Historical	745	\$ 18,520.00	\$ 881.90	\$ 4,008.00	\$ 24.86
SBT: 3 Pigs	1829	\$ 20,226.50	\$ 963.17	\$ 5,279.00	\$ 11.06
SBT: Syd the Solstice Kid	957	\$ 13,773.00	\$ 655.86	\$ 2,802.00	\$ 14.39
SBT: The Little Engine That Could	1560	\$ 18,406.00	\$ 876.48	\$ 4,625.00	\$ 11.80
SBT: The Princess & the Pea	1588	\$ 18,473.00	\$ 879.67	\$ 4,657.00	\$ 11.63
Seattle International Comedy Competition Finals- 2018	362	\$ 15,204.00	\$ 724.00	\$ 3,636.00	\$ 42.00
SIRO-A Techno Circus	255	\$ 15,300.00	\$ 728.57	\$ 3,060.00	\$ 60.00
SRJO: A Night at the Village Vanguard	63	\$ 3,010.00	\$ 143.33	\$ 192.00	\$ 47.78
SRJO: Cubana Be Cubana Bop with special guest Ignacio Berroa	71	\$ 3,480.00	\$ 165.71	\$ 212.00	\$ 49.01
SRJO: I Got a Right to Sing the Blues	68	\$ 3,260.00	\$ 155.24	\$ 152.00	\$ 47.94
SRJO: Ray Charles? I Can't Stop Lovin? You	71	\$ 3,515.00	\$ 167.38	\$ 168.00	\$ 49.51
SRO: Led Zeppelin III & IV	735	\$ 29,356.00	\$ 1,397.90	\$ 8,016.00	\$ 39.94
Stephen Stills & Judy Collins	379	\$ 47,112.50	\$ 2,243.45	\$ 4,368.00	\$ 124.31
Studio East Summer Teen Musical: Footloose	1745	\$ 32,256.00	\$ 1,536.00	\$ 6,980.00	\$ 18.48
The Brothers Four 60th Anniversary Show	375	\$ 14,920.00	\$ 710.48	\$ 3,084.00	\$ 39.79
The Journey?s Annual Christmas Concert	350	\$ 8,348.00	\$ 397.52	\$ 1,400.00	\$ 23.85
The Kingston Trio	377	\$ 15,040.00	\$ 716.19	\$ 2,964.00	\$ 39.89
The Rumba Kings - 1819	199	\$ 6,726.00	\$ 320.29	\$ 788.00	\$ 33.80
The White Album at 50	356	\$ 9,612.00	\$ 457.71	\$ 1,424.00	\$ 27.00
Trombone Shorty & Orleans Avenue	371	\$ 31,535.00	\$ 1,501.67	\$ 4,404.00	\$ 85.00
True Loves	187	\$ 4,520.00	\$ 215.24	\$ 858.00	\$ 24.17
Twisted Flicks 18-19	415	\$ 6,970.00	\$ 331.90	\$ 2,274.00	\$ 16.80
Uncle Bonsai	137	\$ 3,915.00	\$ 186.43	\$ 548.00	\$ 28.58
Vaudeville Etiquette	312	\$ 7,757.50	\$ 369.40	\$ 1,500.00	\$ 24.86
We Will Rock You-2019	317	\$ 8,375.00	\$ 398.81	\$ -	\$ 26.42
What Are The Odds? An Evening with Dori Monson	334	\$ 12,340.00	\$ 587.62	\$ 1,336.00	\$ 36.95
World Famous Popovich Comedy Pet Theater Show	741	\$ 22,230.00	\$ 1,058.57	\$ 2,488.00	\$ 30.00



Show	Show Date
Altan	3/24/2020
BoDeans	11/6/2019
Booker T Jones	11/8/2019
Bowievision	3/27/2020
Chris Perondi's Stunt Dog Experience	3/19-20/2020
Don McLean	4/17/2020
Geoffrey Castle's Celtic Christmas	12/12-13/2019
Geoffrey Castle's St. Patrick's Day	3/17/2020
Good Lovelies	4/30/2020
Imagination Theatre	9/30/19, 11/4/19, 2/10/20, 4/27/20
Jake Shimabukuro	10/14/2019
Joan Osborne   The Weepies	3/25/2020
John Pizzarelli Trio	1/24/2020
Keola Beamer & Jeff Peterson	10/17/2020
Los Lobos	10/2/2019
Madeleine Peyroux	4/24/2020
Mamma Mia	2/7-16/2020
Mat Kearney	12/9/2019
Mavis Staples	1/15/2020
Micky Dolenz	11/9/2019
Napolean Dynamite	5/9/2020
Pink Martini	4/12/2020
Rise Up	11/14-15/2019
Robert Cray	11/13/2019
SICC	11/29/2019
Sierra Hull	4/10/2020
SRO: Dark Side of the Moon	3/28-29/2020
The Brothers Four	10/3/2019
The Posies	12/20/2019
Twisted Flicks	12/21/2019, 5/2/2020
We Will Rock You	1/25/2020





KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES  
October 1, 2019

Council Meeting: 10/15/19  
Agenda: Approval of Minutes  
Item #: 9. a.

1. CALL TO ORDER

Mayor Sweet called the study session to order at 6 p.m. and the regular meeting to order at 7:30 p.m.

2. ROLL CALL

Motion to Excuse Councilmember Asher's absence due to travel.

Moved by Councilmember Toby Nixon, seconded by Deputy Mayor Jay Arnold

Vote: Motion carried 6-0

Yes: Deputy Mayor Jay Arnold, Councilmember Kelli Curtis, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

ROLL CALL:

Members Present: Deputy Mayor Jay Arnold, Councilmember Kelli Curtis, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

Members Absent: Councilmember Dave Asher.

Also in attendance for the special joint meeting/study session were Planning Commission Chair Carter Bagg, Commissioners Scott Reusser, Angela Rozmyn, and Vice Chair John Tymczyszyn.

3. STUDY SESSION

a. Special Joint Meeting with Planning Commission

(1) Kirkland Zoning Code Chapter 95 – Tree Code Update

Joining the City Council and the Planning Commission at the table for the discussion were City Manager Kurt Triplett, Planning and Building Director Adam Weinstein, Deputy Planning Director Jeremy McMahan, and Urban Forester Deborah Powers.

4. EXECUTIVE SESSION

None.

5. HONORS AND PROCLAMATIONS

a. Domestic Violence Awareness Month Proclamation

Lifewire Secretary of the Board Diane Kuslich accepted the proclamation from Mayor Sweet and Councilmember Curtis.



b. Walk and Bike to School Month Proclamation

A large group of Kirkland elementary and middle school children accepted the proclamation from Mayor Sweet and Councilmember Pascal.

c. National Code Compliance Month Proclamation

City Code Enforcement Officers Shannon Sedlacek and Cindy Keirseey accepted the proclamation from Mayor Sweet and Councilmember Nixon.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Lile Ellefsen  
John Anderson  
J. T. Kimbell  
Cliff Harlow  
Kerstin Rogers  
Scott Morris  
Katherine Salas  
Jonathan Milstein  
Sara Titcome  
Jack Storey  
Lynda Haneman

c. Petitions

7. PUBLIC HEARINGS

a. Resolution R-5389, Opposing Initiative Measure No. 976, Concerning Motor Vehicle Taxes and Fees

- (1) Initiative Measure No. 976 Initiative Measure No. 976 concerns motor vehicle taxes and fees. This measure would repeal or remove authority to impose certain vehicle taxes and fees, including charges funding mass-transit or regional transportation; change vehicle valuation laws; and limit motor-vehicle-license fees to \$30, except voter-approved charges.

Mayor Sweet opened the public hearing. Intergovernmental Relations and Economic Development Manager Lorrie McKay provided an overview of the initiative and the proposed resolution, followed by testimony by Tim Eyman, Michelle Darnell and Andrew Villeneuve. No further testimony was offered and the Mayor closed the hearing.



Motion to Approve Resolution R-5389, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND OPPOSING INITIATIVE MEASURE NO. 976, CONCERNING MOTOR VEHICLE TAXES AND FEES."

Moved by Deputy Mayor Jay Arnold, seconded by Councilmember Tom Neir

Vote: Motion carried 5-1

Yes: Deputy Mayor Jay Arnold, Councilmember Kelli Curtis, Councilmember Tom Neir, Councilmember Jon Pascal, and Mayor Penny Sweet.

No: Councilmember Toby Nixon.

8. SPECIAL PRESENTATIONS

None.

9. CONSENT CALENDAR

a. Approval of Minutes

(1) September 17, 2019

b. Audit of Accounts and Payment of Bills and Payroll

Payroll:	\$3,973.864.85	
Bills:	\$10,504,652.60	
CA190918	Check #s 708112-708258	Wire #113
CA190925	Check #s 708259-708359	
CA190927	Check #s 708360-708361	
LB926A	Wire #s 114, 115	
P-Card	ACH	

c. General Correspondence

d. Claims

(1) Claims for Damages

Claims received from Margaret Moulden and David Warnick were acknowledged via approval of the consent calendar.

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements



h. Other Items of Business

- (1) Resolution R-5390, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ALLOCATING THE CITY'S PORTION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR 2020."

The resolution was adopted via approval of the consent calendar.

- (2) Resolution R-5391, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE, EXCEPT FOR A UTILITY EASEMENT, IN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNERS EVAN C. BLAKE AND DANIEL GILLISON."

The resolution was adopted via approval of the consent calendar.

- (3) Resolution R-5392, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ESTABLISHING A PARKS AND COMMUNITY SERVICES DEPARTMENT RESOURCE ALLOCATION MODEL AS AN ADDENDUM TO FISCAL POLICY ESTABLISHED THROUGH RESOLUTION R-5347."

The resolution was adopted via approval of the consent calendar.

- (4) Resignation of Library Board Member

Council acknowledged the resignation of Lorraine McReynolds and approved the draft response thanking her for her service via approval of the consent calendar.

- (5) Resignation of Tourism Development Committee Member

Council acknowledged the resignation of Ardene Skraban and approved the draft response thanking her for her service via approval of the consent calendar.

- (6) Procurement Report

Council acknowledged the report via approval of the consent calendar.

Motion to Approve the consent calendar.

Moved by Councilmember Kelli Curtis, seconded by Councilmember Jon Pascal

Vote: Motion carried 6-0

Yes: Deputy Mayor Jay Arnold, Councilmember Kelli Curtis, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.



## 10. BUSINESS

## a. Draft 2020 State Legislative Priorities

Intergovernmental Relations and Economic Development Manager Lorrie McKay provided an overview of the agenda development process and the proposed draft legislative priorities and received Council comment for incorporation into the next draft for Council consideration at one of their November meetings.

Council recessed for a short break.

## b. 132nd Square Park Master Plan Briefing

Park Planning and Development Manager Mary Gardocki, Assistant City Manager James Lopez, AHBL President Doreen Gavin and AHBL Director of Landscape Architecture Craig Skipton, provided a briefing on the draft master plan for 132nd Square Park, responded to questions from the Council and received final suggestions and edits.

Motion to Amend the 132nd Square Park Master Plan to add the following text to Page 25 of Section 5.03 Field Upgrades: "When scheduling the 132nd Square Park turf field programming, the Parks and Community Department will ensure that time is available during weekdays and on weekends for free, unstructured and unprogrammed community use."

Moved by Councilmember Kelli Curtis, seconded by Councilmember Tom Neir  
Vote: Motion failed 2 - 4

Yes: Councilmember Kelli Curtis, and Councilmember Tom Neir.

No: Deputy Mayor Jay Arnold, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

## c. Pesticide Reduction Strategies – Part 1

Green Partnership Supervisor Jodie Galvan provided an update on the Parks and Community Services Department's Integrated Pest Management Plan and the pest management practices of other municipalities and received Council direction regarding future practice.

## d. Goat Hill Storm Drainage Repair Project Update

Capital Projects Supervisor Aparna Khanal provided an update on the Goat Hill Storm Drainage Repair project and reviewed options for completing the project.

Motion to Approve the staff recommendation to move forward with option number 1 related to the Goat Hill Storm Drainage Repair Project and the fiscal note related thereto in the amount of \$294,500.

Moved by Councilmember Tom Neir, seconded by Councilmember Toby Nixon  
Vote: Motion carried 6-0



Yes: Deputy Mayor Jay Arnold, Councilmember Kelli Curtis, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

11. REPORTS

a. City Council Regional and Committee Reports

Councilmembers shared information regarding an upcoming Sound Cities Association Public Issues Committee meeting; the upcoming City Hall for All event; a Teaming Up! Affordable Housing Workshop at St. Luke's Lutheran Church in Bellevue; the Community Outreach Picnic at Juanita Beach; the upcoming Walk to School events at area elementary schools; and the exit conference with the Washington State Auditor's office.

b. City Manager Reports

(1) Calendar Update

City Manager Kurt Triplett noted the delay of the upcoming budget meeting until some statewide budget issues have been resolved. Councilmembers requested a future discussion about policing Big Finn Hill Park to the Public Safety Committee, and that the issue of road safety and maintenance on Goat Hill be referred to the Public Works, Parks and Human Services Committee. Assistant City Manager James Lopez briefed the Council on the activities for the upcoming City Hall for All event, in particular the Sustainability Summit.

12. ITEMS FROM THE AUDIENCE

None.

13. ADJOURNMENT

The Kirkland City Council regular meeting of October 1, 2019 was adjourned at 11:12 p.m.

---

Kathi Anderson, City Clerk

---

Penny Sweet, Mayor





**CITY OF KIRKLAND**  
**Department of Finance and Administration**  
**123 Fifth Avenue, Kirkland, WA 98033 425.587.3100**  
**[www.kirklandwa.gov](http://www.kirklandwa.gov)**

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Kathi Anderson, City Clerk  
**Date:** October 04, 2019  
**Subject:** CLAIM(S) FOR DAMAGES

### **RECOMMENDATION**

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

### **POLICY IMPLICATIONS**

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

### **BACKGROUND DISCUSSION**

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

- (1) Kyler Duclos  
2403 328<sup>th</sup> PL SE  
Bothell, WA 98021

**Amount:** \$1,558.42

**Nature of Claim:** Claimant states damages to his vehicle occurred resulting from a driveway obstruction placed by construction workers.

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





## **CITY OF KIRKLAND**

**123 Fifth Avenue, Kirkland, WA 98033 425.587.3000**  
**www.kirklandwa.gov**

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### **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Marius Eugenio Jr., P.E., Capital Projects Engineer  
Rod Steitzer, P.E., Capital Projects Manager  
Kathy Brown, Public Works Director

**Date:** October 3, 2019

**Subject:** NE 132ND STREET SIDEWALK (CNM 0071) – AWARD CONTRACT

### **RECOMMENDATION:**

City Council to:

- Award a construction contract for the NE 132nd Street Sidewalk Improvements Project to the lowest responsible bidder, Trinity Contractors, Inc. of Marysville, WA, in the amount of \$297,090.00.

By taking action on this memo during approval of the consent calendar, City Council is authorizing the award of a construction contract.

### **BACKGROUND DISCUSSION:**

The NE 132nd Street Sidewalk (Project) is in the Finn Hill Neighborhood and provides sidewalk improvements to access nearby schools and parks. The Project limits extend between 84th and 87th avenues NE (Attachment A). In its current state, the roadway exists with a wide shoulder but no sidewalk amenities for pedestrians on the north side. There are intermittent sidewalks on the south side and, with cars parking on both sides of the roadway. School children and other pedestrians have to walk along the road's northern edge.

The Project is on a Finn Hill collector street providing direct access to Carl Sandburg and Thoreau Elementary Schools, Finn Hill Middle School, and to nearby City and regional parks. The planned improvements will provide approximately 960 feet of curb, gutter, sidewalk, planter strip and ADA compliant curb ramps for this two-lane roadway with limited refuge for pedestrians or bicyclists. The current lack of infrastructure forces pedestrians to walk either along the shoulder (where possible) or in the vehicle travel lanes. Pedestrians must contend with moving vehicles, parked cars, a partially open ditch and metro buses along this established transit bus route. The planned improvements will remove barriers and increase mobility, pedestrian safety and comfort, and reduce conflicts between motorists and other users of the road.



With an engineer's estimate of \$383,050 for construction, the Project was first advertised for contractor bids on August 29. Bids were opened on September 19, 2019, with the City receiving the following fourteen (14) contractor bids:

<b>Contractor</b>	<b>Total Bid</b>
<b>Trinity Construction, Inc.</b>	<b>\$297,090.00</b>
Welwest Construction Inc.	\$363,253.00
Reed Trucking & Excavation, Inc.	\$364,470.00
Axum General Construction, Inc.	\$371,772.25
Kamins Construction	\$377,032.35
<i>Engineer's Estimate</i>	<i>\$383,050.00</i>
Revolution Civil Builders	\$389,519.00
Road Construction Northwest, Inc.	\$404,233.00
RRJ Company LLC	\$408,386.07
Redtail	\$412,000.00
Agostino Construction, Inc.	\$413,431.00
Cascade Civil Construction, Inc.	\$444,585.80
Westwater Construction Company	\$446,145.00
C.A. Carey Corporation	\$471,191.00
NPM Construction Co.	\$471,794.00

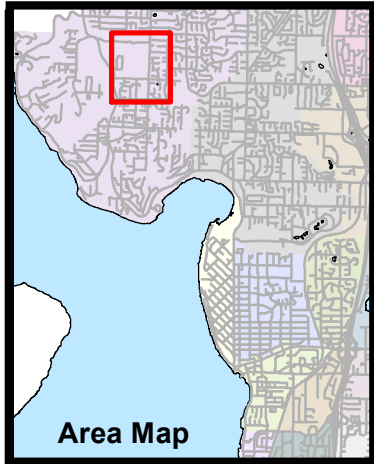
The total project budget is \$550,000 and is funded primarily by a \$500,000 State appropriation successfully sponsored and obtained in 2018 by District 1 State Senator Guy Palumbo. The anticipated project expenses are \$297,090 for this construction contract, \$157,000 for anticipated soft costs, and maintaining \$95,000 (32%) for contingency (Attachment B).

The lowest responsive bidder, Trinity Construction, Inc., has successfully completed projects for the City with the most recent one being the [2017 Neighborhood Safety Program for Kirkland Way & Railroad Avenue Intersection Improvements](#). The Project has an estimated 10-week construction duration and an award of the contract by City Council at its October 15th meeting will allow for a construction start by the end of 2019 with substantial completion expected in spring 2019. In advance of construction, staff will send a construction informational mailer directly to nearby residents providing construction timelines and pertinent contact information. In addition, staff will add the Project's information to the [Public Works Projects Website](#), including the construction timeline and staff contact information.

Attachment A – Vicinity Map

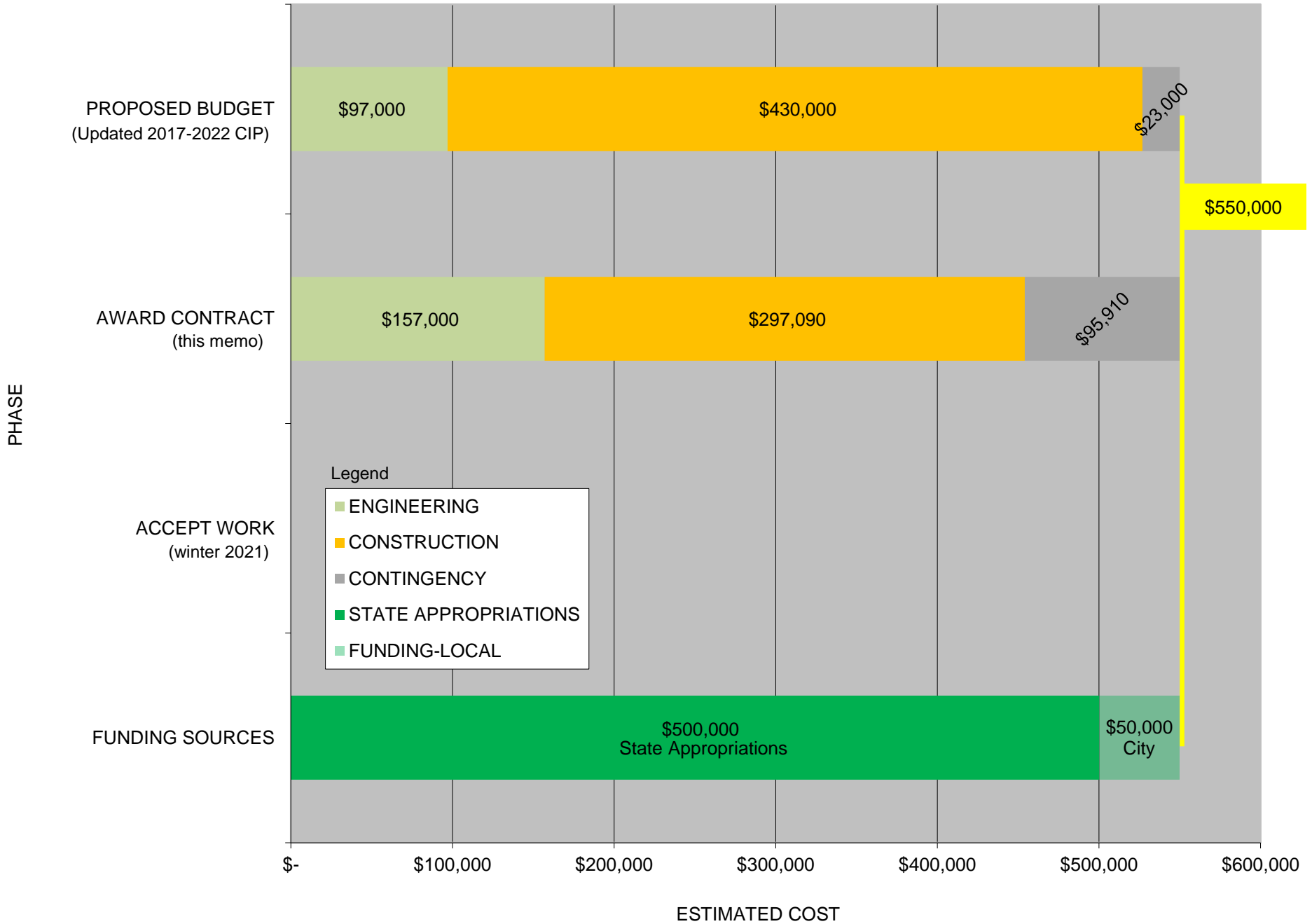
Attachment B – Project Budget Report







NE 132nd STREET SIDEWALK  
NM-0071-000  
Project Budget Report







## **CITY OF KIRKLAND**

### **Department of Public Works**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

[www.kirklandwa.gov](http://www.kirklandwa.gov)

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#### **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Brian Baker, Capital Projects Coordinator  
Rod Steitzer, P.E., Capital Projects Manager  
Kathy Brown, Public Works Director  
Lynn Zwaagstra, Parks and Community Services Director

**Date:** October 3, 2019

**Subject:** EDITH MOULTON PARK RENOVATION AND 108<sup>TH</sup> AVE. NE SIDEWALK IMPROVEMENTS (PKC 1330400 AND NMC 1200000) — ACCEPT WORK

#### **RECOMMENDATION:**

City Council to:

- Accept the work of two CIP projects: Edith Moulton Park Renovation and 108<sup>th</sup> Avenue NE Sidewalk Improvements at Edith Moulton Park as completed in a combined contract by Allied Construction Associates, Inc. of Everett, Washington, thereby establishing the statutory lien period; and
- Approve the return of excess Project funds of \$35,056 to the sources that were used to pay for the Project.

By taking action on this memo during approval of the consent calendar, the City Council is accepting the construction contract work completed for the Edith Moulton Park Redevelopment and the 108<sup>th</sup> Right-of-Way Improvements.

#### **BACKGROUND DISCUSSION:**

Edith Moulton Park is located on 108<sup>th</sup> Avenue NE south of NE 140<sup>th</sup> Street and is 26.71 acres in size. The majority of the site was willed to King County in 1967 as part of Ms. Moulton's estate, with the intent that future generations of children would enjoy the natural areas of the property. King County improved the site to a degree. The park was transferred to the City as a result of the Juanita, Finn Hill, Kingsgate Annexation in 2011. The City completed a schematic master plan for the park in February, 2015.

There are two CIP projects that were constructed under this contract: 1) the Edith Moulton Park Renovation Project (CIP project PKC 1330400), and 2) the 108<sup>th</sup> Avenue NE Sidewalk Improvements at Edith Moulton Park (CIP project NMC 0120000). The City Council awarded a single construction contract for both projects at its November 21, 2017 meeting. Staff issued a



Notice to Proceed on January 8, 2018, and Allied Construction Associates began shortly thereafter.

Elements of the Park Redevelopment Project included improved trails, boardwalks, new creek crossings, a 40-foot diameter picnic shelter, a restroom building, an off-leash dog trail, and playground equipment.

The improvements in the 108th Avenue NE right-of-way included a new five-foot wide concrete sidewalk, 12 on-street parking stalls, and an adjacent asphalt bicycle lane (see Attachment A, Site Map with Area Map Inset).

In fulfillment of a Parks and Community Services goal, several elements of the redeveloped park are ADA-accessible, including the boardwalk, the play area, some trails, the restrooms, and the improvements along the frontage.

The contract reached Substantial Completion on July 20, 2018 and a reopening event was held the next day on July 21 (see Attachment B, pictures). The contract reached Final Completion a year later on July 21, 2019.

In accordance with the City's 1% for art policy, the Park project allocated funds for future art installation; the sidewalk project was not part of the 1% for the Arts program. The artwork concept and design were approved by the Council at its February 15, 2019 meeting. By that time, the projects had passed the substantial completion point with the contractor. Staff has opted to have the public art installed later this year by a different contractor. The \$22,133 for the purchase of the art and its installation remain available in the Project budget (see Table 1, below).

### **Budget**

Two change orders were issued on the Park project component of the contract. The first was to revise fixtures in the restroom, replace unsuitable soils with crushed rock to install a new waterline, and to remove hazardous trees in the dog park area. The second was to upgrade the dog park surface with cedar wood chips to aid in flea control and extend the surface life cycle, to build an additional dog park entrance gate, to add self-closing hinges to the dog park gates, and to lengthen the steel boardwalk to clear obstructions.

With all project costs accounted for, there remains approximately \$35,056 for the park renovation and no dollars for the right-of-way improvements. There also is \$22,133 for public art, which is yet to be expended. The contract also had a savings of \$14,079 because some quantities were less than anticipated. Staff recommends returning the net surplus to the park sources from which the Park project was funded.



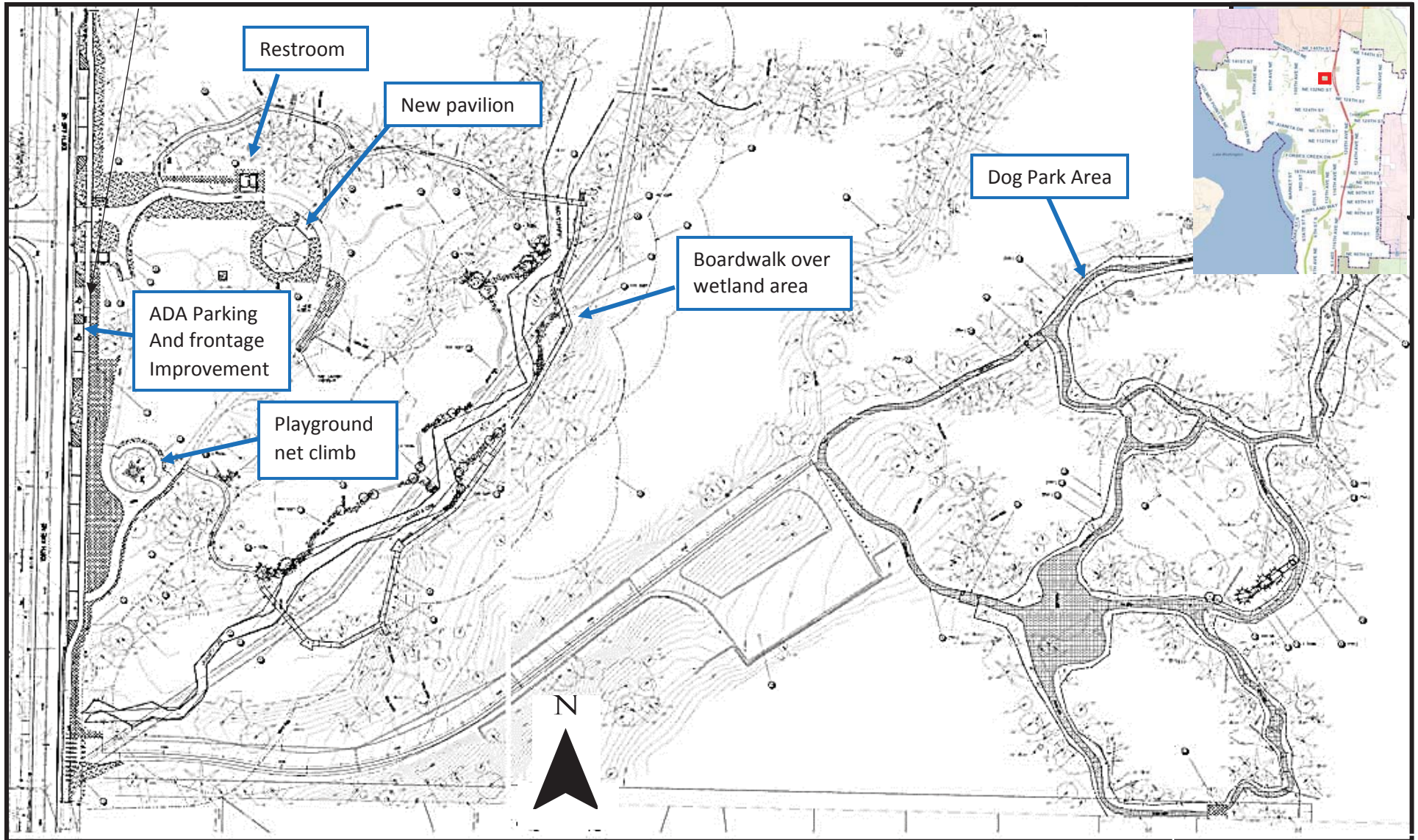
**Table 1: Project Funding and Expenses**

<b>Item</b>	<b>Edith Moulton Park Renovation PKC1330400</b>	<b>108th Ave NE Right-Of- Way Improvements NMC1200000 &amp; NMC120S300</b>
Total Project Funding	\$2,092,300	\$399,000
Total Contractor Expenses	(\$1,339,020)	(\$284,940)
Design, Inspection, In-House, and Permitting Expenses	(\$696,091)	(\$114,060)
Future Artwork Expenses	(\$22,133)	-0-
Total Project Expenses	(\$2,057,244)	(\$399,000)
<b>Total Project Savings</b>	<b>\$35,056</b>	<b>\$0</b>

Attachment A: Site Map with Area Map Inset  
Attachment B: Reopening Pictures  
Attachment C: Fiscal Note



## Attachment A



Area Map  
Edith Moulton Park



# Attachment B



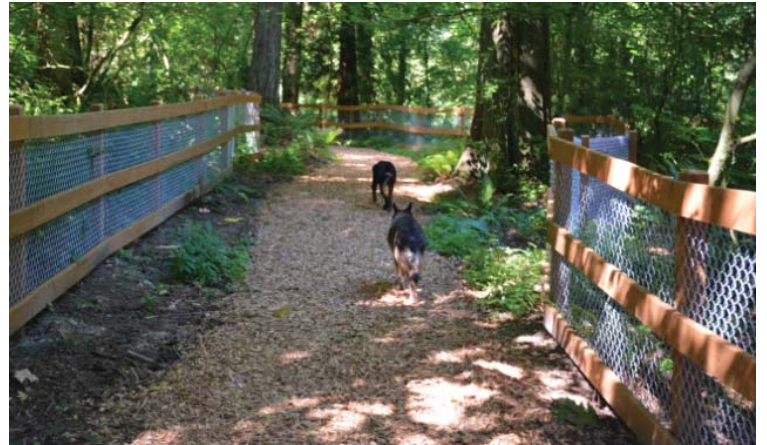


# Attachment B





## Attachment B





**FISCAL NOTE***CITY OF KIRKLAND*

Source of Request														
Kathy Brown, Director of Public Works														
Description of Request														
One-time transfer returning unspent project contingency balance of \$35,056 from Edith Moulton Park (PKC1330400) to the REET 1 Reserves balance. The 108th Ave NE Sidewalk Improvements project (NMC1200000/NMC120S300) is projected to use all available project balance in the close-out process														
Legality/City Policy Basis														
Fiscal Impact														
<b>One-time transfer to return \$35,056 to the REET 1 Reserves related to PKC1330400.</b> The project balance will be returned to the original REET 1 funding source. There will be no fiscal impact related to NMC1200000/NMC120S300.														
Recommended Funding Source(s)														
<b>Reserve</b>	Description	2020 Est End Balance	Prior Auth. 2019-20 Uses	Prior Auth. 2019-20 Additions	Amount This Request	Revised 2020 End Balance	2020 Target							
	REET 1 reserves	3,761,399	-	12,000	35,056	3,808,455	1,000,000							
<b>Revenue/Exp Savings</b>														
<b>Other Source</b>														
Other Information														
The 108th Ave NE Sidewalk Improvements project has two project numbers for accountability purposes: 1) NMC1200000 relates to the general transportation project, while 2) NMC120S300 relates to the utility funded surface water improvements in the project.														

Prepared By	Kyle Butler, Financial Planning Supervisor	Date	September 19, 2019
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**CITY OF KIRKLAND**  
Planning and Building Department  
123 5th Avenue, Kirkland, WA 98033  
425.587.3600 - [www.kirklandwa.gov](http://www.kirklandwa.gov)

---

## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Dawn Nelson, Planning Supervisor  
Adam Weinstein, Planning & Building Director

**Date:** October 1, 2019

**Subject:** JEFFERSON HOUSE CONDITIONAL CERTIFICATE FOR MULTIFAMILY  
PROPERTY TAX EXEMPTION, FILE HSG19-00396

## **RECOMMENDATION**

Staff recommends that the City Council approve the enclosed resolution authorizing the Planning and Building Director to:

- Enter into a contract with Kirkland Memory Care LLC for a potential multifamily housing property tax exemption (Exhibit A to the Resolution); and
- Issue a conditional certificate of acceptance of tax exemption.

By adopting the resolution through approval of the consent agenda, the Council is authorizing both actions.

## **BACKGROUND**

The Multifamily Housing Property Tax Exemption (MFTE) is one of two parts of the incentive offered by the City of Kirkland to market rate housing developers to offset the cost of the inclusion of affordable housing units within their developments. The other element is an increase in development capacity, which is accomplished through increases in height or density that are permitted as part of the Zoning regulations for multifamily and mixed-use zones. The City's inclusionary zoning program has been in place since 2010 and has resulted in the construction of 67 units of affordable housing and payment of \$2,300,000 into an in-lieu fund, with another 202 affordable units in the development pipeline.

In zoning districts where affordable housing is not required, the MFTE remains as an incentive to encourage the creation of affordable housing. To date, it has been used seven times: twice in voluntary situations in the North Rose Hill Business District, the recent approval of workforce housing at Plaza, and four times as part of projects where affordable housing was required by the Zoning regulations.



The MFTE regulations allow applicants of projects that include a minimum of four new multifamily units in defined geographic areas to request an exemption from ad valorem taxes (i.e., property taxes levied on real estate) on the residential improvement value in exchange for providing affordable housing. The City allows an eight-year exemption if at least 10 percent of the units in a project are affordable, and a twelve-year exemption if at least 20 percent of the units are affordable. While the tax exemption ends after the prescribed period, the affordability requirement remains in perpetuity in most MFTE projects, including this proposal. The exception recently approved by the Council allows for the covenants to sunset for MFTE projects that provide additional public benefit such as public employee housing access. The length of the exemption is established by Revised Code of Washington ([RCW](#)) 84.14, but local regulations can go further than the RCW minimums. The current regulations are included in Kirkland Municipal Code ([KMC](#)) 5.88. Additional background information about the financial implications of the program is available on pages 4 and 5 of the [June 7, 2011 City Council materials](#).

## **ANALYSIS**

The Jefferson House project is located in the Totem Lake neighborhood on NE 128<sup>th</sup> Street, adjacent to the Madison House development and south of Evergreen Hospital (see Attachments 1 and 2). Jefferson House will be licensed by the Washington State Department of Health as an Assisted Living Facility and will provide care for residents affected by Alzheimer's and other forms of dementia. It will include 80 beds in 60 living units. One of the beds in each of eight, two-bed units will be provided as affordable housing. Services included in monthly rent are detailed in Attachment 3.

The prescribed affordability level for rental projects is to individuals who earn 50% or less of King County median income. The affordability required in exchange for the tax exemption must remain for the life of the project and is secured by the agreements attached to the contract. The tax relief provided is from the ad valorem taxes on all of the residential improvement value on the property for 8 years. Taxes are still collected on the land and any non-residential improvements.

Based on the amendments adopted by the [City Council on October 16, 2018](#) to the definition of "affordable" for senior citizen households in [KMC 5.88.020](#), affordable rents will be in the form of Medicaid payments for housing and services. In addition, there will be no entrance or other buy-in fee for the affordable units. People who qualify for Medicaid assistance have limited income and assets. There are currently 413 licensed assisted living beds in six facilities in Kirkland. Of those, only two facilities are currently contracted with the Washington State Department of Social and Health Services to accept Medicaid payment. It is entirely up to the owner/operator of an assisted living facility to decide whether to accept Medicaid, along with the number of residents for which Medicaid payments would be accepted. The Medicaid reimbursement does not generally cover the full cost of the housing and services provided to a resident. The managers of both assisted living facilities in Kirkland that accept Medicaid noted in interviews with ARCH staff that it is difficult to find available spaces in assisted living facilities for those who have Medicaid at the time they move in.



The process for approving an MFTE includes the following steps:

- Review and approval of application for conditional certificate for tax exemption by the Planning and Building Director – *completed on October 2, 2019*
- Approval of resolution to enter into contract with City – *pending action by City Council on October 15, 2019*

*Actions to occur following approval of the resolution:*

- Execution of contract and issuance of conditional certificate of acceptance of tax exemption
- Recording of covenant that addresses long term affordability requirements (Exhibit D to contract)
- Upon completion of construction, submittal of initial compliance report and request for final certificate for tax exemption and review by Planning and Building Director
- If the Director determines that the project has met all requirements of Chapter 5.88 KMC, Chapter 84.14 RCW, and the contract, issuance of final certificate of tax exemption and filing with the King County Assessor
- Submittal of annual compliance report by property owner containing at a minimum the following:
  - a. A statement of the occupancy and vacancy of the Multifamily Housing units during the previous year;
  - b. A statement that the Multifamily Housing has not changed use since the date of filing of the Final Certificate;
  - c. A statement that the Multifamily Housing continues to be in compliance with this Agreement and the requirements of Chapter 5.88 KMC;
  - d. A description of any improvements or changes to the Project made after the filing of the Final Certificate or the previous certification;
  - e. A statement of the change in ownership of all or any part of the property since the Final Certificate was filed; and
  - f. Information and documentation sufficient to demonstrate, to the satisfaction of the Director, compliance with the affordability requirements of KMC 5.88.090 and this Agreement, which shall, at minimum, include the following:
    - (1) Identification of each Affordable Unit, and any substitution of Affordable Units during the previous year, and for each Affordable Unit, the current Household Income limits and maximum allowed rent.
    - (2) For each Affordable Unit that was initially occupied or that had a change of tenancy during the previous year, the date of each tenant's initial occupancy, the



household size and Household Income of each tenant household at initial occupancy, and the rent charged at initial occupancy.

- (3) For each Affordable Unit that was occupied by the current tenant prior to the previous year, the date of each tenant's initial occupancy, the tenant's current Household Income, the tenant's Household Income at initial occupancy, and current contract rent.

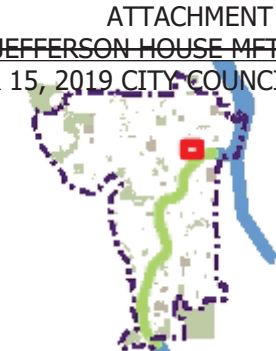
ATTACHMENTS

1. Vicinity Map
2. Jefferson House Site and Floor Plans
3. Jefferson House Assisted Living Services





# City of Kirkland GIS



## Legend

- Address
  - Other Address
  - Current Address
  - Current ADU
  - Pending Address
- City Limits
- Grid
- QQ Grid
- Cross Kirkland Corridor
- Regional Rail Corridor
- Streets
- Parcels
- Place Names
- Buildings
- Lakes
- Parks
- Schools
- Olympic Pipeline Corridor

1: 3,013



## Notes

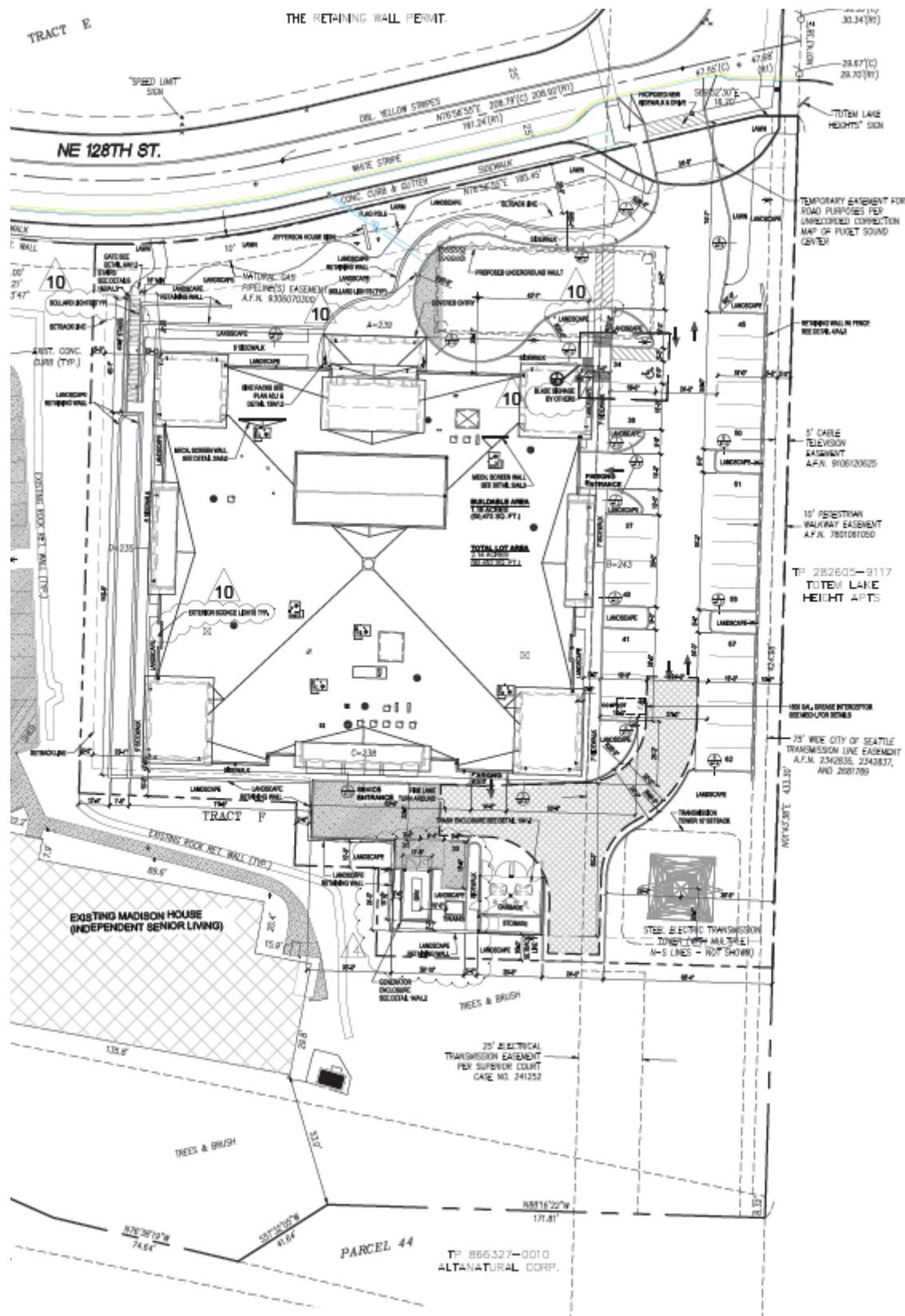


NAD\_1983\_StatePlane\_Washington\_North\_FIPS\_4601\_Feet

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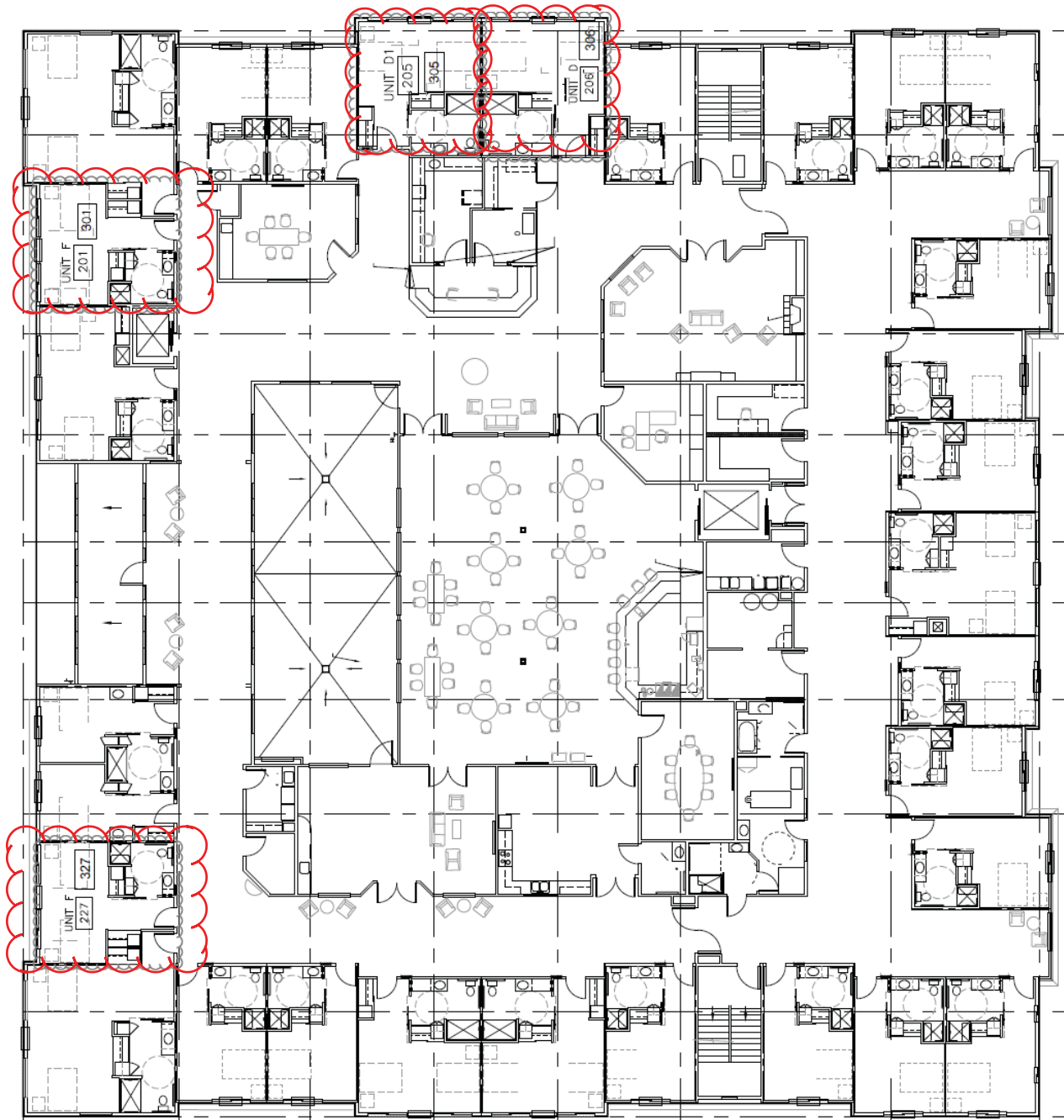


### THE RETAINING WALL PERMIT.





**FLOOR PLAN**



Affordable Units clouded and numbered.



### **CONGREGATE/ASSISTED CARE SERVICES**

- 1) Full utility service, including cable television, but excluding telephone.
- 2) 24-hour security with 24-hour staffing.
- 3) Emergency call system to on-site staffing/relayed to public health/fire safety personnel.
- 4) Fire sprinkler protection and alarm system.
- 5) Three (3) meals served daily in a banquet style.
- 6) Weekly resident unit housekeeping, including flat linens.
- 7) Scheduled van transportation.
- 8) Planned and coordinated activities and social services.
- 9) Medication monitoring/supervision.
- 10) Medication administration.
- 11) Assistance in bathing.
- 12) Assistance in dressing.
- 13) Assistance in ambulation.
- 14) Assistance in eating.
- 15) Care of incontinency.
- 16) Care of Alzheimer's Dementia.



## RESOLUTION R-5394

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ENTER INTO A CONTRACT WITH KIRKLAND MEMORY CARE, LLC, REGARDING A POTENTIAL MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION AND APPROVING THE ISSUANCE OF A CONDITIONAL CERTIFICATE OF TAX EXEMPTION.

1 WHEREAS, Kirkland Memory Care, LLC, has applied for a limited  
2 property tax exemption as provided for in Chapter 84.14 RCW and  
3 Chapter 5.88 KMC for multifamily residential rental housing ("Multifamily  
4 Housing") in the Totem Lake and North Rose Hill Residential Targeted  
5 Area, and the Director of Planning and Building has approved the  
6 application; and

7  
8 WHEREAS, Kirkland Memory Care, LLC has submitted to the City  
9 preliminarily site plans and floor plans for 60 units of new Assisted Living  
10 Multifamily Housing to be constructed on property situated at 12217 NE  
11 128<sup>th</sup> Street, Kirkland, Washington; and

12  
13 WHEREAS, the Director has determined the assisted living  
14 multifamily housing will, if completed, occupied, and owned as  
15 proposed, satisfy the requirements for a Final Certificate of Tax  
16 Exemption.

17  
18 NOW, THEREFORE, be it resolved by the City Council of the City  
19 of Kirkland as follows:

20  
21 Section 1. The City Manager or his designee is authorized and  
22 directed to execute on behalf of the City of Kirkland, an agreement  
23 substantially similar to that attached as Exhibit "A", which is entitled  
24 "Multifamily Housing Limited Property Tax Exemption Contract" and  
25 issue a Conditional Certificate of Acceptance of Tax Exemption.

26  
27 Passed by majority vote of the Kirkland City Council in open  
28 meeting this \_\_\_\_ day of \_\_\_\_\_, 2019.

29  
30 Signed in authentication thereof this \_\_\_\_ day of \_\_\_\_\_,  
31 2019.

\_\_\_\_\_  
Penny Sweet, Mayor

Attest:

\_\_\_\_\_  
Kathi Anderson, City Clerk



**MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT  
JEFFERSON HOUSE**

THIS CONTRACT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between the City of Kirkland, a State of Washington municipal corporation ("City") and Kirkland Memory Care, LLC, a Delaware limited liability company ("Applicant"), and incorporated attachments and exhibits, contains all terms and conditions agreed to by the City and the Applicant to undertake the activities described herein.

**RECITALS**

1. Applicant has applied for a limited property tax exemption as provided for in Chapter 84.14 of the Revised Code of Washington (RCW) and Chapter 5.88 of the Kirkland Municipal Code (KMC) for multifamily residential rental housing ("Multifamily Housing") in the Totem Lake/North Rose Hill Residential Target Area, and the City's Director of Planning and Building ("Director") has approved the application; and
2. Applicant has submitted to the City preliminary site plans and floor plans for new Multifamily Housing comprising eighty (80) beds in sixty (60) assisted living units ("Project"), to be constructed on property situated at 12217 NE 128th Street in Kirkland, Washington ("Property"), and as more particularly described in **Exhibit A** which is attached hereto, and incorporated by reference herein; and
3. Applicant is the owner of the Property; and
4. No existing rental housing building that contained four (4) or more occupied dwelling units was demolished on the Property within eighteen (18) months prior to Applicant's submission of its application for limited property tax exemption; and
5. The City has determined that the Multifamily Housing will, if completed, occupied, and owned as proposed, satisfy the requirements for a Final Certificate of Tax Exemption ("Final Certificate").
6. This Contract is entered into pursuant to City Council action taken on \_\_\_\_\_.

NOW, THEREFORE, in consideration of the mutual promises herein, City and Applicant do mutually agree as follows:

1. **Definitions.**

a. Words and terms capitalized in this Contract, unless explicitly defined in this Contract, shall have the meanings ascribed them by Chapter 5.88 KMC as of the date this Contract was executed or as they are hereafter amended.

b. **"Eligible Household."** An adult certified to receive assistance through the Assisted Living, Congregate Care and Adult Home Medicaid Waiver Program under Section 1915(c) of the Social Security Act or, in the event Medicaid is no longer available, an adult who certifies that he or she meets the qualifications for eligibility set forth in the Declaration of Affordable Housing



Covenants described in Section 11 of this Contract, and who certifies that his or her household income does not exceed the level defined in the table below, adjusted for household size.

Maximum Household Income at Initial Occupancy

Income Level	Percent of King County Median Income
Low-Income	50%

c. "King County Median Income." The median family income of the Seattle-Bellevue, WA HUD Metro FMR Area as most recently determined by the Secretary of Housing and Urban Development (HUD) under Section 8 of the United States Housing Act of 1937, as amended. In the event that HUD no longer publishes median family income figures for King County, the City may estimate the King County Median Income in such manner as the Director shall determine.

2. Conditional Certificate of Acceptance of Tax Exemption.

City agrees, upon execution of this Contract following approval by the City Council, to issue a Conditional Certificate of Acceptance of Tax Exemption ("Conditional Certificate"), which Conditional Certificate shall expire three (3) years from the date of approval of this Contract by the Council, unless extended by the Director as provided in KMC 5.88.070.

3. Agreement to construct Multifamily Housing.

a. Applicant agrees to construct the Project on the Property, including the Multifamily Housing, substantially as described in the site plans, floor plans, and/or elevations attached hereto in **Exhibit B**, subject to such modifications thereto as may be required to comply with applicable codes and ordinances, including the design review process. In no event shall Applicant provide fewer than four new dwelling units designed for permanent residential rental or ownership occupancy, nor shall permanent residential housing comprise less than fifty percent (50%) of the gross floor area of the Project constructed pursuant to this Contract.

b. Applicant agrees to comply with all applicable zoning requirements, land use regulations, and building and housing code requirements contained in Titles 21, 22, 23, and 25 KMC or other applicable law. Applicant further agrees that approval of this Contract by the City Council, its execution by the Director, or issuance of a Conditional Certificate by the City pursuant to KMC 5.88.060 in no way constitutes approval of proposed improvements on the Property with respect to applicable provisions of Titles 21, 22, 23, and 25 KMC or other applicable law or obligates the City to approve proposed improvements.

c. Applicant agrees that the Multifamily Housing will be completed within three years from the date of approval of this Contract by the Council, unless extended by the Director for cause as provided in KMC 5.88.070.



4. Agreement to provide affordable housing.

a. Applicant agrees to provide eight (8) beds in assisted living units ("Affordable Units"), reserved for occupancy by Eligible Households and having a monthly housing expense, including rent, utilities, Congregate/Assisted Care Services as described in **Exhibit E**, and any expenses required by the Owner as a condition of tenancy, equal to the Medicaid Waiver Amount. In the event that the Medicaid program ceases to exist, the Owner agrees to rent the Affordable Units to Eligible Households at a rate which is no greater than sixty percent (60%) of the percentage of the monthly King County Median Income given in the following table, adjusted for household size.

Affordability Level		Affordable Units
Income Level	Percent of King County Median Income	
Low-Income	50%	8 beds

b. Owner agrees not to charge one-time entrance fees, community fees, buy-in fees, or similar move-in expenses typical of senior housing for occupancy of an Affordable Unit provided, however, that the foregoing restriction shall not preclude the Owner from collecting security deposits or charging other customary fees of occupancy, including but not limited to damage deposits, first and last months' rent, or pet deposits. Additionally, the foregoing restriction shall not restrict the Owner's ability to charge fees for services rendered or goods provided on the same basis as residents of market-rate units of the Project.

5. Location and design of Affordable Units – Affordability Agreement – Conversion.

a. The Affordable Units shall be those units indicated in **Exhibit C**. The Applicant may propose to change the particular units dedicated for the Affordable Units, provided that a total of eight (8) beds in assisted living units are designated for Affordable Units, and the same unit mix and minimum sizes of Affordable Units is maintained. The Applicant shall request in writing the City's approval of any proposed change to the units dedicated for the Affordable Units. The City will review the proposed changes and shall base its approval or disapproval of the proposed changes upon the criteria set forth in this section.

b. The exterior designs of the Affordable Units are to be compatible and comparable with the market rate units. The interior finish of the Affordable Units shall at a minimum include standard features and result in a totally finished and livable home.

c. Prior to issuing a certificate of occupancy, an agreement in a form acceptable to the city attorney ("Covenant") and substantially in the form of **Exhibit D** that addresses price restrictions, Eligible Household qualifications, long-term affordability, and any other applicable topics of the Affordable Units shall be recorded with the 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 Units that are provided under this section shall remain as affordable housing for the life of the project.



d. In the event the Project is proposed for conversion to condominium, owner-occupied, or non-rental residential use, the Applicant must submit to the City for its approval a plan for preserving the Affordable Units. The City can consider options which would convert the Affordable Units to owner-occupied Affordable Units. In the event a condominium conversion occurs during the period of the property tax exemption and owner-occupied Affordable Units are provided at the affordability levels as defined in KMC 5.88.020(a) or that have such other comparable level of affordability as provided for in the city's affordable housing multifamily tax exemption incentive program, as regulated through Chapter 112 of the Kirkland Zoning Code, per Section 6 of this Contract, the Affordable Units will continue to be eligible for the property tax exemption for the balance of the exemption period or for the period of time the conversion allows, whichever is appropriate. The balance of the Project would no longer be eligible for the exemption, and City will not cancel the Final Certificate as provided in Section 10 of this Contract.

6. Requirements for Final Certificate of Tax Exemption.

Applicant may, upon completion of the Project and upon issuance by the City of a temporary or permanent certificate of occupancy, request a Final Certificate. The request shall be in a form approved by the City and directed to the City's Planning Department and at a minimum include the following:

a. A statement of expenditures made with respect to the overall Project and the residential and non-residential portions of the Project.

b. A description of the completed work, including floor area of residential and non-residential area, and a statement of qualification for the exemption.

c. Documentation that the Multifamily Housing was completed within the required three-year period or any authorized extension and in compliance with the terms of this Contract.

d. Information regarding Applicant's compliance with the affordability requirements in KMC 5.88.090 and this Contract, which shall include the following:

(1) Identification of all Affordable Units, whether rented or held vacant to be rented by Eligible Households, the size of the Affordable Units, and the maximum rents and household incomes for each affordable unit at time of initial leasing;

(2) Rents (or offering rents, as applicable) for all Affordable Units;

(3) A copy of the application and income verification form used for rental of Affordable Units; and

(4) A copy of the form of lease or rental agreement to be used for Affordable Units; and

e. Any such further information that the Director deems necessary or useful to evaluate eligibility for the Final Certificate.



7. Agreement to Issue Final Certificate.

The City agrees to issue a Final Certificate granting a limited property tax exemption for a period of eight (8) years, and to file said Final Certificate with the King County Assessor within forty (40) days of receipt of all materials required by Paragraph 6, if Applicant has:

- a. Successfully completed the Multifamily Housing in accordance with the terms of this Contract and Chapter 5.88 KMC;
- b. Filed a request for a Final Certificate with the Director and submitted the materials described in Paragraph 6 above;
- c. Paid to the City a fee in the amount necessary to cover the Assessor's administrative costs; and
- d. Met all other requirements provided in Chapter 5.88 KMC for issuance of the Final Certificate.

8. Annual certification.

Within thirty (30) days after the first anniversary of the date the City filed the Final Certificate and each year thereafter for the term of the Covenant, Applicant agrees to file a certification or declaration with the Director, verified upon oath or affirmation, with respect to the accuracy of the information provided therein, containing at a minimum the following:

- a. A statement of the occupancy and vacancy of the Multifamily Housing units during the previous year; and
- b. A statement that the Multifamily Housing has not changed use since the date of filing of the Final Certificate; and
- c. A statement that the Multifamily Housing continues to be in compliance with this Contract and the requirements of Chapter 5.88 KMC; and
- d. A description of any improvements or changes to the Project made after the filing of the Final Certificate or the previous certification; and
- e. A statement of the change in ownership of all or any part of the property since the Final Certificate was filed; and
- f. Information and documentation sufficient to demonstrate, to the satisfaction of the Director, compliance with the affordability requirements of KMC 5.88.090 and this Contract, which shall, at minimum, include the following:
  - (1) Identification of each Affordable Unit, and any substitution of Affordable Units during the previous year and for each Affordable Unit, the current Household Income limits and maximum allowed rent.
  - (2) For each Affordable Unit that was initially occupied or that had a change of tenancy during the previous year, the date of each tenant's initial occupancy, the household size



and Household Income of each tenant household at initial occupancy, and the rent charged at initial occupancy.

(3) For each Affordable Unit that was occupied by the current tenant prior to the previous year, the date of each tenant's initial occupancy, the tenant's current Household Income, the tenant's Household Income at initial occupancy, and current contract rent.

9. No violations for duration of exemption.

For the duration of the exemption granted under Chapter 5.88 KMC, Applicant agrees that the Project and that portion of the Property on which the Project is constructed will have no violations of applicable zoning requirements, land use regulations, and building and housing code requirements contained in KMC Titles 21, 22, 23, and 25 or other applicable law for which the Department of Planning and Building or its functional successor shall have issued a notice of violation, citation or other notification that is not resolved by a certificate of compliance, certificate of release, withdrawal, or another method that proves either compliance or that no violation existed, within the time period for compliance, if any, provided in such notice of violation, citation or other notification or any extension of the time period for compliance granted by the Director.

10. Notification of transfer of interest or change in use.

Applicant agrees to notify the Director within thirty (30) days of any transfer of Applicant's ownership interest in the Project or that portion of the Property on which the Project is constructed. Applicant further agrees to notify the Director and the King County Assessor within sixty (60) days of any change of use of any or all of the Multifamily Housing on the Property to another use. Applicant acknowledges that such a change in use may result in cancellation of the tax exemption and imposition of additional taxes, interest and penalties pursuant to State law.

11. Cancellation of exemption - Appeal.

a. The City reserves the right to cancel the Final Certificate if at any time the Multifamily Housing, the Project or that portion of the Property on which the Project is constructed no longer complies with the terms of this Contract or with the requirements of Chapter 5.88 KMC, or for any other reason no longer qualifies for an exemption.

b. If the exemption is canceled for non-compliance, Applicant acknowledges that state law requires that an additional real property tax is to be imposed in the amount of: (1) the difference between the tax paid and the tax that would have been paid if it had included the value of the non-qualifying improvements, dated back to the date that the improvements became non-qualifying; (2) a penalty of 20% of the difference calculated under paragraph (a) of this paragraph; and (3) interest at the statutory rate on delinquent property taxes and penalties, calculated from the date the tax would have been due without penalty if the improvements had been assessed without regard to the exemptions provided by Chapter 84.14 RCW and 5.88 KCW.



Applicant acknowledges that, pursuant to RCW 84.14.110, any additional tax owed, together with interest and penalty, become a lien on that portion of the Property on which the Project is constructed and attach at the time the portion of the Property is removed from multifamily use or the amenities no longer meet applicable requirements, and that the lien has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the Property may become charged or liable. Applicant further acknowledges that RCW 84.14.110 provides that any such lien may be foreclosed in the manner provided by law for foreclosure of liens for delinquent real property taxes.

c. Upon determining that a tax exemption is to be canceled, the Director, on behalf of the City Council, shall notify the property owner by certified mail, return receipt requested. The property owner may appeal the determination in accordance with KMC 5.88.100(h).

12. Amendments.

No modification of this Contract shall be made unless mutually agreed upon by the parties in writing and unless in compliance with the provisions of KMC 5.88.065.

13. Binding effect.

The provisions, covenants, and conditions contained in this Contract are binding upon the parties hereto and their legal heirs, representatives, successors, assigns, and subsidiaries.

14. Audits and inspection of records.

Applicant understands and agrees that the City has the right to audit or review appropriate records to assure compliance with this Contract and Chapter 5.88 KMC and to perform evaluations of the effectiveness of the Multifamily Tax Exemption program. Applicant agrees to make appropriate records available for review or audit upon seven days' written notice by the City.

15. Notices.

All notices to be given pursuant to this Contract shall be in writing and shall be deemed given when hand-delivered within normal business hours, when actually received by facsimile transmission, or two business days after having been mailed, postage prepaid, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

APPLICANT: Kirkland Memory Care, LLC  
111 Market St NE, Suite 200  
Olympia, WA 98501  
Attn: E. Aaron Koelsch



With a copy to:  
Bank of the West  
CBG Loan Administration  
2527 Camino Ramon (NC-BO7-3E-I)  
San Ramon, California 94583  
Attn: Tiiu Newlin

CITY: City of Kirkland  
Planning Department  
City of Kirkland  
123 Fifth Avenue  
Kirkland, WA 98033  
Attn: Planning Director

With a copy to:  
A Regional Coalition for Housing (ARCH)  
16255 NE 87<sup>th</sup> Street, Suite A-3  
Redmond, WA 98052

16. Severability.

In the event that any term or clause of this Contract conflicts with applicable law, such conflict shall not affect other terms of this Contract that can be given effect without the conflicting terms or clause, and to this end, the terms of the Contract are declared to be severable. However, if the severable term prevents the City from receiving the benefits of having affordable housing as set forth in Chapter 84.14 RCW and Chapter 5.88 KMC, then this agreement shall be deemed terminated, or may be terminated, as soon as possible in compliance with any applicable law.

17. Exhibits.

The following exhibits are attached to this Contract and incorporated herein by this reference:

<b>Exhibit A</b>	<b>Legal Description</b>
<b>Exhibit B</b>	<b>Project Site Plan</b>
<b>Exhibit C</b>	<b>Designation of Affordable Units</b>
<b>Exhibit D</b>	<b>Form of Declaration of Affordable Housing Covenants</b>
<b>Exhibit E</b>	<b>Congregate/Assisted Care Services</b>

[Signature page follows.]



IN WITNESS WHEREOF, the parties hereto have executed this Contract on the dates indicated below.

THE CITY OF KIRKLAND

APPLICANT

Kirkland Memory Care LLC, a Delaware limited liability company

By: Kirkland Koelsch Memory Care LLC,  
a Washington limited liability company  
Its: Manager

By: EAK Manager, Inc.,  
a Washington corporation  
Its: Manager

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Kurt Triplett  
Its: City Manager

---

E Aaron Koelsch  
Its: President

Approved as to Form

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City Attorney

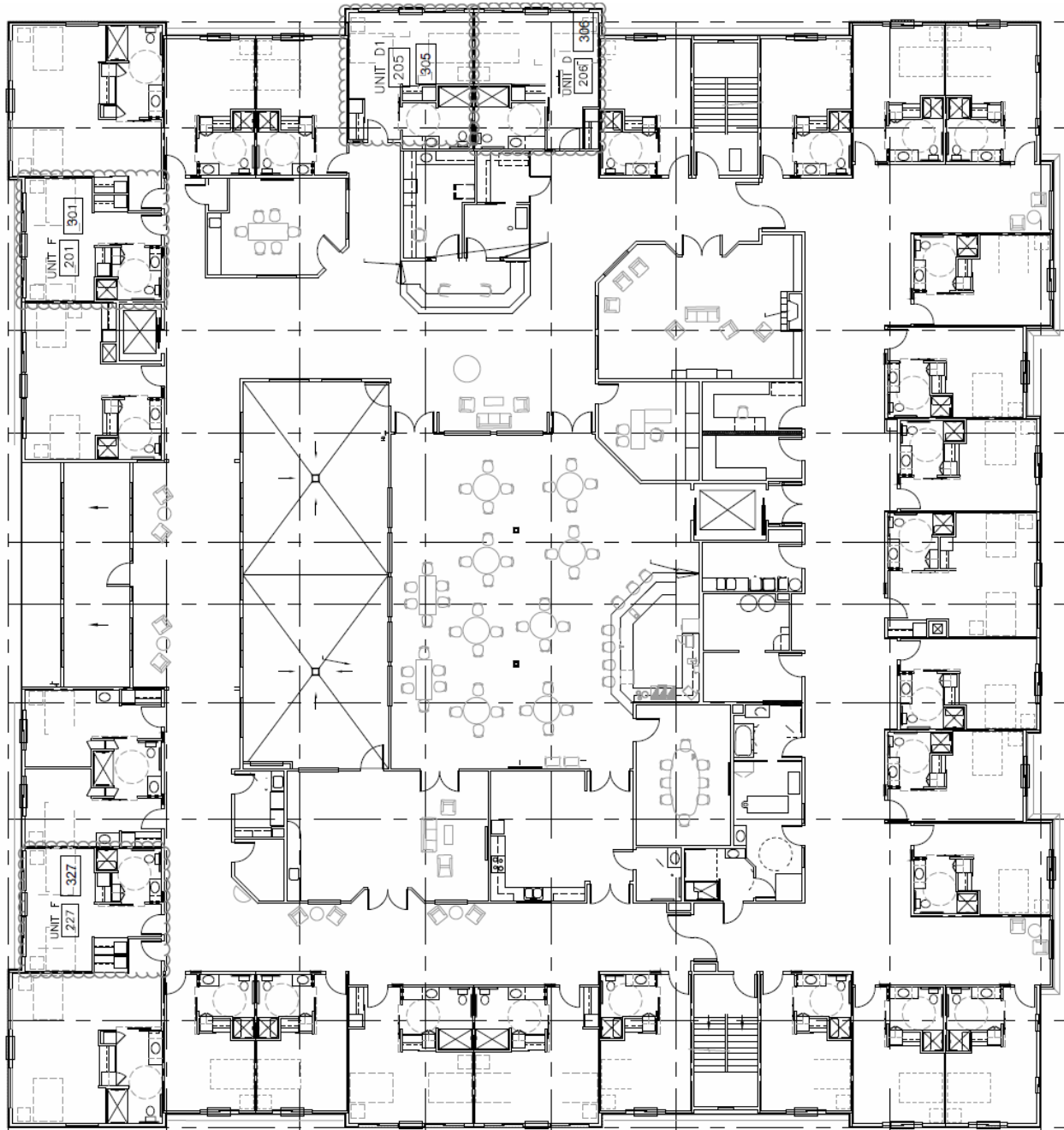


**EXHIBIT A**

**LEGAL DESCRIPTION**

LOT 2, CITY OF KIRKLAND JEFFERSON HOUSE MEMORY CARE COMMUNITY SHORT PLAT NO. SUB 16-00050, RECORDED UNDER RECORDING NO. 20160804900007, IN KING COUNTY, WASHINGTON.



**EXHIBIT B****PROJECT SITE PLAN**

Affordable Units clouded and numbered.



**EXHIBIT C****DESIGNATION OF AFFORDABLE UNITS**

No more than one bed in each unit shall be an Affordable Unit.

<b>Unit Number</b>	<b>Unit Type</b>	<b>Unit Size (sq ft)</b>
201	Semi-private	376
205	Semi-private	409
206	Semi-private	409
227	Semi-private	376
301	Semi-private	376
305	Semi-private	409
306	Semi-private	409
327	Semi-private	376



**EXHIBIT D****FORM OF DECLARATION OF AFFORDABLE HOUSING COVENANTS****JEFFERSON HOUSE**

SECTION 1 —	DEFINITIONS AND INTERPRETATION
SECTION 2 —	RESIDENTIAL RENTAL PROPERTY
SECTION 3 —	AFFORDABLE UNITS FOR ELIGIBLE HOUSEHOLDS
SECTION 4 —	REPORTING REQUIREMENTS
SECTION 5 —	SECTION 8 CERTIFICATE HOLDERS
SECTION 6 —	LEASE PROVISIONS
SECTION 7 —	SALE OR TRANSFER OF THE PROJECT
SECTION 8 —	TERM
SECTION 9 —	NO DISCRIMINATION
SECTION 10 —	COVENANTS RUN WITH LAND
SECTION 11 —	ENFORCEMENT
SECTION 12 —	SUBORDINATION, TERMINATION, RIGHTS RESERVED BY HUD
SECTION 13 —	ESTOPPEL CERTIFICATE
SECTION 14 —	AGREEMENT TO RECORD
SECTION 15 —	RELIANCE
SECTION 16 —	GOVERNING LAW
SECTION 17 —	NO CONFLICT WITH OTHER DOCUMENTS
SECTION 18 —	AMENDMENTS
SECTION 19 —	NOTICES
SECTION 20 —	MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT
SECTION 21—	SEVERABILITY
SECTION 21 —	CONSTRUCTION
SECTION 22 —	TITLES AND HEADINGS

**EXHIBITS**

"A"	LEGAL DESCRIPTION OF PROPERTY
"B"	DESIGNATION OF AFFORDABLE UNITS
"C"	CERTIFICATE OF HOUSEHOLD ELIGIBILITY
"D"	ANNUAL PROJECT CERTIFICATION
"E"	CONGREGATE/ASSISTED CARE SERVICES



**DECLARATION OF AFFORDABLE HOUSING COVENANTS  
JEFFERSON HOUSE**

THIS DECLARATION OF AFFORDABLE HOUSING COVENANTS (the "Covenant") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the CITY OF KIRKLAND, a Municipal Corporation of the State of Washington (the "City"); and Kirkland Memory Care LLC, a Delaware limited liability company (the "Owner").

WITNESSETH:

This Covenant is predicated upon the following facts:

1) The Owner is the owner of property described in **Exhibit A**, attached hereto and incorporated by reference herein, and located at 12217 NE 128<sup>th</sup> Street in Kirkland, Washington. Owner intends to develop said property by constructing and renting sixty (60) assisted living units (the "Project") with eighty (80) beds for the care, safety, and security of residents with Alzheimer's disease or other dementias, subject to City approval and such other approvals by State and local agencies, as required.

2) The Owner's proposed Project shall include eight (8) beds in assisted living units as affordable rental housing for Low-Income Households ("Eligible Households," as such term is defined below). Such affordable rental units shall be of such bedroom quantity and quality as are in proportion to the overall proportion of bedroom quantity and quality of all of the rental units in the Project.

3) The City finds that the Project will benefit the City by providing affordable rental housing for Eligible Households.

4) The Owner has indicated its willingness to accept certain conditions affecting the use of the Property. It is the purpose of this Covenant to set forth the conditions under which the City has approved the Project and to impose enforceable restrictions on the use and occupancy of the rental portion of the Project.

5) This Covenant is entered into pursuant to Chapter 112 of the Kirkland Zoning Code, which implements the affordable housing policies of the City.

6) Owner has applied for a limited property tax exemption for eight years as provided for in Chapter 84.14 RCW and Chapter 5.88 KMC for multi-family rental housing ("Multifamily Housing") in the Totem Lake/North Rose Hill Residential Targeted Area, and the Director of Planning and Building ("Director") has approved the application.

NOW, THEREFORE, for and in consideration of the mutual promises aforesaid and made and relied upon by the parties hereto, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and the City agree as follows:



## SECTION 1 — DEFINITIONS AND INTERPRETATION

Capitalized terms used herein shall have the following meanings unless the context in which they are used clearly requires otherwise.

"Affordable Rent" means a monthly housing expense, including rent, utilities or an applicable Utility Allowance for tenant-paid utilities, Congregate/Assisted Care Services as described in **Exhibit E**, and any expenses required by the Owner as a condition of tenancy. So long as Medicaid is available, Affordable Rent will be equal to the Medicaid Waiver Amount. In the event that the Medicaid program ceases to exist, Owner agrees to rent the Affordable Units to Eligible Households at a rate which is no greater than sixty percent (60%) of the monthly King County Median Income level for Eligible Households, as shown in the following table, adjusted for Household Size.

**Affordable Rent Levels**

	<b>Percent of King County Median Income</b>
Low-Income	50%

"Affordable Units" means the eight (8) beds in assisted living units in the Project as selected by the Owner and as approved by the City or its Designee, as set forth in **Exhibit B**, and reserved for occupancy by Eligible Households pursuant to Section 3.

"City" means the City of Kirkland.

"Completion Date" means the date of the completion of the acquisition, construction, purchase, reconstruction and equipping, as the case may be, of the Project, as that date shall be certified as provided in Section 4.

"Covenant" means this Declaration of Affordable Housing Covenants between the City and the Owner.

"Designee" means A Regional Coalition for Housing ("ARCH") or such other agency as may be designated by the City in writing to the Owner. The City shall notify the Owner of any determination not to utilize ARCH as its Designee for purposes of this designation.

"Eligible Household" means an adult certified to receive assistance through the Assisted Living, Congregate Care and Adult Home Medicaid Waiver Program under Section 1915(c) of the Social Security Act ("Medicaid") or, in the event Medicaid is no longer available, an adult who certifies that he or she meets the qualifications for eligibility set forth below in this definition, in Section 3.F. of this Covenant, and as set forth in the



Certificate of Household Eligibility attached hereto as **Exhibit C** and incorporated by reference herein, and who certify that their Household Income does not exceed the applicable percent of the King County Median Income, as set forth in this definition and Section 3.F. of this Covenant, adjusted for household size.

**Maximum Household Income at Initial Occupancy**

	<b>Percent of King County Median Income</b>
Low Income	50%

"Household Income" means all income from all household members over the age of 18 residing in the household. Income consists of those items listed in **Exhibit C**, Certificate of Household Eligibility (e.g. wages, interest income, etc.). Income of dependents who reside within a household for less than four (4) months of the year will not be counted toward Household Income.

"Household Size" means the average household size assumed for purposes of calculating Affordable Rents as follows:

<u>UNIT TYPE</u>	<u>AVERAGE HOUSEHOLD SIZE</u>
Studio	1 Person

"King County Median Income" means the median family income for the Seattle-Bellevue, WA HUD Metro FMR Area as most recently determined by the Secretary of Housing and Urban Development ("HUD") under Section 8(f)(3) of the United States Housing Act of 1937, as amended. In the event that HUD no longer publishes median family income figures for King County, the Director may estimate the King County Median Income in such manner as the Director shall determine.

"Lender" means HUD/FHA, Veterans Administration ("VA"), Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), or another party acquiring such loan upon foreclosure of a deed of trust or mortgage ("Deed of Trust") insured, made or held by HUD/FHA, VA, FNMA, FHLMC; or an institutional third-party lender or investor.

"Medicaid Recipient" means a beneficiary of the Medicaid program.

"Medicaid Waiver Amount" means the payment made by the Washington state Department of Social and Health Services to the Owner on behalf of the Medicaid Recipient.



"Owner" means Kirkland Memory Care LLC, and its successors and assigns, and any surviving, resulting or transferee entity.

"Project" means the building, structures and other improvements to be constructed on the Property, and all equipment, fixtures and other property owned by the Owner and located on, or used in connection with, such buildings, structures and other improvements and all functionally related and subordinate facilities.

"Property" means the real property which will be devoted to the Project as more particularly described in **Exhibit A** which is attached hereto, and incorporated by reference herein, and all rights and appurtenances thereunto appertaining.

"Property Tax Exemption Contract" means that agreement titled Multifamily Housing Limited Property Tax Exemption Contract between the City and Owner dated \_\_\_\_\_.

"Qualified Project Period" means for the life of the Project.

## SECTION 2 — RESIDENTIAL RENTAL PROPERTY

A. General Description. The Owner will acquire and construct the Project for purposes of providing Multifamily Housing, and the Owner shall own, manage, and operate (or cause the management and operation of) the Project to provide Multifamily Housing comprising a building or structure or several inter-related buildings or structures, each consisting of more than one dwelling unit uses and facilities functionally related and subordinate thereto, and no other facilities. As used herein facilities functionally related and subordinate to the Project shall include facilities for use by the tenants, including, for example, swimming pools, other recreational facilities, parking areas, and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment, or units of resident managers or maintenance personnel. The multi-family rental housing shall be scheduled to be completed within three (3) years from the date of City approval of the application for multi-family housing property tax exemption, or within a longer period if authorized by the City.

B. Similar Quality Construction. All of the dwelling units in the Project shall be constructed of similar quality, and each dwelling unit in the Project shall contain facilities for living, sleeping, and sanitation for a single person or a household which are complete, separate, and distinct from other dwelling units in the Project and will include a sleeping area, separate bathing facility, and a sink.

C. Conversion to Other Use. In the event the Project is proposed for conversion to any type of use other than assisted living units, the Owner must submit to the City for its review a plan for preserving the Affordable Units. The City can consider options which would convert the Affordable Units to owner occupancy by Eligible Households. The Owner must receive



authorization from the City prior to conversion to any other type of use. This section does not waive the Owner's obligations to comply with any other law or regulations pertaining to conversion to ownership use.

### SECTION 3 — AFFORDABLE UNITS FOR ELIGIBLE HOUSEHOLDS

A. Number of Affordable Units. The Owner shall lease or rent, or make available for lease or rental, to the general public eight (8) beds in assisted living units as Affordable Units in the Project.

B. Designation/Re-designation of Affordable Units. The Owner agrees to rent the dwelling unit(s) designated in **Exhibit B** as Affordable Unit(s). Units so designated shall have substantially the same equipment and amenities as other dwelling units in the Project with the comparable number of rooms. The Affordable Unit(s) shall be intermingled with all other dwelling units and shall have a unit mix comparable to the overall mix of units in the Project. The City or its Designee shall approve or deny the proposed Affordable Units based upon the criteria set forth in this section.

The Owner, from time to time, may propose to change the particular units designated as Affordable Units, provided that at all times at least eight (8) beds in assisted living units of the Project are designated as Affordable Units, and provided that at all times the same unit mix is retained. The Owner shall notify the City or its Designee of the proposed change in writing for the City's or its Designee's approval. The City or its Designee will review the proposed changes and shall approve or deny the proposed changes based upon the criteria set forth in this Section.

C. Affordable Units Rent Level.

(1) The monthly rent for the Affordable Units occupied by Eligible Households shall not exceed the applicable Affordable Rents, and for each specific tenant, shall be adjusted no more than once every twelve (12) months, and in no event within the first twelve months of occupancy.

(2) Owner agrees not to charge one-time entrance fees, community fees, buy-in fees, or similar move-in expenses typical of senior housing for occupancy of an Affordable Unit provided, however, that the foregoing restriction shall not preclude the Owner from collecting security deposits or charging other customary fees of occupancy, including but not limited to damage deposits, first and last months' rent, or pet deposits. Additionally, the foregoing restriction shall not restrict the Owner's ability to charge fees for services rendered or goods provided on the same basis as residents of market-rate units of the Project.

D. Renting Affordable Units to Eligible Households. During the Qualified Project Period, the Owner shall rent or lease the Affordable Units to Eligible Households and, if at any time any of the Affordable Units are not rented or leased to Eligible Households, the Affordable Units shall remain vacant pending rental or lease to Eligible Households.

E. Equal Access to Common Facilities. Tenants in the Affordable Units shall have equal access to enjoyment of all common facilities of the Project.



F. Qualifying Eligible Household Income for Affordable Units at Initial Occupancy. So long as Medicaid is available, Eligible Households shall be adults who are certified to be Medicaid Recipients. In the event Medicaid is no longer available Qualifying Eligible Household Income at time of occupancy may not exceed 50 percent (50%) of King County Median Income, adjusted for Household Size.

G. Household Size Limits for Affordable Units. The Owner shall utilize the following occupancy standards for Affordable Units:

<u>Assisted Living Unit Size</u>	<u>Household Size</u>
Private	1 person
Semi-private	2 persons

#### SECTION 4 — REPORTING REQUIREMENTS

A. Notice of Occupancy Permit. Within thirty (30) days of issuance of any final inspection or, if applicable, occupancy permits, the Owner shall notify the City's Planning and Building Department [Attn: Housing Planner] or its Designee of receipt of the first occupancy permit for the Project.

B. This Section left intentionally blank.

C. Completion of Certificate of Household Eligibility. So long as Medicaid is available, the Owner shall maintain documentation from the Washington state Department of Social and Health Services proving that occupants of the Affordable Units are Medicaid Recipients from their initial occupancy of Affordable Units and throughout their occupancy of Affordable Units. In the event Medicaid is no longer available, then prior to allowing any household to occupy any Affordable Unit, the Owner shall require the prospective tenant to complete a Certificate of Household Eligibility that shall be substantially in the form set forth in **Exhibit C**. The Owner shall also undertake a good faith effort to verify the applicant's Household Income, as reported on the completed Certificate. The Owner's obligation to verify the reported Household Income shall be limited to requesting copies of and reviewing the applicant's federal income tax returns, unless the Owner has actual knowledge, or reason to believe, that the information provided by the applicant is materially inaccurate. In the event federal income tax returns are not available, the Owner shall verify Household Income using wage or salary statements, or other income records that the City or its Designee may consider appropriate.

D. This section left intentionally blank.

E. Annual Project Certification. After the Completion Date and until 90% of the rental units are occupied, the Owner shall, on a quarterly basis, file with the City or its Designee an Annual Project Certification, in substantially the form of **Exhibit D**. Thereafter, the Owner shall file such certification annually on or before March 31<sup>st</sup>, which certification shall set forth the required information for the preceding year.



The Owner shall include with the Annual Project Certification documentation for each Affordable Unit that the resident(s) is (are) receiving Medicaid assistance. In the event Medicaid is no longer available, the Owner shall include copies of the Certificate of Household Eligibility as required in Section 4.C. The City or its Designee may investigate independently to verify certifications submitted by the Owner.

F. Maintain Complete Records. The Owner shall maintain complete and accurate records pertaining to the Affordable Units and, to the extent permitted by applicable law, shall permit any duly authorized representative of the City, including, without limitation, its Designee, to inspect the books and records of the Owner pertaining to the Affordable Units, and if applicable, Medicaid status of Eligible Households residing in the Project. The Owner's failure to maintain such records or failure to allow examination by the City or any duly authorized representative shall constitute a default hereunder. Notwithstanding anything else in this paragraph or this Covenant to the contrary, the confidentiality provisions of Chapter 70.02 RCW, and applicable rules and regulations of the Washington Administrative Code shall govern review by the City of any medical, assessment, or other DSHS assisted living facility documents for all residents occupying Affordable Units.

G. Form of Certification. Notwithstanding anything in this Section to the contrary, the Owner shall submit all documentation required by this Section on the forms designated herein, which may be modified by the City or its Designee from time to time. Changes to forms by the City or its Designee shall not significantly enlarge the Owner's obligations hereunder.

## SECTION 5 — SECTION 8 CERTIFICATE HOLDERS

The Owner shall accept as tenants for Affordable Units, on the same basis as all other prospective households, Eligible Households who are recipients of Federal certificates for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937, as amended. The Owner shall not apply, or permit the application of, management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of Units by holders of Section 8 certificates.

## SECTION 6 — LEASE PROVISIONS

A. It is the Owner's responsibility to screen and select tenants for desirability and credit worthiness. Except as restricted in this Covenant, such selection is within the Owner's discretion. If written management policies exist, or exist in the future, with respect to the Project, the City or its Designee may review such written policies and may require changes in such policies, if necessary, so that they comply with the requirements of this Covenant.

B. All leases for Affordable Units shall contain clauses wherein each individual lessee: (i) certifies the accuracy of the statements made in the Certificate of Household Eligibility, (ii) agrees that the household income and other eligibility requirements shall be deemed substantial



and material obligations of the tenancy, and (iii) agrees that misrepresentation in the certification is a material breach of the lease, entitling the Owner to terminate the lease for the Affordable Unit.

#### SECTION 7 — SALE OR TRANSFER OF THE PROJECT

The Owner hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project or any portion thereof without first providing a written notice from the purchaser stating that the purchaser understands, and will comply with the Owner's duties and obligations under this Covenant. Such notice must be received by the City or its Designee at least 10 days prior to the close of escrow.

#### SECTION 8 — TERM

This Covenant shall become effective upon its execution and delivery and shall continue in full force and effect throughout the Qualified Project Period, unless sooner modified or terminated in accordance with Section 12 hereof.

#### SECTION 9 — NO DISCRIMINATION

The Owner shall not discriminate on the basis of race, creed, religion, color, sex, sexual orientation, age, national origin, marital status, or presence of any mental or physical handicap as set forth in RCW 49.60.030, as now existing and as may be amended, in the lease, use, or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

#### SECTION 10 — COVENANTS RUN WITH LAND

A. The City and Owner hereby declare their understanding and intent that the covenants, conditions and restrictions set forth herein directly benefit the land (i) by enhancing and increasing the enjoyment and use of the Project by certain Eligible Households, and (ii) by furthering the public purposes of providing housing for Eligible Households.

B. The City and the Owner hereby declare that the covenants and conditions contained herein shall bind and the benefits shall inure to, respectively, the Owner and their successors and assigns and all subsequent owners of the Project or any interest therein, and the City and its successors and assigns, all for the Qualified Project Period. Except as provided in Section 12 of this Covenant, each and every contract, deed or other instrument hereafter executed conveying the Project or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants and conditions of this Covenant, provided however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants and conditions, regardless



of whether or not such covenants and conditions are set forth or incorporated by reference in such contract, deed or other instrument.

## SECTION 11 — ENFORCEMENT

A. Enforcement Provisions. The Owner shall exercise reasonable diligence to comply with the requirements of this Covenant and shall correct any such noncompliance within sixty (60) days after such noncompliance is first discovered by the Owner or would have been discovered by the exercise of reasonable diligence, or within 60 days after the Owner receives notice of such noncompliance from the City or its Designee; provided however, that such period for correction may be extended by the City if the Owner is exercising due diligence to correct the noncompliance. If such noncompliance remains uncured after such period, then the Owner shall be in default and the City on its own behalf may take any one or more of the following steps:

1) By any suit, action or proceeding at law or in equity, require the Owner to perform its obligations under this Covenant or the Property Tax Exemption Contract, or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder; it being recognized that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Owner's default.

2) Have access to, and inspect, examine and make copies of, all of the books and records of the Owner pertaining to the Project, to the extent permitted by applicable law. Provided, however, the City or its Designee shall not divulge such information to any third party unless required by law or unless the same is necessary to enforce the City's rights hereunder.

3) Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants, conditions and agreements of the Owner under this Covenant.

4) The Owner hereby grants to the City or the Designee the option, upon Owner's default under this Covenant, for the Qualified Project Period to lease up to eight(8) beds in assisted living units in the Project as mutually selected by the City or its Designee and the Owner for the purpose of subleasing such units to Eligible Households, but only to the extent necessary to comply with the provisions of this Covenant. The City or its Designee may lease from the Owner the units at the Affordable Rent level less a reasonable management fee to reimburse the City or its Designee for any expenses incurred in connection with such sublease. The City or its Designee may terminate its lease of the units in the Project upon determination that the Owner is no longer in default pursuant to this Covenant.

B. Hold Harmless. The Owner shall defend, indemnify, and hold the City, its officers, officials, employees, volunteers and its Designee and any other party authorized hereunder to enforce the terms of this Covenant, harmless from any and all claims, injuries, damages, losses, or suits, including attorney fees, arising out of or resulting from this Covenant.

C. No Third-Party Beneficiaries. The provisions of this Covenant and of the documents to be executed and delivered in connection herewith are and will be for the benefit of



the Owner, the City and its Designee only and are not for the benefit of any third party (including, without limitation, any tenants or tenant organizations), and accordingly, no third party shall have the right to enforce the provisions of this Covenant or of the documents to be executed and delivered in connection herewith.

## SECTION 12 — SUBORDINATION, TERMINATION, RIGHTS RESERVED BY HUD

A. Notwithstanding any provision in this Covenant to the contrary, all of the provisions of this Covenant shall terminate and have no further force and effect upon the occurrence of one of the following events:

1) Foreclosure of a HUD/FHA insured loan is initiated under which the Project is held as a security.

2) Title to the Project is acquired by Lender or HUD/FHA by deed in lieu of foreclosure of the Deed of Trust.

3) Title to the Project is acquired by HUD/FHA, Veterans Administration ("VA"), Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC") or another party upon foreclosure of a deed of trust or mortgage ("Deed of Trust") insured, made or held by HUD/FHA, VA, FNMA, FHLMC; or an institutional, third-party lender or investor (collectively, "Lender").

4) The Deed of Trust, if insured by HUD/FHA, is assigned to HUD/FHA.

5) Notwithstanding anything in this Covenant to the contrary, enforcement of this Covenant shall not serve as a basis for (i) default under the Deed of Trust insured by HUD/FHA or any other Lender, or (ii) an acceleration of the loan secured by the Deed of Trust ("Loan"), or result in any claim against the Project, the Loan proceeds, any reserve or deposit required by HUD/FHA or any other Lender in connection with the Loan transaction or the rents or other income from the Project other than from available surplus cash as that term is defined by HUD/FHA or any other Lender.

B. Notwithstanding anything in this Covenant to the contrary:

1) All of the provisions of this Covenant are subordinate and subject to the Deed of Trust, the Loan, and all documents relating to the Loan ("Loan Documents"), if any, as well as all applicable HUD/FHA mortgage insurance regulations, related HUD/FHA administrative requirements, Section 8 of the U.S. Housing Act of 1937, as amended, and the regulations thereunder, as amended, and the rights of the Lender thereunder. In the event of any conflict between this Covenant and the provisions of any applicable HUD/FHA mortgage insurance regulations, related HUD/FHA administrative requirements, Section 8 of the U.S. Housing Act of 1937, as amended, and the regulations thereunder, as amended, the applicable HUD/FHA mortgage insurance regulations, related HUD/FHA administrative requirements, Section 8 of the U.S. Housing Act of 1937, as amended, and the regulations thereunder, as amended, will control.



2) Lender shall take no role in monitoring compliance with state and federal use and occupancy requirements; nor shall Lender be required to provide notice to third parties of actions under the Deed of Trust, if any.

3) No amendment to this Covenant will be effective without the prior written consent of Lender, if any.

4) The Owner, its successors or assigns, will take all steps necessary to comply with this Covenant; provided that the Owner, its successors or assigns, shall not be required to take action prohibited by, or to refrain from action required by Lender, pursuant to the National Housing Act (as amended), applicable HUD/FHA mortgage insurance regulations, related administrative requirements, Section 8 of the Housing Act of 1937, as amended, and the regulations thereunder, as amended, or the Loan and the Loan Documents.

5) Upon the occurrence of any default under the Loan Documents or under this Agreement (in each case, after giving effect to applicable notice and cure periods), Lender may enforce this Agreement with the same force and effect as if enforced by the Owner. The Lender may, but shall have no obligation to, perform the obligations of the Owner under this Agreement. The City will accept full performance by the Lender in lieu of performance by the Owner in satisfaction of the obligations of the Owner. For the avoidance of doubt, the City shall be entitled to rely on Lender's written representation that a default has occurred under the loan Documents and shall have no duty of inquiry with respect thereto, and Owner shall have no claim against the City, and hereby waives and releases all such claims, as a result of the City accepting any such representation by Lender or accepting any performance by Lender hereunder.

6) The City shall notify the Lender of any default by the Owner under this Agreement at the same time as the Owner under Section 19 and the Lender shall have the right, but not the obligation, to cure any such default by the Owner. The Lender shall have thirty (30) days after receipt of notice of default from the City to cure a default by the Owner under this Agreement (or, if such default cannot reasonably be cured within such thirty (30) day period, the Lender shall have such longer time as may be necessary to cure the default; provided that the Lender commences the cure within such period and diligently pursues the cure thereafter). Notwithstanding the foregoing sentence, if such default can only be cured by the Lender acquiring possession or ownership of the Property, then the Lender shall have an additional period in which to cure such default as is necessary to acquire possession or ownership, as necessary, and to cure such default.

#### SECTION 13 — ESTOPPEL CERTIFICATE

The City agrees, upon the request of the Owner or its successor in interest, to promptly execute and deliver to the Owner or its successor in interest or to any potential or actual purchaser, mortgagor or encumbrancer of the Project, a written certificate stating, if such is true, that the City has no knowledge of any violation or default by the Owner of any of the covenants or conditions of this Covenant, or if there are such violations or defaults, the nature of the same.



#### SECTION 14 — AGREEMENT TO RECORD

The Owner shall cause this Covenant to be recorded in the real property records of King County, Washington. The Owner shall pay all fees and charges incurred in connection with such recording and shall provide the City or its Designee with a copy of the recorded document.

#### SECTION 15 — RELIANCE

The City and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by City and the Owner. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Owner and Eligible Households, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In performing its duties hereunder, the Owner may rely on the Certificates of Household Eligibility unless the Owner has actual knowledge or reason to believe that such Certificates are inaccurate.

#### SECTION 16 — GOVERNING LAW

This Covenant shall be governed by the laws of the State of Washington, except to the extent such laws conflict with the laws of the United States or the regulations of federally insured depository institutions or would restrict activities otherwise permitted in relation to the operation of federally insured depository institutions.

#### SECTION 17 — NO CONFLICT WITH OTHER DOCUMENTS

The Owner warrants that it has not executed and will not execute, any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event the requirements of this Covenant are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith, except for the Multifamily Housing Limited Property Tax Exemption Contract referenced in Section 20 herein.

#### SECTION 18 — AMENDMENTS

This Covenant shall be amended only by a written instrument executed by the parties hereto or their respective successors in title, and duly recorded in the real property records of King County, Washington. Amendments to **Exhibit B** shall be considered to be approved in writing when the revised **Exhibit B** is signed by the Owner and the City or its Designee without the need for a further written document attaching the revised exhibit and striking prior versions of the exhibit. In the event of conflict between versions of **Exhibits B**, the version maintained by the City or its Designee as the then-current version, signed by Owner and City or its Designee, shall prevail.



## SECTION 19 — NOTICE

Any notice or communication hereunder, except legal notices, shall be in writing and may be given by registered or certified mail. The notice or communication shall be deemed to have been given and received when deposited in the United States Mail, properly addressed with postage prepaid. If given otherwise, it shall be deemed to be given when delivered to and received by the party to whom addressed. Such notices and communications shall be given to the parties hereto at their following addresses:

If to the City:	Planning Department-Housing Planner City of Kirkland 123 Fifth Avenue Kirkland, WA 98033  With a copy to the Designee A Regional Coalition for Housing (ARCH) 16225 NE 87th Street, Suite A-3 Redmond, WA 98052 Attn: Housing Planner
If to the Owner:	Kirkland Memory Care LLC 111 Market St NE, Suite 200 Olympia, WA 98501 Attn: E. Aaron Koelsch  With a copy to: Bank of the West CBG Loan Administration 2527 Camino Ramon (NC-BO7-3E-I) San Ramon, California 94583 Attn: Tiiu Newlin

Any party may change its address for notices upon ten (10) days prior written notice to the other parties. Legal counsel for a party may deliver notices on behalf of the represented party and such notice shall be deemed delivered by such party.

## SECTION 20 — MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

This Covenant is subject to the terms and conditions of the Property Tax Exemption Contract. In the event of any conflict between the terms of this section and the terms of the Property Tax Exemption Contract, the terms of the Property Tax Exemption Contract shall control. All amounts



payable hereunder shall be paid without any set-off or deduction of any nature. This provision shall survive termination of the Covenant prior to expiration of the Qualified Project Period.

#### SECTION 21 — SEVERABILITY

If any provision of this Covenant shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

#### SECTION 22 — CONSTRUCTION

Unless the context clearly requires otherwise, words of the masculine, feminine or neuter gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. All the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Covenant and to sustain the validity hereof.

#### SECTION 23 — TITLES AND HEADINGS

The titles and headings of the sections of this Covenant have been inserted for convenience of reference only, are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in the construing this document or any provision hereof or in ascertaining intent, if any question of intent shall arise.

IN WITNESS WHEREOF, the Owner and City have each executed the Declaration of Affordable Housing Covenants on the date first above written.

[Signature page follows.]



Owners:

Kirkland Memory Care LLC, a Delaware  
limited liability company

City:

By: Kirkland Koelsch Memory Care LLC,  
A Washington limited liability company  
Its: Manager

By: EAK Manager, Inc.,  
a Washington corporation

---

E. Aaron Koelsch  
Its: President

---

Kurt Triplett  
Its: City Manager

Approved as to Form:

---

City Attorney



STATE OF WASHINGTON                }  
  }  
COUNTY OF KING                 }       ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of the CITY OF KIRKLAND, who executed the foregoing document on behalf of said City, and acknowledged the said document to be the free and voluntary act and deed of said City, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said document.

IN WITNESS WHEREOF I have given under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Washington.

Print Name \_\_\_\_\_

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_



STATE OF WASHINGTON                    }  
  }  
COUNTY OF \_\_\_\_\_        }        ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared E. Aaron Koelsch, to me known to be the President of EAK Manager, Inc., a Washington corporation, which is the Manager of Kirkland Koelsch Memory Care LLC, a Washington limited liability company, which is the Manager of Kirkland Memory Care, LLC, a Delaware limited liability company, who executed the foregoing instrument on behalf of the said limited liability company, and acknowledged the said document to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said document.

IN WITNESS WHEREOF I have given under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Washington.

Print Name \_\_\_\_\_

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_



**EXHIBIT E**  
**CONGREGATE/ASSISTED CARE SERVICES**

- 1) Full utility service, including cable television, but excluding telephone.
- 2) 24-hour security with 24-hour staffing.
- 3) Emergency call system to on-site staffing/relayed to public health/fire safety personnel.
- 4) Fire sprinkler protection and alarm system.
- 5) Three (3) meals served daily in a banquet style.
- 6) Weekly resident unit housekeeping, including flat linens.
- 7) Scheduled van transportation.
- 8) Planned and coordinated activities and social services.
- 9) Medication monitoring/supervision.
- 10) Medication administration.
- 11) Assistance in bathing.
- 12) Assistance in dressing.
- 13) Assistance in ambulation.
- 14) Assistance in eating.
- 15) Care of incontinency.
- 16) Care of Alzheimer's Dementia.





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

**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance and Administration  
David Goldman, Deputy Director of Finance and Administration

**Date:** October 1, 2019

**Subject:** 2020 NORCOM BUDGET APPROVAL

**RECOMMENDATION**

City Council adopts the attached Resolution approving Kirkland's share of the 2020 NORCOM budget. By adopting the resolution through approval of the consent agenda, the Council is authorizing this action.

**BACKGROUND**

The North East King County Regional Public Safety Communications Agency (NORCOM) was formed in November, 2007 and began dispatch operations on July 1, 2009. The interlocal agreement forming NORCOM calls for each participating agency to approve their portion of NORCOM's budget before the NORCOM budget is adopted, which will occur this year on December 13, 2019 (ILA Section 12(c)). Technically, the City of Kirkland approves its share of NORCOM's budget as part of the adoption of Kirkland's 2019-2020 budget which occurred on December 11, 2018. This resolution will provide NORCOM the documentation it needs to finalize their 2020 budget.

For NORCOM as a whole, user assessments are increasing an average of 1.9%. The Kirkland Fire Department assessment is increasing by 1.8% in 2020 due to a lower proportion of fire calls compared to all NORCOM fire agencies' calls. Kirkland's fire calls represent 10.7% of all fire calls for service to NORCOM. The Kirkland Police Department assessment is increasing by 3.8% due to a higher proportion of total police calls. Kirkland's police calls represent 34.6% of all police calls for service to NORCOM.

The proposed NORCOM assessments and Kirkland adopted budget are summarized in Table 1 below. Staff recommends that the City Council adopt the Resolution approving Kirkland's assessments for NORCOM which are slightly less than what was approved in the 2019-2020 Budget. In anticipation of increased assessments in 2021, staff recommends not changing the amount in the budget and applying the savings in 2020 toward the increase in 2021.

**Table 1 – NORCOM Assessments vs. Kirkland 2020 Adopted Budget**

	<b>Kirkland Police</b>	<b>Kirkland Fire</b>	<b>Total</b>
Kirkland 2020 Adopted Budget	2,206,324	517,182	2,723,506
NORCOM 2020 Proposed Kirkland Assessment	2,164,598	498,630	2,663,228
Variance	41,726	18,552	60,278



## RESOLUTION R-5395

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE CITY OF KIRKLAND'S ALLOCATION FOR THE NORTH EAST KING COUNTY REGIONAL PUBLIC SAFETY COMMUNICATIONS AGENCY (NORCOM) BUDGET.

1 WHEREAS, the North East King County Regional Public  
2 Safety Communications Agency (NORCOM) was formed effective  
3 November 1, 2007 and Kirkland is a participating member of  
4 NORCOM; and

5  
6 WHEREAS, NORCOM is in the process of adopting its  
7 annual budget for 2020; and

8  
9 WHEREAS, the NORCOM Interlocal Agreement, to which  
10 the City is a party, requires that the City Council annually approve  
11 the City's allocation for NORCOM's budget; and

12  
13 WHEREAS, the City Council appropriated sufficient funds to  
14 pay for Kirkland's 2020 NORCOM allocation when the Council  
15 approved the City's 2019-2020 Biennial Budget;

16  
17 NOW, THEREFORE, be it resolved by the City Council of the  
18 City of Kirkland as follows:

19  
20 Section 1. The City of Kirkland's allocation for the North  
21 East King County Regional Public Safety Communications Agency  
22 (NORCOM) budget, as proposed in the City of Kirkland 2019-2020  
23 Budget, is approved.

24  
25 Passed by majority vote of the Kirkland City Council in open  
26 meeting this \_\_\_\_ day of \_\_\_\_\_, 2019.

27  
28 Signed in authentication thereof this \_\_\_\_ day of \_\_\_\_\_,  
29 2019.

\_\_\_\_\_  
Penny Sweet, Mayor

Attest:

\_\_\_\_\_  
Kaithi Anderson, City Clerk





**CITY OF KIRKLAND**  
**Department of Finance & Administration**  
**123 Fifth Avenue, Kirkland, WA 98033 425.587.3100**  
**[www.kirklandwa.gov](http://www.kirklandwa.gov)**

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Kathi Anderson, City Clerk  
Michael Olson, Director of Finance and Administration

**Date:** October 3, 2019

**Subject:** Resignation and Appointment of Planning Commission Member

### **RECOMMENDATION:**

That Council acknowledges receipt of Mathew Pruitt's resignation from the Kirkland Planning Commission, authorizes the attached draft response thanking him for his past service, and appoints alternate Rodney Rutherford to the remainder of the unexpired term.

### **BACKGROUND DISCUSSION:**

Mr. Pruitt has communicated his resignation effective September 30, 2019, due to a pending out of town change of residence.

Council had selected Rodney Rutherford as the alternate Planning Commission appointee at their March 21, 2019 special meeting. Mr. Rutherford has confirmed his continued interest in serving on the Commission. If Council confirms their selection, the appointment to the unexpired term would be effective October 15, 2019 for the remainder ending March 31, 2020.

By approving the consent calendar, the Council authorizes these actions.



**From:** Mathew Pruitt  
**Sent:** Monday, September 30, 2019 5:15 PM  
**To:** City Council <citycouncil@kirklandwa.gov>  
**Cc:** Planning Commissioners <planningcommissioners@kirklandwa.gov>; Jeremy McMahan <JMcMahan@kirklandwa.gov>; Adam Weinstein <AWeinstein@kirklandwa.gov>; Kathi Anderson <KAnderson@kirklandwa.gov>  
**Subject:** Fwd: Planning Commission Resignation

Members of the City Council (and Kathi),

Per the reasons as outlined in my email to planning staff below, please consider this email as my official resignation from the planning commission.

I have very much appreciated my time on the commission and have learned so much. Thank you for the opportunity.

-Mathew Pruitt

**From:** Mathew Pruitt  
**Sent:** Tuesday, September 24, 2019 5:11 PM  
**To:** Planning Commissioners <[planningcommissioners@kirklandwa.gov](mailto:planningcommissioners@kirklandwa.gov)>  
**Cc:** Adam Weinstein <[AWeinstein@kirklandwa.gov](mailto:AWeinstein@kirklandwa.gov)>; Jeremy McMahan <[JMcMahan@kirklandwa.gov](mailto:JMcMahan@kirklandwa.gov)>  
**Subject:** Planning Commission Resignation

I plan to be at our meeting on Thursday but wanted to make you all aware that I will be resigning from the planning commission. I have left a voicemail with Adam and will be working out whatever date makes the best sense to staff.

After a lot of thought and a little bit of luck, Jennifer and I have decided to purchase a home outside of Finn Hill and Kirkland and are moving our family just outside Woodinville in Snohomish County.

This was a difficult decision as we have been in and loved Kirkland and Finn Hill for almost two decades. What it simply came down to was an opportunity to raise kids on more acreage in a bigger home that we have felt for a while that we really needed and wanted.

I have enjoyed my time greatly on the planning commission and working with all of you. I have always appreciated the fact that there are so many good people in Kirkland who care about the community we live in.

Thank you,  
-MP



**DRAFT**

October 15, 2019

Mathew Pruitt  
12352 76<sup>th</sup> Avenue NE  
Kirkland, Washington 98034

Dear Mr. Pruitt,

We have received your resignation from the Kirkland Planning Commission.

The City Council appreciates your contributions to the Commission during your past service, and we thank you for volunteering your time and talent to serve the Kirkland community.

Best wishes in your current and future endeavors.

Sincerely,

Kirkland City Council

By Penny Sweet,  
Mayor



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

**To:** Kurt Triplett, City Manager

**From:** Greg Piland, Financial Operations Manager

**Date:** October 3, 2019

**Subject:** REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF OCTOBER 15, 2019.

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

The City's major procurement activities initiated since the last report dated September 19, 2019 are as follows:

	Project/Purchase	Process	Estimate/Price	Status
1.	2019 neighborhood safety program design services	Request for Qualifications	\$86,500.00	Contract awarded to Land Development Consultants, Inc. of Woodinville, WA based on qualifications per RCW 39.80.
2.	Police Department dry cleaning services	Request for Proposals	\$75,000.00	Contract awarded to Johns Cleaning Service of Shoreline, WA.
3.	Government affairs consulting	Request for Proposals	\$216,000.00	Contract awarded to Waypoint Consulting Group LLC of Auburn, WA.
4.	NE 85 <sup>th</sup> signal light camera replacement	Cooperative Purchase	\$133,873.75	Contract awarded to Western Systems of Everett, WA.

Please contact Greg Piland if you have any questions regarding this report.



**CITY OF KIRKLAND****City Manager's Office**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

[www.kirklandwa.gov](http://www.kirklandwa.gov)

---

**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Mary Gardocki, Park Planning and Development Manager  
Lynn Zwaagstra, Director

**Date:** October 15, 2019

**Subject:** Resolution to Adopt a Master Plan for 132<sup>nd</sup> Square Park

**RECOMMENDATION:**

That City Council adopts the attached resolution that:

- Approves the proposed Master Plan for 132<sup>nd</sup> Square Park;
- Provides direction to return to Council with funding options for Phase 2 elements at the November 6 Council meeting;
- Provides direction to include a Synthetic Turf Strategic Plan in the 2019 CIP update; and
- Provides direction to update the Athletic Field Use Policy to ensure unscheduled, unprogrammed time on all athletic fields, including 132<sup>nd</sup> Square Park.

**BACKGROUND DISCUSSION:**

At their meeting on October 1, 2019, the City Council received a briefing and background materials on the [Master Plan for 132<sup>nd</sup> Square Park](#), (which is also Exhibit "A" to the resolution) initially proposed to be implemented in two phases. Phase 1 funded components include a synthetic turf field, fencing, lighting and an ADA accessible path to access the field with a cost estimate of \$2,941,068 and an estimated reimbursement of \$1,082,835 from a Department of Ecology grant. Total project budget for design development and construction of the first phase of improvements has been approved in the Parks' CIP for \$2,184,000. Funding is derived from REET, Kirkland Parks Levy, Park Impact Fees and Reserves.

Additional improvements identified in the Master Plan as Phase 2 include expanded parking, new lighting, a new restroom building, a relocated play hill, an expanded playground and new picnic shelters. The project cost estimate for construction only to complete Phase 2 of the master plan is \$2,385,300.

The Council provided key Master Plan suggestions, such as: funding Phase 2 elements; ensuring unscheduled time on the turf field for neighborhood use; outreach to lower income park users; and design suggestions around fencing and the play hill. However, the Council supported the overall Master Plan and the implementation of synthetic turf and lighting, as well as the Phase 2 elements of the expanded parking, new restroom, updated playground and equipment, picnic shelters and the new play hill. Each of the Council expressed interests can be accommodated under the existing Master Plan as currently written. The modest changes discussed can be accommodated as the park plan moves into the design phase. Therefore, staff recommends that the Council adopt the attached resolution approving the 132<sup>nd</sup> Square Park Master Plan.



In order to ensure the Council's interests are memorialized and implemented, additional direction to staff related to the Master Plan has been included in the attached resolution. The most important of these interests was to provide options for funding key elements of Phase 2, or funding implementation of the Master Plan in its entirety. To remain on schedule for design and construction of the combined stormwater and park project, staff will need direction on which components of Phase 2 to include in the initial design in November. The City Manager will propose funding options for the remaining master plan components at the November 6 Council meeting. Final Council direction will be incorporated into the design, and then funding decisions will be included in the 2019 – 2024 Capital Improvement Program (CIP) Update that will come before the Council on December 10. Because the Master plan provides enhanced capacity to the park system, funding to complete the plan implementation will likely come primarily from park impact fees.

Other elements in the resolution include direction to provide options for funding a Synthetic Turf Strategic Plan in the 2019 CIP update, and direction to update the Athletic Field Use Policy to ensure unscheduled, unprogrammed time throughout the park system, including at 132<sup>nd</sup> Square Park after the synthetic turf field is completed.

**Attachment A** – Resolution R-5393, Adopting a Master Plan for 132<sup>nd</sup> Square Park



## RESOLUTION R-5393

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A MASTER PLAN FOR 132<sup>ND</sup> SQUARE PARK AND PROVIDING FOR FUNDING OPTIONS AND UPDATED ATHLETIC FIELD USE POLICIES.

1 WHEREAS, in 2011 the City of Kirkland ("City") assumed  
2 ownership from King County of the 9.76-acre public property known as  
3 132<sup>nd</sup> Square Park; and  
4

5 WHEREAS, in 2012 citizens of Kirkland voted to approve a  
6 Kirkland Parks Levy to provide ongoing funding for park maintenance  
7 and park improvements; and  
8

9 WHEREAS, a portion of Kirkland Parks Levy ("Levy") funds as  
10 well as park impact fees have been appropriated to develop and  
11 implement a master plan for 132<sup>nd</sup> Square Park; and  
12

13 WHEREAS, the Park Board ("Board") and Department of Parks  
14 and Community Services ("Department") organized and completed an  
15 extensive planning process to create a vision for 132<sup>nd</sup> Square Park,  
16 involving important stakeholders and interested residents; and  
17

18 WHEREAS, the Department has now completed the 132<sup>nd</sup>  
19 Square Park Master Plan ("Master Plan"); and  
20

21 WHEREAS, the City has received from the Board a written  
22 report and recommendation on the proposed Master Plan; and  
23

24 WHEREAS, improvements to 132<sup>nd</sup> Square Park will  
25 enhance the level of service of Kirkland's park system to help meet  
26 the current and future needs and interests of park users; and  
27

28 WHEREAS, in a public meeting the Council considered the  
29 written report and recommendation of the Park Board; and  
30

31 WHEREAS, the Council recommends alignment of field use  
32 with the Athletic Field Use Policy; and  
33

34 WHEREAS, the Council recommends availability of free  
35 and unscheduled open play as well as scheduled play on the  
36 synthetic turf field.  
37

38 NOW, THEREFORE, be it resolved that the City Council of  
39 the City of Kirkland:  
40



41        Section 1. The 132<sup>nd</sup> Square Park Master Plan reviewed by  
42 the Park Board as set forth in Exhibit "A" attached to this  
43 Resolution is hereby adopted.  
44

45        Section 2. The City Manager shall provide the City Council  
46 with options for funding Phase 2 elements of the 132<sup>nd</sup> Square  
47 Park Master Plan at the November 6, 2019 City Council meeting.  
48

49        Section 3. The City Manager shall provide the City Council  
50 with funding options for developing a Synthetic Turf Strategic Plan  
51 as part of the City Council's 2019-2024 Capital Improvement Plan  
52 (CIP) update.  
53

54        Section 4. The City Manager shall update the Parks and  
55 Community Services Athletic Field Use Policy to ensure  
56 unscheduled, unprogrammed time throughout the City of  
57 Kirkland park system, including at 132<sup>nd</sup> Square Park following  
58 installation of the synthetic turf field.  
59

60        Passed by majority vote of the Kirkland City Council in  
61 open meeting on the \_\_\_\_ day of \_\_\_\_\_ 2019.  
62

63        Signed in authentication thereof this \_\_\_\_ day \_\_\_\_\_,  
64 2019.

\_\_\_\_\_  
Penny Sweet, Mayor

Attest:

\_\_\_\_\_  
Kathi Anderson, City Clerk



**CITY OF KIRKLAND****Department of Public Works****123 Fifth Avenue, Kirkland, WA 98033 425.587.3800****[www.kirklandwa.gov](http://www.kirklandwa.gov)**

---

**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** John Burkhalter, Development Engineering Manager  
Kathy Brown, Public Works Director

**Date:** October 15, 2019

**Subject:** KIRKLAND URBAN SOUTH TEMPORARY ACCESS AGREEMENT FOR USE OF PETER KIRK PARK BY KIRKLAND URBAN PHASE III OWNER LLC (KUP)

**RECOMMENDATION:**

It is recommended that City Council approve the resolution authorizing the City Manager to sign a Temporary Access Agreement substantially in the form attached to the resolution. The Temporary Access Agreement allows for temporary construction access and staging to expedite the project's construction schedule and limit the duration of the impacts to the surrounding businesses and residents. In addition, the Temporary Access Agreement allows for the completion of public utility lines started with Kirkland Urban Phase I.

**BACKGROUND DISCUSSION:**

A similar agreement for Kirkland Urban Phase I was approved by City Council in January 2016. Staff used that original agreement and outreach plan as a model for this process. The 2016 agreement required the developer to install landscape and sidewalk improvements in Peter Kirk Park after construction. The development work covered under this proposed new agreement will necessitate the removal and restoration of some of the improvements installed under the first agreement, because the developer will be actively using the area during construction. To offset the public impacts, the developer will install additional improvements in the park, in addition to restoring the original improvements after their project is complete. The new park improvements will include a public plaza area the northeast corner of the park, near the Kirkland Teen Union Building.

There is a license fee associated with this agreement, calculated using the same methodology as the original 2016 agreement as described below.

The following highlights the outreach process staff conducted and highlights of the new agreement:

- **Process and Outreach:** Staff set up meetings with Neighborhood Groups, Council Committees, the Park Board and City staff to collect feedback on the proposal. There were many positive comments on the proposed plaza design and staff will work with the developer during permitting to address them. There were a few concerns related to construction traffic,



construction parking and pedestrian access which are outlined below.

- Construction Parking – Contractor to provide a mobilization plan which will include a plan for contractor parking.
  - Traffic on Central Way/Kirkland Avenue – Contractor to provide a Traffic Control Plan which will include a combination of flaggers and uniformed police officers to maintain traffic flow and aid construction vehicles into and out of the temporary access.
  - Pedestrians Safety/Accessibility – Contractor will have a crossing midpoint of the temporary access with flaggers to allow pedestrians to cross between the Park and Kirkland Urban Phase I connecting the Park to the new retail and vice versa. The sidewalk along Central Way will remain open and a flagger will be provided at the temporary access driveway. East West paths between Central Way the Park, Senior Center, Pool and Library will be maintained.
- License Fee Calculation for Temporary Access: Staff used the Kirkland Urban Phase I property valuation and fee formula provided by S. Murray Brackett, MAI, Senior Managing Director, Valbridge Property Advisors to calculate the new License Fee for the use of a portion Peter Kirk Park as a temporary access and staging area; see Attachment A – Appraisal Report, page 23-25, for details on the calculation. The property valuation for Peter Kirk Park by Valbridge is updated in the new License Fee calculation to reflect the increase in land values since December 2015. This was done by using King County Assessor land valuation data for properties bordering the park (King County does not value government owned parcels). Assessor Data shows property bordering the park increased in value by 53% since December 2015. Using this data to revise the property valuation, the Valbridge fee formula and a license area of 11,600 square feet the License Fee is \$147,675.70; see Attachment B – License Fee Calculation.
  - Park Restoration Plan: The Park Restoration Plan will be approved through the permitting process taking into consideration the comments and recommendations provided by the Neighborhood Groups, Council Committees, Park Board and City staff. To date the Plan has not been finalized, but the substantial components have been identified; see Attachment C – Park Restoration Exhibits. The estimated cost of the added value to the park for the proposed improvements is approximately \$850,000, see Attachment D – Park Restoration Cost Estimate. Additionally, all improvements disturbed that were installed with the Phase I License Agreement will be restored per the previously permitted design and are not included in this estimate.

### **SUMMARY:**

The comments and recommendations brought forth by the Neighborhood Groups, Council Committees, Park Board and City staff have been addressed by KUP. The proposed Park improvements are valued at approximately \$850,000; and the appraised value of the two (2) year Temporary Access Agreement is \$147,675.70.

Attachment A – Appraisal Report  
Attachment B – License Fee Calculation  
Attachment C – Park Restoration Exhibits  
Attachment D – Park Restoration Cost Estimate

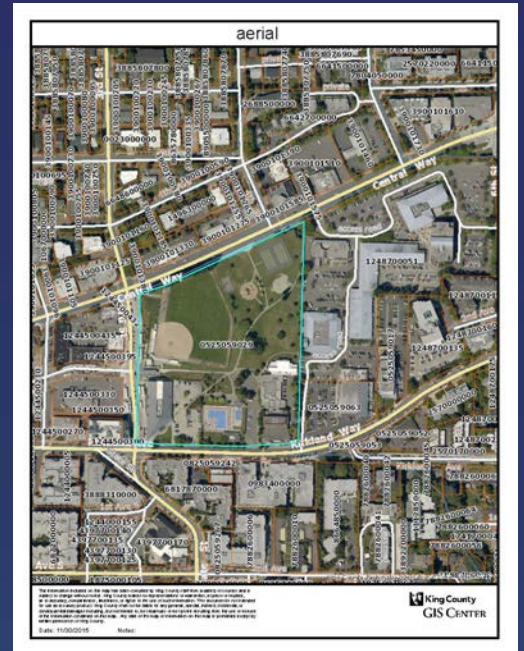




**Valbridge**  
PROPERTY ADVISORS

## Appraisal Report

**Peter Kirk Park Easement Site**  
South Side of Central Way  
Kirkland, WA



FOR  
Mr. William Leedom  
**Talon Private Capital**  
720 Olive Way, Suite 1020  
Seattle, WA 98101

**Valbridge Property Advisors |**  
**Allen Brackett Shedd**

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Valbridge Job No.: 15-0354





**Valbridge**  
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valbridge.com

December 2, 2015

Mr. William Leedom  
**Talon Private Capital**  
720 Olive Way, Suite 1020  
Seattle, WA 98101

**RE: APPRAISAL OF PROPOSED ROAD EASEMENT OVER A PORTION OF THE PETER KIRK  
PARK PROPERTY IN KIRKLAND, WASHINGTON (Our File #15-0354)**

Dear Mr. Leedom:

In response to your request, we have completed an appraisal of the Peter Kirk Park property located in downtown Kirkland, Washington. The purpose of this report is to provide an opinion of market value for the property, relative to a proposed easement acquisition for road and utility purposes. The acquisition relates to the Client's development project at Kirkland Parkplace, which will require the use of an alternative ingress/egress to facilitate construction. The proposed acquisition will include an easement for subsurface utilities, as well as a temporary roadway easement, the effects of which are discussed in the following report.

The subject property is comprised of a single tax parcel. The property is currently improved with municipal facilities including a park, situated along the south side of Central Way. The proposed easements will impact an area in the northeasterly portion of the property, abutting the Kirkland Parkplace ownership. This Appraisal reflects only the underlying land, as discussed in the *Scope* section of the report.

This *Appraisal Report* was prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). Descriptions of properties used for comparison are included in this report, as well as our analyses and conclusions. The value conclusions herein are given subject to the specific assumptions and limiting conditions stated immediately following this transmittal letter.



Based on our investigation and analysis of all relevant data, it is our opinion the market value of the property, as of November 20, 2015, is:

"Before" Condition	\$43,490,320
"After" Condition	<u>(\$43,292,220)</u>
Permanent Utility Easement, (rnd)	<b>\$200,000</b>
Temporary Construction Easement, (rnd)	<b>\$56,029</b>
	(\$2,334.54/mo)

Acknowledgement is hereby given to Diane K.W. Quinn, Research Associate, for assistance in the research and preparation of this report. If you have further questions not answered in the accompanying report, please do not hesitate to call.

Sincerely,

**VALBRIDGE PROPERTY ADVISORS | ALLEN BRACKETT SHEDD**



S. Murray Brackett, MAI

kr  
Enclosures



## ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report was made after personal inspection of the property identified in this report. The conclusions in the report have been arrived at and are predicated upon the following conditions:

- a) No responsibility is assumed for matters, which are legal in nature, nor is any opinion rendered on title of land appraised. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- b) Unless otherwise noted, the property has been appraised as though free and clear of all liens, encumbrances, encroachments, and trespasses.
- c) All maps, areas, and other data furnished your appraiser have been assumed to be correct; however, no warranty is given for its accuracy. If any error or omissions are found to exist, the appraiser reserves the right to modify the conclusions. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- d) It is assumed there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- e) It is assumed all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- f) The appraiser has no interest, present or contemplated, in the subject properties or parties involved.
- g) Neither the employment to make the appraisal nor the compensation is contingent upon the amount of the valuation report.
- h) To the best of the appraiser's knowledge and belief, all statements and information in this report are true and correct, and no important facts have been withheld or overlooked.
- i) Possession of this report, a copy, or any part thereof, does not carry with it the right of publication, nor shall the report or any part thereof be conveyed to the public through advertising, public relations, news, sales, or other media valuation conclusions, identity of the appraiser, or firm, and any reference made to the Appraisal Institute or any professional designation.
- j) There shall be no obligation required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless satisfactory arrangements are made in advance.
- k) This appraisal has been made in accordance with rules of professional ethics of the Appraisal Institute.
- l) The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Allen Brackett Shedd. Neither Valbridge Property Advisors, Inc., nor any of its affiliates, has been engaged to provide this report. Valbridge Property Advisors, Inc., does not provide valuation services and has taken no part in the preparation of this report.
- m) No one other than the appraiser prepared the analysis, conclusions, and opinions concerning real estate that are set forth in the appraisal report.
- n) Statements or conclusion offered by the appraiser are based solely upon visual examination of exposed areas of the property. Areas of the structure and/or property, which are not exposed to the naked eye, cannot be inspected; and no conclusions, representations, or statements offered by the appraiser are intended to relate to areas not exposed to view. No obligation is assumed to discover hidden defects.



- o) Unless otherwise stated in this report, the existence of pollution and/or hazardous waste material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials or pollution may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- p) Statements, representations, or conclusions offered by the appraiser do not constitute an express or implied warranty of any kind.
- q) Neither appraiser nor Allen Brackett Shedd shall be liable for any direct, special, incidental, or consequential damages whatever, whether arising in tort, negligence, or contract, nor for any loss, claim, expense, or damage caused by or arising out of its inspection of a property and/or structure.
- r) The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
- s) With regard to prospective value opinions, future changes in market conditions necessitate an assumption that the appraiser cannot be held responsible for unforeseeable events that alter market conditions prior to the effective date of the appraisal or date of value.
- t) This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.



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## **Addenda**

Qualifications of Appraisers



## EXECUTIVE SUMMARY

Project:	Peter Kirk Park Property – Proposed 2-year temporary easement for road purposes along with a permanent utility easement.		
Location:	South side of Central Way in Kirkland, Washington.		
Site Size:	12.48 acres, according Assessor information.		
Proposed Acquisition:	Permanent Utility Easement – 9,905 sf Temporary Road Easement - 9,188 sf		
Improvements:	The property is improved with park related improvements at this time. These are not considered in this report.		
Utilities:	Utilities available include power, natural gas, telephone, public water, and sanitary sewer.		
Zoning:	Park/Open Space (P), City of Kirkland. For purposes of this analysis the property is effectively assumed a zoning classification of CBD-1B (see zoning discussion)		
Highest & Best Use:	Mixed Use		
Conclusion:	Permanent Acquisition:	\$200,000	
	2-Year Temporary Easement:	\$56,029	
Date of Valuation:	November 20, 2015		
Appraiser:	S. Murray Brackett, MAI		
File:	15-0354Rev		



## SUBJECT PROPERTY PHOTOGRAPHS



Northeast corner of subject, looking west along Central Way



At the northeast corner, looking south along proposed easement area



## SUBJECT PROPERTY PHOTOGRAPHS



Northeast corner looking at adjacent Park Place property



East side of subject, looking north along proposed easement area near QFC



## SUBJECT PROPERTY PHOTOGRAPHS

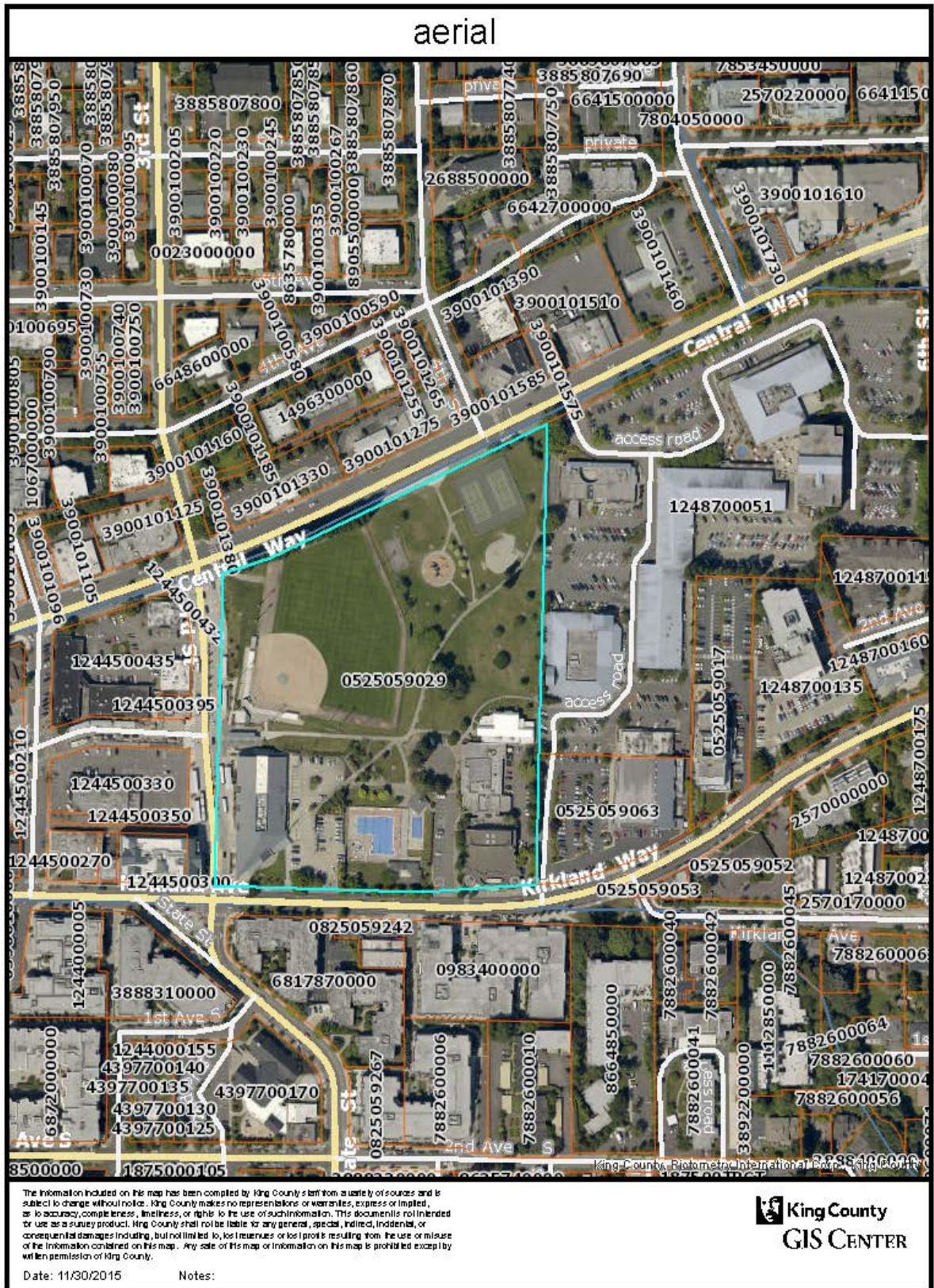


South side of subject, looking west along Kirkland Way



Looking southeasterly at the northwest corner of the site, from across Central Way





Aerial View





## PART I - INTRODUCTION

### Identification of the Subject Property

The subject of this appraisal is the Peter Kirk park property in Kirkland, Washington. The site contains a total of 12.48 acres of land and is currently improved with various park-related improvements, as well as municipal facilities. The appraisal is being conducted to assist in the potential acquisition of easements to accommodate redevelopment of an adjacent ownership.

### Legal Description

No Legal Description was provided. The subject property is legally described according to King County Assessor Account number 052505-9029.

### History and Ownership

The property is owned by the City of Kirkland. No ownership changes have occurred within the past three years, to the best of our knowledge.

### Intended Use and Users

The function of this appraisal is to provide an opinion of value to assist in negotiations for proposed easement acquisitions by the Client. Intended users of the report include the Client and its representatives.

### Date of Inspection/Valuation

The subject property was previously inspected on November 20, 2015 from the abutting sidewalk. The appraiser has not prepared appraisal/consulting services regarding the property within the past three years. The effective date of value of this assignment is November 20, 2015.

### Purpose of the Appraisal

The purpose of this appraisal is to provide an opinion of the market value of the subject property, relative to the proposed acquisition of two easements, including a permanent subsurface easement and a 2-year temporary roadway easement. For purposes of this report, market value is defined as <sup>1</sup>

*The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this*

---

<sup>1</sup> From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 59.



*definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- 1. buyer and seller are typically motivated;*
- 2. both parties are well-informed or well-advised and acting in what they consider their best interests;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
- 5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

## **Property Rights Appraised**

This appraisal sets forth an opinion regarding a fee simple interest (subject to existing easements and encumbrances). Fee simple interest is defined as:<sup>2</sup>

*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

The proposed acquisition will take the form of an easement, which is generally defined as follows.

An easement is defined as follows:<sup>3</sup>

*An interest in real property that transfers use, but not ownership, of a portion of an owner's property.*

This definition may be expanded as:

*...the right to perform a specific action on a particular parcel of property, or portion thereof, by the grantees who do not hold the underlying fee.<sup>4</sup>*

The easement will be described subsequently.

## **Scope of the Appraisal**

The scope of this appraisal includes consideration of all three approaches to value, including the Cost Approach, the Income Approach, and the Sales Comparison Approach. The project involves a relatively minor proposed easement acquisition on the east side of the property.

---

<sup>2</sup> From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 5

<sup>3</sup> From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 74.

<sup>4</sup> From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 75.



The proposed acquisitions may impact existing park improvements such as sidewalks. Based on the agreed scope of the assignment, we are evaluating only the land, with respect to a road easement. It is assumed that the Client will return the property in essentially similar condition upon termination of the temporary easement.

If additional relevant information or guidance is provided in the future, we reserve the right to revise our conclusions.

In valuing the subject, the applicable approach is the Sales Comparison Approach. Data was collected on comparable sales. In appraising the subject property, the appraisers did the following:

- Researched Metroscan, CoStar, and Commercial Brokers databases
- Researched Valbridge Property Advisors | Allen Brackett Shedd's existing database
- Confirmed all sales with buyers, sellers, their agents, Costar, and/or public records
- Inspected all comparable sales
- Inspected the subject property - streetside
- Reviewed all documents as cited throughout this report
- Discussed project issues with City of Kirkland Personnel

**Larger Parcel Issue.** The larger parcel determination considers the highest and best use, ownership, and physical relationship of the subject to other surrounding properties in order to render an opinion as to what overall property must be evaluated to fully evaluate the proposed acquisition. The subject property for this appraisal is comprised of a single site owned by the City. While the City owns property in the vicinity, we do not believe the larger parcel for this analysis extends beyond the defined tax parcel.

### Extraordinary Assumptions/Hypothetical Conditions

*An Extraordinary Assumption is an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraisers opinions or conclusions.*

*A Hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. It is noted that the use of a Hypothetical Condition may affect the results of an assignment.*

#### — Hazardous Waste

We are not aware of any potential hazardous materials at the subject parcel. For purposes of this assignment, our analysis reflects an assumption that the subject



property is free of such contamination. This report assumes the absence of any and all hazardous waste on the subject property.

— **Improvements**

As noted previously we are evaluating only the land in this assignment. Thus, the site is assumed to be vacant.

— **Proposed Project**

As this assignment reflects a proposed acquisition, an analysis of the property requires the invocation of a Hypothetical Condition that the project acquisition has, in fact, occurred as proposed.

— **Zoning**

As will be discussed, the property is owned by the City of Kirkland and zoned P based on its ownership and current Public Use. For analysis purposes, we have assumed that the property is available for development as a typical, privately owned site would be. In speaking with Eric Shields, with the Kirkland Planning Department, it was determined that the most likely zoning if evaluated for surplus use would be CBD-1B. Thus, this report reflects the Hypothetical Condition that the property is zoned CBD-1B.

## **Personal Property**

There is no personal property included in our analysis.

## **Exposure and Marketing Periods**

The exposure and marketing periods are defined as those periods of time, before and after the date of value (respectively), which are necessary to achieve the value conclusion reported. The subject consists of commercial property (assumed) in a desirable Eastside location. The market in this vicinity was impacted by the general downturn in the economy, however, is considered to have largely recovered in the immediate vicinity. Exposure and marketing periods of 6 to 9 months are considered reasonable for the subject, if offered for sale at the appraised value (land only).

## **Regional Description**

A specific analysis of the subject market is discussed below, with a complete *Regional Description* available upon request.

## **Area/Neighborhood Description**

The subject is located in the center of downtown Kirkland. Uses in the immediate area include a mix of office, mixed use, retail and park/public services. The Kirkland CBD, has developed around the intersection of Central Way and Lake Washington Boulevard (also



known as Lake Street in the CBD), both of which are major thoroughfares. Lake Washington Boulevard connects Kirkland with Highway 520 and Bellevue to the south. Central Way connects the area with Interstate 405 (I-405) one-half mile east and the Juanita area lies northwest of the subject, and is reached via Market Street from the west end of Central Way.

In terms of land use, the CBD neighborhood is Kirkland's most complex area. The area contains a wide variety of land uses, including downtown retail businesses and office, a freeway interchange, industrial activities, offices, well-established single-family areas, large-scale multifamily development, a baseball facility, state-of-the-art library, performing arts facility, and a post office. It has a strong identity from its physical setting along the lakefront, distinctive topography sloping down from the north and east to the downtown core area creating views and diversity, and the scale of existing development. This is the historical center of the city incorporated in 1905. It is heavily pedestrian-oriented, as it was developed prior to parking requirements of modern times. Restaurants, delicatessens, and specialty retail shops, including fine apparel, gift shops, art galleries, import shops, marinas, and the like, constitute the use mix.

While the neighborhood is dominated by the commercial activities associated with Kirkland's downtown, there are considerable opportunities for residential development. This transition has been reflected over the last several years by the development of numerous mixed-use structures and multifamily projects to the east and southeast along Kirkland Way. Outside of the immediate downtown area, uses quickly transition to single-family residential.

#### — Market Analysis

The subject is zoned for Public use; however, we have discussed the issue with the Kirkland Planning department. Pursuant to our hypothetical condition, the subject property's potential zoning, were it vacant and available, would be CBD-1B. As such, a review of the multifamily market was conducted, including a review of data from the publications of Dupré + Scott Advisors. This information demonstrates some of the current trends in the multifamily residential marketplace.



### Vacancy & Rents - Kirkland Multifamily Units - Current

	All	Studio	1 Bed	2/1 Bath	2/2 Bath	3/2 Bath
<b>King - Eastside</b>						
Market Vacancy (%)	3.9%	4.6%	3.6%	3.7%	3.9%	4.5%
Actual Rent (\$)	\$1,674	\$1,309	\$1,468	\$1,561	\$1,869	\$2,164
Actual Rent/NRSF	\$1.85	\$2.56	\$2.05	\$1.75	\$1.73	\$1.66
<b>Kirkland</b>						
Market Vacancy (%)	5.8%	6.9%	4.9%	4.4%	6.7%	9.3%
Actual Rent (\$)	\$1,986	\$1,547	\$1,674	\$1,846	\$2,333	\$1,974
Actual Rent/NRSF	\$2.21	\$2.67	\$2.35	\$2.03	\$2.13	\$2.19

Source: Dupre & Scott Advisors, September 2015

One can see that vacancy rates are at a historical low, though Kirkland lags behind the "Eastside" which includes Bellevue and Redmond. Rates stand currently at between 4.4% and 9.3% depending upon unit size. Actual rents in every category exceed the Eastside average and are also reflected in the net rentable rent received per square foot.

In terms of market activity and construction the following chart shows the past 4-year trend:

### Absorption - Eastside Multifamily Units

	3/2011	3/2012	3/2013	3/2014	3/2015
Existing Product	37,308	37,680	38,835	39,255	40,390
New Units Opened	132	253	278	748	846
Total	37,440	37,933	39,113	40,003	41,236

Source: Dupre & Scott Advisors, September 2015

It is also interesting to note that Dupré & Scott projects an additional 2,128 units to be delivered to the overall Eastside market by September 2015.

The multifamily residential market, particularly apartments, remains strong in the close-in markets. As can be seen above, rents have been rising, and vacancies have been decreasing. The strength in this market segment is perceived to remain strong based on our interview of some market participants, as well as locally published reports reporting on this segment.



## Condominium Sales Statistics

*MLS Area 560 - Kirkland*

	2011	2012	2013	2014	YTD 2015	% Change 2011-2015	Avg. Annual % change
<b><u>Avg. Sales Price</u></b>							
Resale Condo-	\$331,224	\$372,811	\$406,604	\$477,845	\$460,041	38.89%	7.78%
New Construction Condo-	\$640,172	\$863,863	\$791,897	\$811,699	\$1,255,340	96.09%	19.22%
<b><u>Avg. Days on Market</u></b>							
Resale Condo-	76	79	33	38	32	-57.89%	-11.58%
New Construction Condo-	173	297	159	135	99	-42.77%	-8.55%
<b><u>Total Sales</u></b>							
Resale Condo-	301	350	407	434	418	38.87%	7.77%
New Construction Condo-	20	10	17	21	10	-50.00%	-10.00%

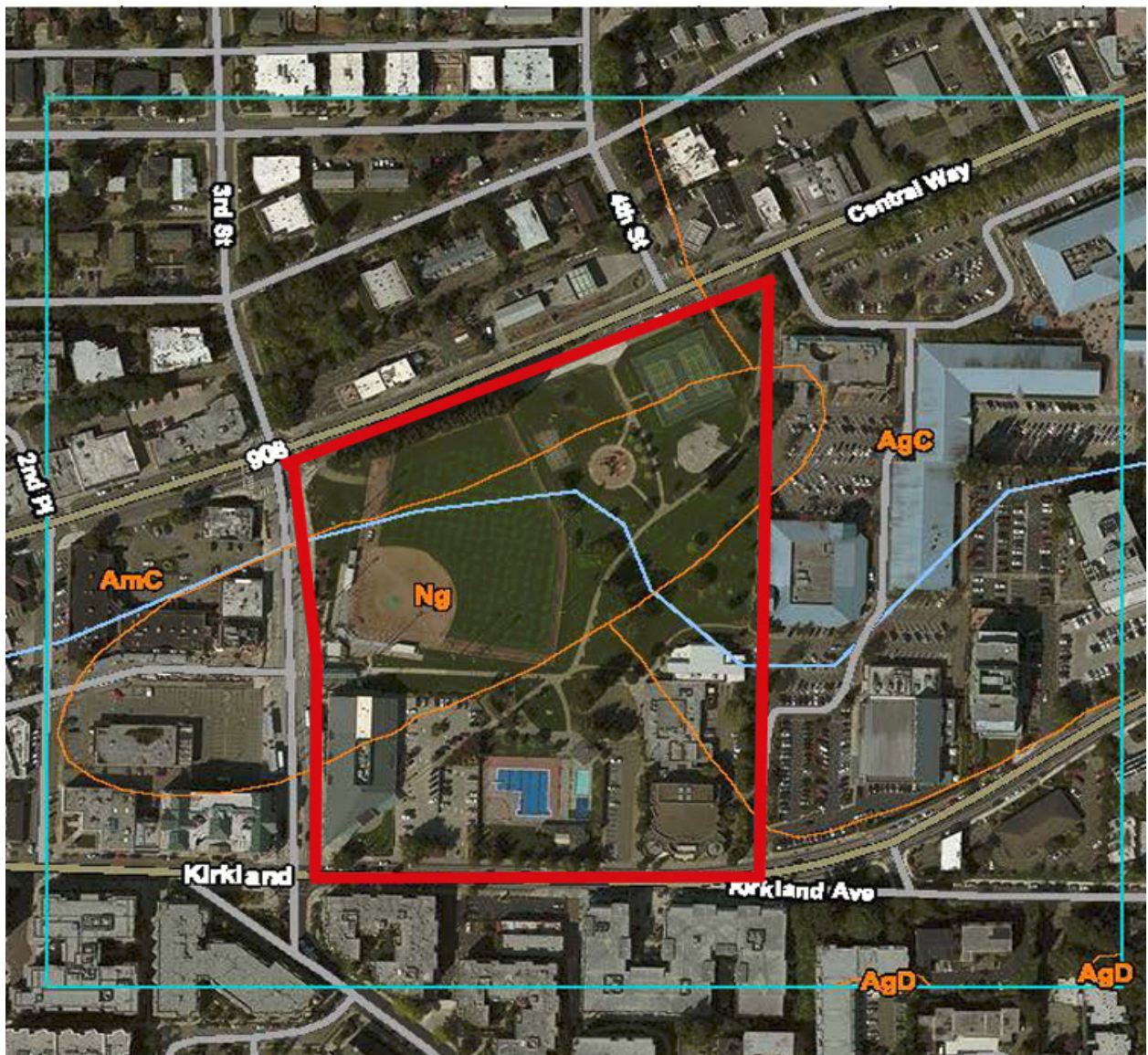
*Source: NWMLS. Statistical data is year end data for each calendar year; YTD through October 2015*

Average sales prices as well as volume of sales activity in the resale market has been trending up between 7% to 8% over the past four years. Simultaneously the average market time has been falling to just 32 days this year. The chart also indicates that average sales prices of new construction condominiums has risen markedly, nearly 20% on average over the recent time period, though the volume of activity appears to be slowing.

The multifamily residential market, particularly apartments, remains strong in the close-in markets. As can be seen above, rents have been rising, and vacancies have been decreasing. The condominium market is also very active, providing an entry level into ownership for many, due to rising single family home prices. The strength in this market segment is perceived to remain strong based on our interview of some market participants, as well as locally published reports reporting on this segment.

The subject property abuts Kirkland Park Place to the east. This existing 1.7-million-square-foot mall/commercial/retail complex has applied for a major redevelopment project. The new plan calls for a mixed-use, pedestrian oriented development containing roughly 300 residential units, 225,000 square feet of commercial space demised as follows; 155,000 square feet of general retail, including a relocated and enlarged 54,000-square-foot QFC, 3,000 square feet of restaurant space and 48,000 square feet of other retail; 40,000 square feet for a movie theatre; and 30,000 square feet for a health club. Some of this will be retained/remodeled from current improvements. The project required zoning text amendments to allow additional residential (including an affordable housing requirement); incentives for a movie theater; and a bank drive thru facility. It will also benefit from direct access to the public park, or subject property.





AgC	Alderwood gravelly sandy loam, 8 to 15 percent slopes	
AgD	Alderwood gravelly sandy loam, 15 to 30 percent slopes	
AmC	Arents, Alderwood material, 6 to 15 percent slopes	
Ng	Newberg silt loam	
<b>Totals for Area of Interest</b>		

### Soils Map





## PART II – FACTUAL DATA

### Description of the Subject Property

#### — Site

The subject property consists of a single tax parcel, within the downtown area of Kirkland, Washington. According to the Assessor information, the site carries the physical address of 406 Kirkland Avenue. The site enjoys excellent access within the downtown Kirkland area and is surrounded by commercial and mixed use development.

#### — Topography

The subject is generally level throughout.

#### — Access

Central Way abuts the property on the north side, providing excellent access to a well-travelled commercial arterial with multiple travel lanes and a center turn lane. Third Street provides access to the west and Kirkland Avenue provides frontage and access along the south side.

Central Way extends easterly, becoming 85<sup>th</sup> Street, providing access to I-405 and Redmond, further to the east. The subject is considered to have excellent access locally.

#### — Sensitive Areas and 100-Year Floodplain

According to FEMA mapping (FIRM -0356), a portion the subject is encumbered by the 100-year flood hazard area. The site is classified as Zone AH, an area which can have flood depths of 1 to 3 feet, usually in a ponding fashion. It appears to be primarily in the northeastern portion of the site, thinning as it moves south, and lies relative to the existing ballfields and play areas. We refer the reader to the enclosed mapping.

#### — Soils

We have not received any specific studies regarding the subject property's soil content, but have reviewed the United States Department of Agricultural Web Soil Survey with respect to the subject property soils. This survey indicates two main soil types exist at the subject; Newberg Silt Loam (Ng) across the middle of the site, and Arents (AmC) surrounding to the south and west. Newberg soils are formed in floodplains, are well drained, with slopes of 0% to 2% and experience occasional flooding. The Arents soil is formed on till plains and is moderately well drained with slopes of 6% to 15% and little chance of flooding. We refer the reader to the enclosed mapping of the various soils locations on the subject site.

#### — Timber

There is no merchantable timber situated on the subject property.





**FEMA Map**





### — Mineral

We have no information regarding the presence of marketable mineral reserves on the property, nor did the owner identify such. Thus, no mineral value is reflected in our conclusions.

### — Utilities

All public utilities are currently available to the subject including power, phone, water, cable, sanitary sewer, and natural gas.

### — Zoning

The subject property is currently zoned (P) by the City of Kirkland. For analysis purposes, however, we have considered the property to be zoned CBD-1B, the most likely zoning if offered for surplus. The CBD-1B zone is a mixed use downtown zoning classification. The following dimensional limitations are noted:

#### **CBD-1B**

Minimum Lot Area (sf)	None
Maximum Height	55'
Setbacks	
Front	0'
Side	0'
Rear	0'
Maximum FAR	N/Av
Maximum Lot Coverage	100%

Permitted uses retail establishments, banking and financial services, hotel/motel, entertainment or recreation, office, stacked or attached residential, schools, public parks and residential suites.

### — Easements and Encumbrances

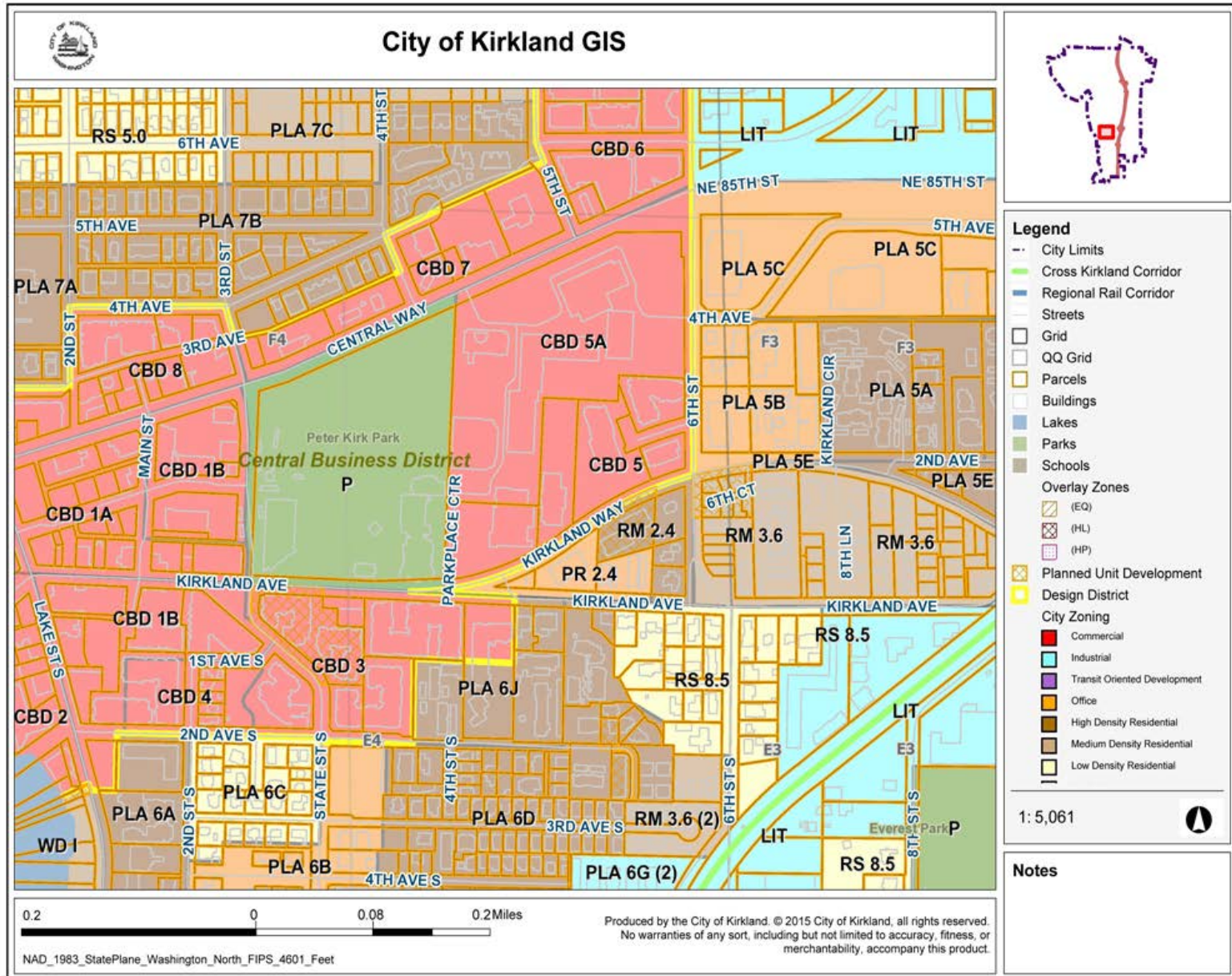
We have not been provided with a Title Report. From our inspection it appears that the property is currently used as park area, with a sidewalk over a portion of the site. As noted previously, the park improvements are assumed to be replaced upon termination of the easement and thus are not quantified here. We have no information regarding the potential utilities on site.

### — Assessed Value and Real Estate Taxes

The subject property, as defined for this assignment is publicly owned and has no assessed value or taxes at this time.



# Zoning Map





— Description of Improvements

The subject property is currently improved with numerous park and municipal structures. These are excluded from this analysis as discussed previously.

— Site Improvements

The subject property has extensive site improvements; however, these are not considered in our analysis.



## PART III – HIGHEST AND BEST USE

Highest and best use is defined as:<sup>5</sup>

*The reasonably probable use of property that results in the highest value..... To be reasonably probable, a use must meet certain conditions.*

A determination of highest and best use is guided by the following parameters: 1) physically possible; 2) legally permissible; 3) financially feasible; and 4) maximally productive. Highest and best use is analyzed both on an as vacant and as improved basis.

*Physically possible* uses require an analysis of both the improvements (existing or proposed), as well as the underlying land. Size, topography, shape, access, soil conditions, wetlands, and utilities are all factors that can affect the development potential of a given site. With regard to the improvements, obviously it must be physically possible to construct a building before it can be considered the highest and best use.

*Legally permitted* uses are those which fall within current zoning laws and are permitted by all agencies having jurisdiction. These may include federal, state, and local laws; zoning, as mentioned; private and deed restrictions; as well as the possibility for zoning changes and variances.

The *financially feasible* category analyzes those uses that are physically possible, legally permitted, and which provide an adequate investor return. For income properties, this return is measured monetarily, while non-income-producing properties provide a somewhat less tangible measure of return. Risk is a primary determinant in the assessment of adequate return.

Finally, the uses satisfying all of the above criteria can be analyzed. The one use providing the highest return is considered maximally productive, and thus, the highest and best use.

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<sup>5</sup> From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 332



## As If Vacant

*Physically Possible.* Physically, the subject consists of 12.48 acres of land situated within the city limits of Kirkland. The site size is large and as a single development project, would be a significant acquisition. Recent developments in the immediate vicinity vary between roughly 10,000 square feet and roughly 1 acre in size. The subject has an irregular shape, and slopes are very mild across the property. Access is another physical characteristic affecting the highest and best use, and the subject is considered to have excellent legal and developed access from public roads on three sides. Finally, all utilities are available to service development of the site.

*Legally Permissible.* The subject is currently under City of Kirkland jurisdiction and is zoned for Public uses. In accordance with our Hypothetical Condition, we are evaluating the property based on CBD-1B zoning, which permits mixed use development. There is no specific FAR or unit limit; however, the height and design requirements dictate maximum development potential. Surrounding properties with similar zoning either have or are proposing mixed use projects roughly 5 stories in height, with ground floor retail typically.

*Financially Feasible/Maximally Productive.* The demand for similar properties in Kirkland has been strong this year, following the economic recovery which began several years ago. Uses likely at the subject could include a wide variety of commercial uses including office, retail, hotel, senior housing, and apartments or condominiums, subject to zoning requirements. The market for such uses in the vicinity appears to be strengthening somewhat recently. The highest and best use analysis considers all the physical, environmental, and legal considerations, as well as those that are considered financially feasible/maximally productive.

Surrounding uses consist of single level retail and commercial to the west and north, condominiums to the south and north and the Kirkland Parkplace development east of the subject. This is a significant project currently undergoing redevelopment and expansion (this project is the reason for the easement that is the subject of this appraisal). With several hundred new multifamily units proposed, this development is expected to continue to be the commercial center of downtown, having substantial retail, office, and residential square footage. Other projects reflect upscale apartments and condominiums on smaller lots.

Perhaps the biggest challenge to the subject is its large size. A single development would be a significant undertaking, with large quantities of residential units, for which there is substantial supply currently. Absorption would likely require phasing or outright subdivision into smaller, more marketable sites. Office and retail uses are also plentiful in the downtown area, when considering projects under construction or in the planning phase.



Given the size and the location within the city limits of Kirkland, the highest and best use, as vacant, is considered to be long term development of mixed use residential product, subject to the zoning limitations for the site.

### **As Improved**

Our analysis does not consider improvements to the subject property, rather the site is valued as if vacant.



## PART IV - ANALYSES AND CONCLUSIONS TO VALUE

### Valuation

**Approaches Used in the Valuation Process** – The valuation is obtained by the proper use of three different approaches to the value conclusion: the Cost Approach, the Income Approach, and the Sales Comparison Approach. These three approaches are different in character, but related somewhat in the known facts they require to arrive at an opinion of value from each. The final conclusion of value is derived through a correlation process in which the appraiser weighs one approach against the other to determine the relative merits of each before coming to a conclusion.

**The Cost Approach to Value** is the process of first generating an opinion of value for the subject land, to which is added the replacement cost new of the structure, less depreciation and the cost of land improvements. The sum of the costs is the indication of value by the Cost Approach.

**The Income Approach to Value** involves the estimation of a gross economic rental, which is then processed by subtracting an estimated vacancy and credit loss and operating expenses to obtain an estimated net operating income. The net operating income is then capitalized into a value conclusion by the appropriate capitalization rate derived from the market.

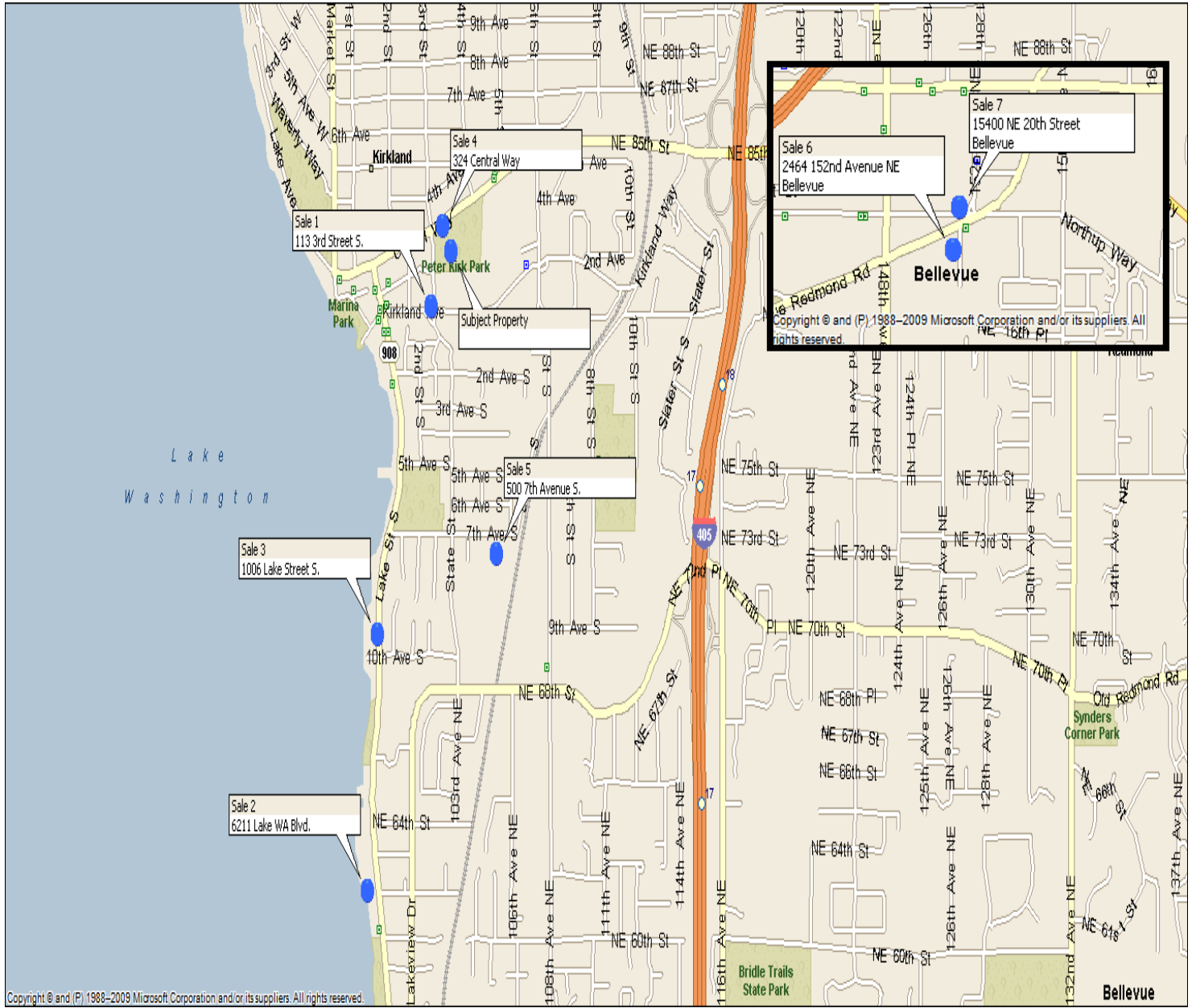
**The Sales Comparison Approach to Value** is utilized in several different methods. Sales of comparable buildings are analyzed to determine a sale price per square foot of building area. An alternative method deals with a gross income multiplier, which is an expression of the relationship between the gross income and value. For this assignment, the Sales Comparison Approach is used for the analysis of the underlying land only.

**Final Correlation and Conclusion of Value** – The various indications of value from the approaches are analyzed as to how they relate to one another, as well as to the market. The approach or approaches most appropriate are given the most consideration in arriving at a final opinion of value.

With consideration given to the highest and best use of the subject, the Sales Comparison Approach to value the underlying land will be utilized. Our analysis begins with an evaluation of the property in the existing condition. The After condition assumes the acquisition has taken place, allowing for a comparison of both the Before and After value conclusions.



## Comparable Land Sales Map





## Valuation of the Subject Property – Before Condition

The Sales Comparison Approach is useful when there has been sufficient sales activity of similar property to compare directly to the subject. A direct unit of comparison such as sales price per square foot, adjusted for variations in location, utility, access as well as other pertinent characteristics is applied to the subject's size to generate a value conclusion by this approach. The comparables are considered on a price per square foot basis. The following chart summarizes those sales that were considered most comparable to the subject:

**Comparable Land Sales**

Sale	Identification	Sale Date	Sale Price	Land Area (sf)	Price/sf Land	Zoning	Proposed Units	Price Per Prop. Unit
<u>Primary Sales</u>								
1	113 3rd Street	03/31/15	\$12,000,000	41,943	\$286.10	CBD-1B	125	\$96,000
2	6211 Lake Washington	09/19/14	\$7,500,000	42,688	\$175.69	WD I	N/A	N/A
3	1006 Lake Street S.	1/11, 8/14	\$8,300,000	54,509	\$152.27	BN	59	\$140,678
4	324 Central Way	09/9/2013	\$4,585,000	27,442	\$167.08	CBD7	76	\$60,329
5	500 7th Avenue S., Kirkland	09/13/13	\$8,233,000	220,849	\$37.28	PLA 6G(2)	N/A	<sup>1</sup> N/A
6	2464 152nd Avenue NE, Bellevue	03/15/13	\$52,555,556	1,210,097	\$43.43	OV-4	N/A	<sup>2</sup> N/A
7	15400 NE 20th Street	08/21/12	\$17,000,000	259,618	\$65.48	BR-CR	Unk.	N/A
<u>Other Comps Considered - Bellevue</u>								
8	10697 Main Street, Bellevue	09/15/15	\$12,290,000	46,662	\$263.38	DNTN-MU	160	\$76,813
9	2211 156th Avenue NE, Bellevue	09/13/13	\$14,250,000	191,664	\$74.35	BR-RC-3	450	\$31,667
10	1899 120th Avenue NE, Bellevue	09/03/13	\$23,000,000	457,300	\$50.30	BR-OR-2	N/A	N/A
<u>Other Comps Considered - Redmond</u>								
11	8338 160th Avenue NE	12/13/12	\$4,600,000	50,965	\$90.26	TSQ	170	\$27,059
12	15806 Bear Creek Parkway	Pending	\$6,200,000	55,509	\$111.69	RVBD	206	\$30,097
<b>Subject Property</b>				<b>543,629</b>		<b>(CBD-1B)</b>		
<sup>1</sup> . FAR based on proposed office bldg <sup>2</sup> . Based roughly on proposed sf allowed per development agreement recorded prior to closing.								

### — Discussion of Land Sales

**Sale 1** is the proximate sale of a shy acre of land south of the subject. The property was put out for bid, and received 18 offers according to the Broker. Their target per unit acquisition price was \$75,000 to \$80,000, which translates to roughly 150 to 160 units. It is anticipated that the future development will consist mostly of apartments, but potentially some office as well. It closed for \$12,000,000 in March 2015, or \$286 per square foot of land.

**Sale 2** is a waterfront site located on Lake Washington Blvd. It sold for \$7,500,000 to international investors in September 2014. It is registered in the planning department's project list as a proposed 13-unit condominium project. The sales price is indicative of \$175 per square foot of land or over \$576,000 per unit. Limited information was available for this sale, however the waterfrontage is clearly a superior feature.

**Sale 3** is a project along Lake Street, at approximately 10<sup>th</sup> Avenue S. This reflects a two parcel assemblage, with the first half occurring in 2011 and the most recent in 2014. The combined price of \$8.3 million reflects an overall price of roughly \$152 per square



foot. The site sits across from the waterfront and will likely offer water views. The initial plan is for 59 units over ground floor retail. The project is known as Potala Village.

**Sale 4** is another site located on Central Way proximate to the subject. It was a former gas station and carwash, and was sold with no entitlements or conditions in September 2013. There were some remediation and demolition expenses, estimated to be \$85,000. The site is zoned CBD-7 and is currently under construction with 76 units of apartments. The sales price of \$4,500,000 is adjusted to include the remediation costs by the buyer, for an analysis price of \$4,585,000, or \$167 per square foot of land.

**Sale 5** is located at 500 7<sup>th</sup> Avenue S., in Kirkland. This is a mildly sloping site in the Kirkland marketplace, south of downtown Kirkland. The property abuts the pending Cross Kirkland trail and will be developed with an 180,000-square-foot office building by Google. This represents an expansion of the Google footprint in the vicinity. Our analysis reflects an additional \$400,000 for anticipated site cleanup costs by the buyer and results in a price per square foot of land to be \$37.28

**Sale 6** is the former Group Health property located along 156<sup>th</sup> Avenue near the Microsoft campus between Bellevue and Redmond. The site has a good location and is generally level. The site will be developed with over 2 million square feet of residential, office, retail, and possibly a hotel. The overall development density was essentially determined prior to sale and there are considerable costs required by the buyer including demolition and significant infrastructure improvements in the form of stormwater and road work. These costs were estimated by the buyer to be in the range of \$20 million and this has been added to the sale price for analysis purposes.

**Sale 7** is a previously improved site in the Bel-Red neighborhood. It is located at 15400 NE 20<sup>th</sup> and is known as the Sherwood Shopping Center. This property will generate interim income; however, redevelopment to a more intensive use is anticipated in the near future. The location is considered average in terms of retail appeal, and the zoning allows for an FAR of 2.0, considerably lower than that anticipated for the subject. Access is good within a neighborhood that is experiencing substantial redevelopment at this time

#### — Discussion of Adjustments

The first category of adjustments includes market conditions (time), financing and issues relating to the interests purchased. The subsequent category of adjustments reflects the physical features and locational differences. Our adjustments are applied relative to the usable land area for each of the comparables. In some cases it was necessary to estimate this, while in other cases the information was provided by a party to the transaction.

*Rights Conveyed* relates to the actual interests transferred. In terms of the rights conveyed the sales were considered to be reflective of fee simple sales, subject to



typical easements and encumbrances. No adjustments are applied to the sales for this category.

*Conditions of Sale* reflect adjustments for sales, which occurred under unusual and specific conditions. Many of the Sales had previous improvements requiring demolition by the buyer. Due to the developed locations, this is not uncommon and no adjustments are applied. Sale 7 provided significant interim income, for which a downward adjustment is applied.

The financing adjustments are necessary for sales that were financed with atypical terms. This includes seller financing with non-market interest rates or abnormal down payment levels; the theory being that a comparable figure for use in appraisal analysis should reflect a cash-equivalent price, or a price that is in line with existing market terms at the time of sale. No adjustments are necessary here.

In terms of adjustment support for time, we have reviewed the market for re-sales of mixed use commercial land. Our research revealed few recent sales that provide meaningful paired sale adjustment support comparison with the subject. Our discussions with brokers, as well as our observations of market activity lead us to conclude that the pace and pricing of sales for such properties has increased modestly as the region continues to emerge from the recessionary conditions. General sales activity is up relative to the 2012-2013 timeframe and some speculative development is re-emerging in certain sectors. The market analysis section of the report identifies trends in the CBD office submarket for which more sales data is available. The recent trends demonstrate support for trending in the past several years. Given the fact that our data is general in nature, we will consider the information qualitatively in our adjustment of the sales to the subject property. Accordingly, we have applied upward adjustments to all of the Sales that have occurred prior to 2015.

Physical characteristics, including differences in the intensity of use, location, access, view, and zoning or land use issues are reflected in the chart that follows. For the adjustments made, the notation includes an indication of whether the comparable is inferior or superior, followed by an opinion of the relative magnitude:

**Adjustment Chart - Peter Kirk Park Property**

Actual Sale	Price/sf	Rights Conveyed	Conditions of Sale	Financ.	Market Cond.	Location	Size	Topog./ Site Char.	Use/Entitl./ Zoning	Access/ Exposure	Cumulative Indication
1	\$286.10	0	0	0	0	Similar	Sup(---)	No Adj.	No Adj.	No Adj.	<b>Significantly Superior</b>
2	\$175.69	0	0	0	Inf(+)	Sup(-)	Sup(---)	No Adj.	Inf(+)	Sup(-)	<b>Superior</b>
3	\$152.27	0	0	0	Inf(+)	Similar	Sup(---)	Sup(-)	Sup(--)	No Adj.	<b>Superior</b>
4	\$167.08	0	0	0	Inf(++)	Similar	Sup(---)	No Adj.	No Adj.	Similar	<b>Superior</b>
5	\$37.28	0	0	0	Inf(++)	Inf(+)	Sup(-)	Inf(+)	Inf(+)	Inf(+)	<b>Inferior</b>
6	\$43.43	0	0	0	Inf(++)	Inf(+)	Inf(+)	No Adj.	Similar	Inf(+)	<b>Inferior</b>
7	\$65.48	0	Sup(-)	0	Inf(++)	Inf(+)	Sup(-)	No Adj.	Inf(+)	Similar	<b>Inferior</b>



#### — Conclusion of Value – Before Condition

As indicated, the identified comparables represent similarly zoned land recently sold in the surrounding market area. The sales used for comparison occurred in the 2012-2015 timeframe. Sale 5 clearly establishes the lower limit to value in the range of \$37 per square foot.

It is interesting to note that sales within the immediate market area suggest pricing significantly above that of the more distant sales. While location is considered a factor here, the large size of the subject warrants consideration of sales outside of the immediate vicinity to reflect the unique characteristics associated with a potential development of this size. The smaller sales reflect pricing well above \$100 per square foot, while the larger sales demonstrate prices in the \$37 to \$65 per square foot range, but are generally considered inferior. After discussions with market participants, the upper limit to value is demonstrated by sales of relatively small sites, with the potential for relatively efficient development and sale of the finished product, and a substantial adjustment is warranted relative to the subject property. Development of the subject would be well-received by the market in our opinion, however the likely development and absorption period may extend into the next market cycle, and increased risk therefore exists.

The subject benefits from its strong Eastside location, and fairly close proximity to I-405, as well as Bellevue's CBD and the redevelopment activities occurring nearby. After consideration of all adjustments, we believe a value of \$80 per square foot of land is considered supportable for the subject, and is summarized as follows:

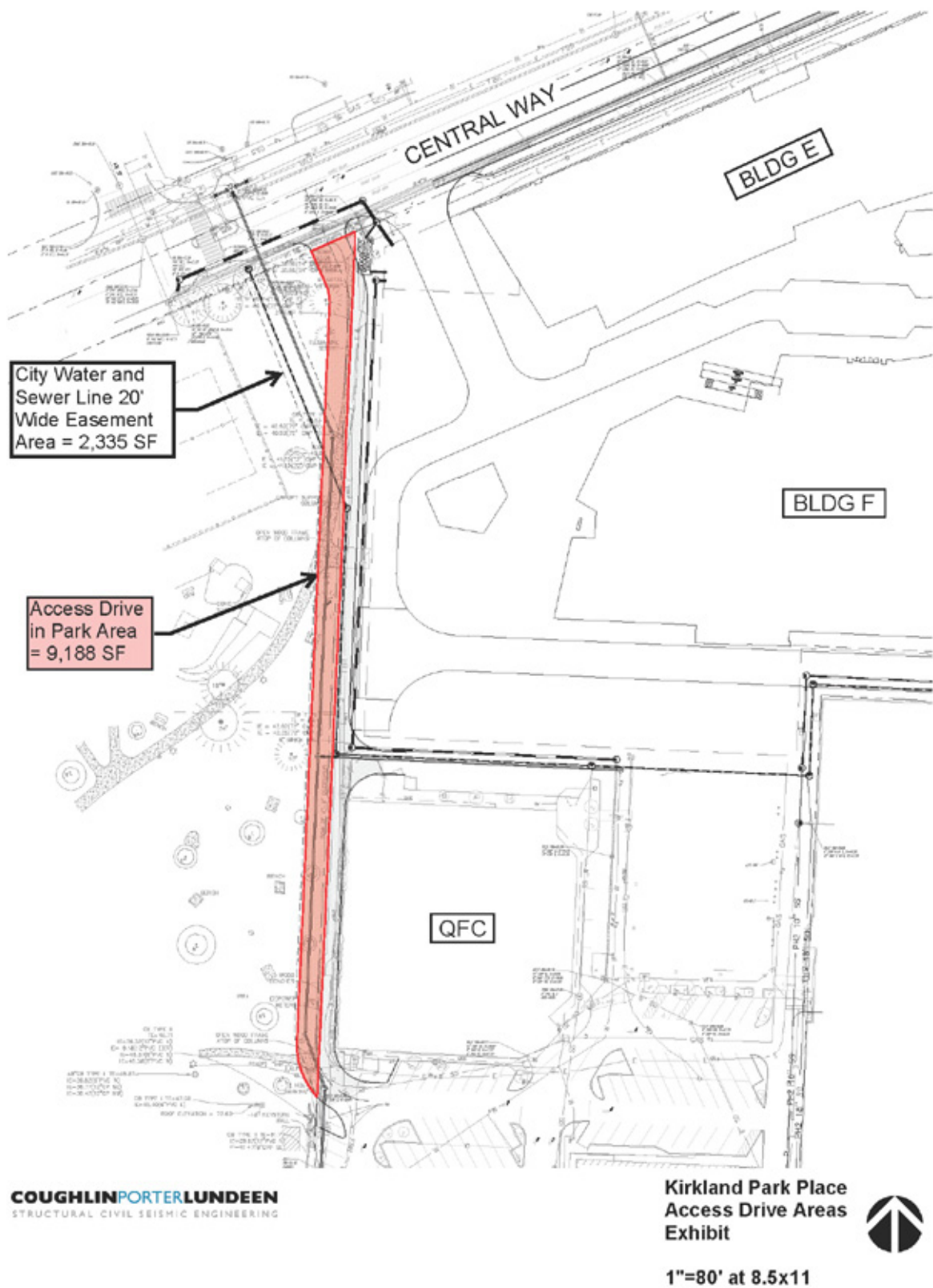
$$543,629 \text{ sf} \times \$80/\text{sf} = \$43,490,320$$

This is within the range exhibited by the comparable sales.

#### — Site Improvements

No Site improvements are evaluated here.





**Proposed Access Easement Map**





## Description of Proposed Acquisition, Remainder, and Potential Damages

The proposed acquisitions from the subject are described as 1) a permanent subsurface utility easement, and 2) a temporary easement for road purposes over the northeasterly portion of the site. No permanent rights are being acquired for road purposes, and the access road serving the adjacent property is expected to be reconstructed on the adjoining property following construction.

The *utilities* easement allows for the extension of subsurface utilities from Central Way, through the subject site at an angle, eventually following the eastern property line. This easement measures roughly 20 feet wide and totals 9,905 square feet. Of this, 7,570 square feet is aligned underneath the proposed temporary road easement, along the eastern property line. Connecting to this is a 2,335-square-foot segment that connects at a diagonal from Central Way.

The *temporary easement* is expected to last 2 years and will allow for the Parkplace project construction. The easement area, as shown on the enclosed map, will encumber a total of 9,188 square feet and will be located at the eastern property line. No documents have been provided outlining specific easement rights; however, the rights are simply characterized as an access road. Thus, an ongoing surface use of the property is anticipated. No subsurface rights or aerial rights (beyond those necessary to accommodate road usage) are anticipated.

The easement acquisitions are not expected to impact the highest and best use or overall functionality of the City property aside from the uses noted above.

### — General Property Description – After Condition

The total property size will remain unchanged.

In terms of utilities, there is expected to be no change in the availability of all utilities. We are aware of no known LID assessments in conjunction with this project.

### — Highest and Best Use – Remainder As-If Vacant

Based on location, site size, and zoning, the After site will have virtually identical site utility in the after condition and no change is anticipated to the Highest and Best use, as vacant.

### — Highest and Best Use – Remainder As Improved

Not Applicable.



## Valuation in the “After” Condition

In the “After” situation, the subject will contain an identical site size of 543,629 square feet and will have similar overall functionality. The same land sales utilized in the before condition are appropriate in the After situation. Again, these are analyzed on a price per square foot basis, as this is the typical unit of comparison for commercial land. These are reiterated here for convenience.

### Comparable Land Sales

Sale	Identification	Sale Date	Sale Price	Land Area (sf)	Price/sf Land	Zoning	Proposed Units	Price Per Prop. Unit
<u>Primary Sales</u>								
1	113 3rd Street	03/31/15	\$12,000,000	41,943	\$286.10	CBD-1B	125	\$96,000
2	6211 Lake Washington	09/19/14	\$7,500,000	42,688	\$175.69	WD I	N/A	N/A
3	1006 Lake Street S.	1/11, 8/14	\$8,300,000	54,509	\$152.27	BN	59	\$140,678
4	324 Central Way	09/9/2013	\$4,585,000	27,442	\$167.08	CBD7	76	\$60,329
5	500 7th Avenue S., Kirkland	09/13/13	\$8,233,000	220,849	\$37.28	PLA 6G(2)	N/A	<sup>1</sup> N/A
6	2464 152nd Avenue NE, Bellevue	03/15/13	\$52,555,556	1,210,097	\$43.43	OV-4	N/A	<sup>2</sup> N/A
7	15400 NE 20th Street	08/21/12	\$17,000,000	259,618	\$65.48	BR-CR	Unk.	N/A
<u>Other Comps Considered - Bellevue</u>								
8	10697 Main Street, Bellevue	09/15/15	\$12,290,000	46,662	\$263.38	DNTN-MU	160	\$76,813
9	2211 156th Avenue NE, Bellevue	09/13/13	\$14,250,000	191,664	\$74.35	BR-RC-3	450	\$31,667
10	1899 120th Avenue NE, Bellevue	09/03/13	\$23,000,000	457,300	\$50.30	BR-OR-2	N/A	N/A
<u>Other Comps Considered - Redmond</u>								
11	8338 160th Avenue NE	12/13/12	\$4,600,000	50,965	\$90.26	TSQ	170	\$27,059
12	15806 Bear Creek Parkway	Pending	\$6,200,000	55,509	\$111.69	RVBD	206	\$30,097
<b>Subject Property</b>				<b>543,629</b>		<b>(CBD-1B)</b>		

1. FAR based on proposed office bldg

2. Based roughly on proposed sf allowed per development agreement recorded prior to closing.

### — Discussion of Land Sales and Conclusion of Site Value – After Condition

A similar value is concluded as in the before condition, prior to consideration of the proposed easements. Thus, the property is considered to have a similar value of \$80 per square foot, applied to the 533,724 square feet unaffected by the permanent easement (543,629-9,905). The temporary easement will be discussed subsequently.

### — Proposed Fee Acquisition

There is no Fee acquisition proposed.

### — Easements Proposed for Acquisition

As noted, there will be a proposed easement for subsurface utilities over a total of 9,905 square feet of land. The majority of this abuts the eastern property line.

Support for Easement acquisition conclusions are derived in part, from ongoing surveys performed by our firm. The surveys involve interviews with numerous parties that either own significant corridors or right-of-ways and/or are active in obtaining and granting easements, licenses, permits, and other similar instruments. We have interviewed representatives of the Bonneville Power Administration (BPA), Puget Sound Energy (PSE), Seattle Public Utilities (SPU), and Snohomish County PUD, as well as employees at



various cities and utility districts in the Puget Sound region. The surveys revealed that the calculation of easement damages for subterranean easements may range generally from 10% to 50% with the lower end of the range for easements along the periphery of property boundaries, or within areas that are otherwise not buildable due to setbacks required by zoning. Aerial and surface easements tend to reflect increased discounts above 50%, and in some cases, close to 100%. This higher discount reflects the increased reduction in potential uses afforded to the underlying fee simple property owner by such easements.

The following are specific examples based on our surveys from various agencies for easements:



## Summary of Easement Support Information

Agency (User)	Easement Rights Granted	Use	Typical Discount From ATF Value/FMV/AV	Easements w/ Reversionary Interest
<b><u>Bonneville Power Administration (BPA)</u></b>	Surface & Aerial	High Voltage Power Transmission Lines	25% to 100% *	See Note 1
<i>* Low end of range paid by BPA for esmts. in rural and agricultural areas; Higher end (75-100%) of range is in urban areas            Note 1) Typically released to owners at no cost. Theory being BPA has reached full benefit of that easement. In cases where acquired, but surplus &amp; never used, can be amt. BPA paid, or FMV times a discount. No specific examples were available.</i>				
<b><u>City of Kenmore</u></b>	Surface	Slope Easements	30%	
<i>As part of the SR-522 Highway Improvement project, City of Kenmore acquired various surface and subsurface easements for the project.</i>				
<b><u>Puget Sound Energy (PSE)</u></b>	Surface, Subsurface & Aerial	Road & Utility Crossings	50% *	No specific cases
	Subsurface	Linear Pipe	25% to 50% (37.5% avg) ** 25% to 75% ***	
<i>*Discount applied by PSE for minor esmt. crossings in urban areas. For remote locations, a min. fee of \$500 is charged.            **Granted by PSE to SPU for Tolt 2-water pipeline encumbering 30' of the 150' corridor            *** Disc. Applied to the esmt area only for PSE acquired easements. Low end for esmts in required setbacks.</i>				
<b><u>Snohomish County PUD (SnoPUD)</u></b>	Surface & Subsurface	Utility Crossings	50-100% * 10-20% **	No specific cases
<i>*Discount applied by SnoPUD for significant encumbrance.            **Discount applied for less significant encumbrance, with low-end of discount pertaining to w/in setback areas.</i>				
<b><u>Sammamish Water &amp; Sewer</u></b>	Surface & Subsurface	Utility Crossings	15-50% *	No specific cases
<i>*Discount applied by Samm Water based on either Appraisal or Assessed Value.</i>				
<b><u>Seattle City Light</u></b>	Surface & Subsurface	Utility Crossings	25-100% *	No specific cases See Note 1
<i>*Discount applied by Seattle City: 25-50% for less significant encumbrances; 75-100% for Transmission Lines.            Note 1) No specific case for reversionary interests; however, would likely perform in reverse of easement acquisition (i.e. sell back @ same discount).</i>				
<b><u>Woodinville Water District</u></b>	Subsurface	Utility Crossings	15-25% *	No specific cases
<i>*Discount applied by Woodinville Water: 15-25% for easement encumbrances; based on either Appraisal or Assessed Value.</i>				
<b><u>Alderwood Water District</u></b>	Subsurface	Utility Crossings	30-40% *	No specific cases
<i>*Discount applied by Alderwood Water: 30-40% depending on level of easement encumbrance.</i>				
<b><u>King County DOT</u></b>	Surface & Subsurface	Road & Utility Crossings	50-100% *	No specific cases
<i>*Discount applied by King County DOT with 1 of 3 classes:            A Class Road (DOT Paid for it &amp; maintain it): Discount applied at 100% of Appraised or Assessed Value.            B Class Road (DOT didn't pay for it but maintain it): Discount applied at 75% of Appraised or Assessed Value.            C Class Road (DOT didn't pay for it &amp; don't maintain it): Discount applied at 50% of Appraised or Assessed Value.</i>				
<b><u>Northshore Utility District (NUD)</u></b>	Subsurface	Water & Sewer Mains/Crossings	25% to 50% *	
<i>*Low end of range paid by NUD using Assessed Value for esmt. in a yard setback; higher end reflecting site area outside of a required setback.</i>				

It is anticipated that no structures would be permitted to be constructed over subsurface easements. This is reflected in the overall "bundle of rights" associated with real property ownership. In circumstances where acquired easements do not significantly alter the highest and best use, impacts would tend toward the lower end of the range. The opposite is also true of more significant easements, extending to property beyond the actual affected area in certain cases. Another consideration in the



analysis of such impacts may be the ability to derive value from the affected area through the transfer of density, or contribution to overall development.

In addition to our survey and research, the following published information provides guidance for support of diminution in value for various easements:

**Easement Rights Balance Sheet**  
**Appraisal of Easements Under the State Rule, Appraisal Journal**

Extent of Encumbrance on Land Use	Interference with Owner's Private Usage	Change in Highest & Best Use	Intuitive % of Fee Value
Negligible Restrictions	None, ephemeral or occasional	No change to HBU or Larger Parcel	Nominal to 10%
Variable Restrictions	Physical joint use of surface	Variable change to HBU and/or Larger Parcel	50% more or less
Exclusive Restrictions	Exclusion of owners private use	Substantial change in HBU; Severance from Larger Parcel	90% to 100%

The above chart was written by Donald Sherwood, SR/WA for the May/June 2006 Right-of-Way Journal. It has been included here as a general guide in examining the effect an easement may have on the total bundle of rights when considering the level of severity/impact of the easement, and whether or not there is a potential for change of the highest and best use of the site.

With consideration given to the proposed easements and the general utility of the subject property, we concluded a value reduction for the permanent utility easement to be 25% of fee value. Thus, the After value for this segment would equate to \$60 per square foot. The *After Value* is summarized as follows:

<u>Unaffected Area</u>	
533,724 x \$80/sf =	\$42,697,920
<u>Area Subject to Permanent Easement</u>	
Perm.esmt-Utility – 9,905 sf x \$60/sf:	\$594,300
<b>Total After Value - Land</b>	<b>\$43,292,220</b>

### Summary and Recapitulation

The "Before and After" value conclusions are presented as follows:

"Before" Condition	\$43,490,320
"After" Condition	<u>(\$43,292,220)</u>
Value Difference,	\$198,100
Rnd	<b>\$200,000</b>



A breakdown of total acquisition is as follows:

**ALLOCATED AS FOLLOWS:**

<b>VALUE OF PART TAKEN (LAND):</b>	<b>\$0</b>
<b>VALUE OF PART TAKEN (SITE IMPS):</b>	<b>\$0</b>
<b>DAMAGES TO REMAINDER:</b>	
<b>PERM.ESMT-UTILITY – 9,905 SF X \$20/SF:</b>	<b>\$198,100</b>
<b>DAMAGES: IMPROVEMENTS</b>	<b>\$0</b>
<b>LESS SPECIAL BENEFITS:</b>	<b>____ (\$0)</b>
<b>TOTAL OF ACQUISITION:</b>	<b>\$198,100</b>
<b>(RND):</b>	<b>\$200,000</b>

— [Discussion of Temporary Construction Easement](#)

The subject will also be encumbered by temporary easement (TE) for the 2-year construction phase. This is to be located at the northeast portion of the property. This area can be described as generally level land. The total area is 9,188 square feet, and while no specific dimensions were provided, the affected area appears to measure roughly 15' x 600' by our estimate.

Compensation for the Temporary Easement is generally calculated based on the underlying land value conclusion, multiplied by a rate of return. The areas impacted by the TE totals 9,188 square feet according to information provided. Payment for temporary easements typically reflect a rental rate for the use of the land, and range narrowly throughout the region, between 8% and 10%. This reflects the periodic rental of property based on its overall value. The duration and intensity of use is considered, and we have applied an 8% *annual* return to our land value for the TE.

The fact that the easement is aligned along the edge of the property, in an area typically affected by setbacks may impact the value if a permanent property right were acquired since the evaluation would be based on a Before/After analysis. Since this easement is temporary, the analysis reflects the average unit value for the land, based on the duration of temporary use.

The road easement affects only the surface rights, with no subsurface or additional aerial rights acquired, however a portion is being encumbered by a permanent utility easement, which impacts the underlying value for temporary rental purposes. In terms of the vertical interests associated with the temporary road easement, the rights acquired do not reflect 100% of the property. It is acknowledged, however, that a surface use often impacts property to a greater degree than other vertical interests. From our experience, easement rights for road or sidewalk purposes can range from



roughly 50% to 100% of the fee value, with the previously discussed data providing support.

The periodic rental rate will be applied to the area affected. Based on the characteristics of the proposed easement, including the location at the edge of the property, we have applied a figure of 60% to reflect the surface only use rights.

Of the 9,188 square feet of easement, 7,570 square feet was previously encumbered by a permanent utility easement, and the remainder unit value is \$60 square feet. The balance of the easement (1,618 sf) is evaluated using the \$80 square feet basis. Thus, the temporary easement compensation is derived as follows:

Area Unencumbered by Permanent Utility Easement

$$\$80/\text{sf} \times 1,618\text{sf} \times 60\% \times 8\% \times 2 \text{ yrs} = \$12,426$$

Area Encumbered by Utility Easement

$$\$60/\text{sf} \times 7,570\text{sf} \times 60\% \times 8\% \times 2 \text{ yrs} = \$43,603$$

Total for 2-Year Duration: \$56,029, rnd.

The above figure equates to \$2,334.54 per month for the temporary easement described.



## CERTIFICATION OF VALUE

I, the undersigned, do hereby certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report and upon which the opinions herein are based are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions
- I have no interest, either present or prospective in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the subject property, or to the parties involved.
- My engagement in this assignment was in no way contingent upon developing or reporting predetermined results, nor was it based on a requested minimum valuation, a specific value, or the approval of a loan.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- I have not performed valuation or consulting services on this property in the past three years.
- I have made a personal inspection of the subject property.
- No one provided significant real property appraisal assistance to the person signing this certification, with the exception of the person(s) shown on additional certification(s), if enclosed.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated member of the Appraisal Institute.



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S. Murray Brackett, MAI  
State Cert. #27011-1100853



## **Addenda**



## **Qualification of Appraisers**



## Qualifications of S. Murray Brackett, MAI

### Senior Managing Director

Valbridge Property Advisors | Allen Brackett Shedd

### Education

Bachelor of Arts in Business Administration, Western Washington University, 1985, with an emphasis on real estate.

### Professional Education

*Appraisal Courses:* All appraisal courses required for MAI designation.

*Seminars and Continuing Education (abbreviated summary of coursework):*

- Easement Valuation
- UASFLA Seminar (Yellow Book)
- Real Estate Law
- Appraising From Blueprints
- Complexities of Predevelopment Land
- The Appraiser as Expert Witness
- Litigation Skills for the Appraiser
- The New Frontier of Takings Law
- Partial Acquisitions Workshop
- Condemnation Appraisal & Mock Trial
- Conservation Easement Appraisal - Certificate Course

### Professional Affiliation

Member, Appraisal Institute. Received MAI Designation May 2, 1997 (Member No. 11,258)

Past President (2003), Seattle Chapter of the Appraisal Institute

Member, International Right-of-Way Association

Associate Member, Washington Airport Manager's Association

### Appraisal Experience

Principal with *Allen Brackett Shedd*. Responsibilities include the full range of residential, commercial and industrial real estate valuation. Appraisals have been prepared on such diverse properties such as airports and airport-related facilities, park lands, subdivisions and golf courses, as well as typical commercial and industrial improved property. Airport work has included valuation of entire airports to assist in determining lease rates, valuation of adjacent properties for airport expansion, aviation related improved properties and aviation easements. Improved and Unimproved valuations have been performed for acquisitions in fee, leased fee and leasehold interests, partial takings, as well as various partial interests including the following: conservation easements, utility easements, subsurface easements, air-rights/aviation easements, and minority interests. Numerous Appraisals have been prepared for use in litigation, including eminent domain dispute resolution, condemnation and inverse condemnations. UASFLA-compliant Appraisals have been prepared for a wide variety of agencies on a wide range of property types.



### S. MURRAY BRACKETT, MAI (cont.)

Qualified as an expert witness in King, Kitsap and Pierce County Superior Courts, US District Court, and Federal Bankruptcy Court. Geographic experience includes assignments in Washington, California, Oregon, Idaho, Nebraska, Iowa, Kansas, South Dakota, Alaska, and British Columbia.

### Other Experience

**Instructor:** Instructor, Income Property Appraisal, Lk Wa. Voc-Tec.  
Qualified Level 3 Facilitator, IRWA

**Presentations:** October 2003 - WPMA Conference – “The Valuation of Non-Water Dependent Properties.”

September, 2009 - Valuation of Airport Properties, WAMA

December 9, 2010 - AI-Seattle Fall R.E. Conference – Panelist/presenter for Appraisal Issues relating to Partial Acquisitions in Eminent Domain cases.

### Representative Client List

#### Cities/Counties

Cities of Bellevue, Burien, Kirkland, Seattle, Kent, Everett, Renton, Auburn, Arlington, Anacortes, Tacoma, North Bend, Snoqualmie, Lake Forest Park, Kenmore, Bothell, Lynnwood, Port Angeles, Maple Valley, Puyallup, Woodinville and SeaTac. Counties of King, Snohomish, Pierce, Kitsap, Thurston, and Skagit.

#### Government

Ports of Seattle, Everett, Olympia, Grays Harbor, Bremerton, Port Angeles, and Friday Harbor. Washington State Parks, WSDOT (Approved Appraiser List), DNR, Federal Aviation Administration, Internal Revenue Service, King County DNR, GSA, U.S. Navy, San Juan County Land Bank, Northshore School District, Snohomish School District, Sound Transit, USACE.

#### Financial Institutions

Bank of America, U.S. Bancorp, Key Bank, Wells Fargo Trust, Commerce Bank, Homestreet Bank, Banner Bank, Charter Bank, Union Bank.

#### Airports

Sea-Tac International Airport, Renton Municipal, Auburn Municipal, Snohomish County Airport (Paine Field), Arlington Municipal, Bellingham International, Olympia Airport, William Fairchild (Port Angeles), Spokane Int'l, Centralia/Chehalis, Bremerton National, Pullman Airport, and Friday Harbor Airport.

#### Corporations and Non Profits

Weyerhaeuser Company, WRECO, Tramco, Plum Creek, McDonalds Corporation, Gull Industries, Puget Sound Energy, Development Services of America (DSA), FSA, Winmar Company, Jr. Achievement, Lowe Enterprises, PACCAR, Inc., The Trust for Public Land, Cascade Land Conservancy, Fletcher General Construction, Manke Lumber Company, Simpson Timber Company, New Ventures Group, OTAK, American Forest Resources, HDR, Inc., Hancock Natural Resources Group, Sierra Pacific Industries, Quadrant, Port Blakely Communities, Lowe Enterprises, Parsons Brinckerhoff, CH2M-Hill.



S. MURRAY BRACKETT, MAI (cont.)

Attorneys

Hillis, Clark, Martin & Peterson; Kenyon Disend; Perkins Coie; Tousley Brain; Inslee Best; Graham and Dunn; Chmelik, Sitkin & Davis; Foster Pepper; Short Cressman; Davis Wright & Tremaine; Betts Patterson; Karr Tuttle Campbell; Anderson Hunter; Riddell Williams; Williams Kastner; Krutch Lindell; Curran Mendoza; Williams and Williams; and King County Prosecuting Attorney.

**State Certification Number - General:** 27011-1100853 **Expiration:** 11/21/17

(Revised 11/22/13)







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 LICENSE FEE CALCULATION
 

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**Aged Land Valuation**

King County Assessor Land Value January 1st of the Year Indicated					
Comparison Property	2016	2017	2018	2019	2020 #
MRM Property	\$6,678,000	\$7,791,000	\$8,533,000	\$9,275,000	\$10,202,500
Emerald Building	\$5,343,700	\$6,234,300	\$6,828,100	\$7,421,800	\$8,163,980
Continental Plaza	\$6,586,200	\$7,683,900	\$8,415,700	\$9,147,500	\$10,062,250
% change from prior year	-	16.7%	9.5%	8.7%	10.0%
Peter Kirk Park Value per SF*	\$80.00	\$93.33	\$102.22	\$111.11	\$122.22

\* \$80 per SF was the 2016 value per the Valbridge Report

# No data available; assume 10% increase from 2019 values

**License Fee (LF) Calculation**

PKP Value per SF (PKPV)=	\$122.22
License Area per SF(LA)=	11600
Periodic Rental Rate (PRR)=	60%
Rental Rate (RR)=	8%
Duration^, yrs (D)=	2.17

^ November 1, 2019 through December 31, 2021

$$LF = PKPV \times LA \times PRR \times RR \times D$$

$$LF = (\$122.22) \times (11600 \text{ SF}) \times (60\%) \times (8\%) \times (2.17 \text{ yrs})$$

$$LF = \mathbf{\$147,675.70}$$



PETER KIRK PARK EDGE  
Conceptual Plan





PETER KIRK PARK EDGE  
Conceptual Plan





PETER KIRK PARK EDGE  
Section | Inspiration Images





PROJECT: KIRKLAND URBAN - SOUTH (PARK IMPROVEMENTS)

OWNER: GOOGLE

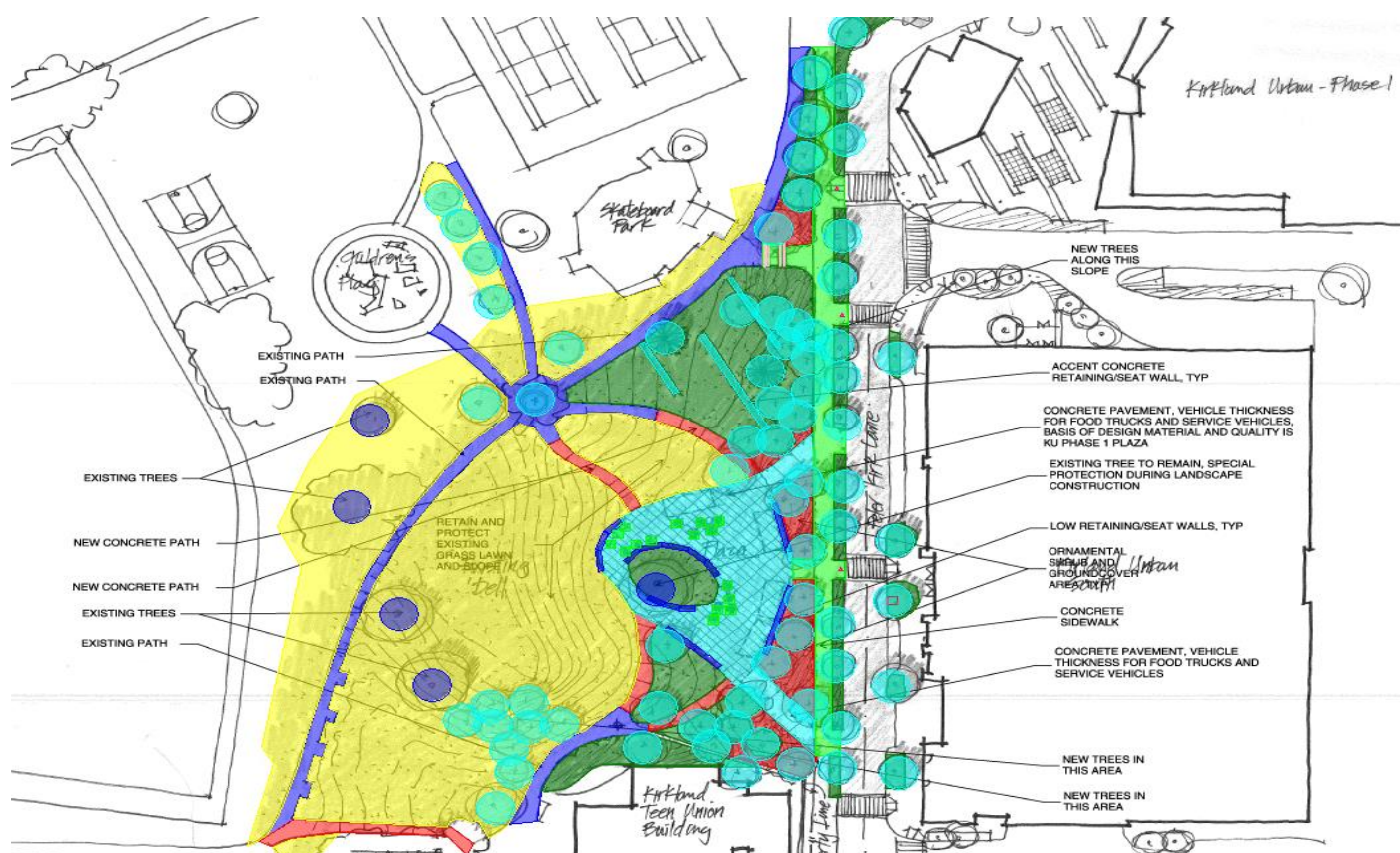
ARCHITECT: COLLINS-WOERMAN

## Executive Summary

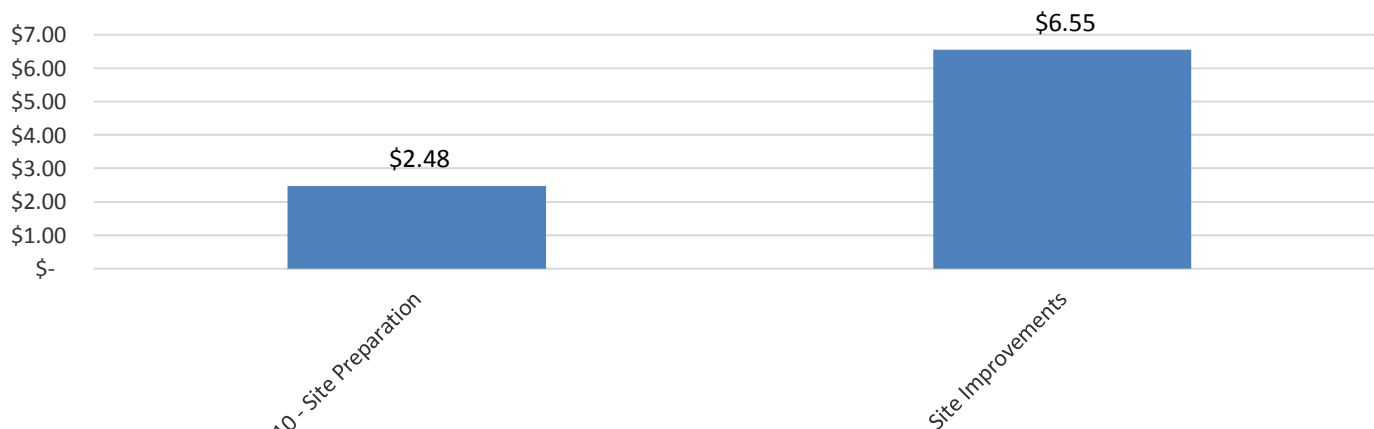
CONFIDENTIAL

ESTIMATE TYPE: CONCEPT  
 ISSUE DATE: 9/27/2019

Cost Summary		\$ per GSF	Total Cost
Direct Construction Cost	\$	9.02	\$ 852,741
Indirect Construction Costs	\$	2.55	\$ 241,374
Design Fees	\$	-	\$ -
Other Costs	\$	1.17	\$ 110,506
<b>Total Project Costs</b>			<b>\$ 1,204,620</b>
<b>\$ per GSF / Project Gross Square Feet (GSF)</b>	\$	<b>12.75</b>	<b>94,515</b>



### Unifomat Level 2 Cost





**PROJECT:** KIRKLAND URBAN - SOUTH (PARK IMPROVEMENTS)  
**OWNER:** GOOGLE  
**ARCHITECT:** COLLINS-WOERMAN

ESTIMATE TYPE: CONCEPT  
ISSUE DATE: 9/27/2019

Uniformat Level 2 Breakdown	System Area	\$ per Sys Area	\$ per GSF	Total Cost
A10 - Foundations	0 gsf	\$ -	\$ -	\$ -
A20 - Basement Construction	0 gsf	\$ -	\$ -	\$ -
B10 - Superstructure	0 gsf	\$ -	\$ -	\$ -
B20 - Exterior Enclosure	0 gsf	\$ -	\$ -	\$ -
B30 - Roofing	0 gsf	\$ -	\$ -	\$ -
C10 - Interior Construction	0 gsf	\$ -	\$ -	\$ -
C20 - Stairs	0 gsf	\$ -	\$ -	\$ -
C30 - Finishes	0 gsf	\$ -	\$ -	\$ -
D10 - Conveying	0 gsf	\$ -	\$ -	\$ -
D20 - Plumbing	0 gsf	\$ -	\$ -	\$ -
D30 - HVAC	0 gsf	\$ -	\$ -	\$ -
D40 - Fire Protection	0 gsf	\$ -	\$ -	\$ -
D50 - Electrical	0 gsf	\$ -	\$ -	\$ -
E10 - Equipment	0 gsf	\$ -	\$ -	\$ -
E20 - Furnishings	0 gsf	\$ -	\$ -	\$ -
F10 - Special Construction	0 gsf	\$ -	\$ -	\$ -
F20 - Demolition	0 gsf	\$ -	\$ -	\$ -
G10 - Site Preparation	94,515 gsf	\$ 2.48	\$ 2.74	\$ 234,050
G20 - Site Improvements	94,515 gsf	\$ 6.55	\$ 7.26	\$ 618,691
G30 - Site Mechanical Utilities	0 gsf	\$ -	\$ -	\$ -
G40 - Site Electrical Utilities	0 gsf	\$ -	\$ -	\$ -
Temporary Site Services (w/KU - South)	94,515 gsf	\$ -	\$ -	\$ -
Direct Construction Cost (DCC)		\$ 10.00	\$	852,741
Site Management (GC's)		w/KU - South	\$	-
Design/Estimating Contingency (Calculation, % of DCC --->)		10.000%	\$	85,274
Escalation Contingency (Calculation, % of DCC --->)		6.000%	\$	56,281
BINIB Preconstruction Services		w/KU - South	\$	-
GC Performance / Payment Bond		Excluded	\$	-
Subcontractor Default Insurance (SDI)		1.200%	\$	10,233
Course of Construction Contingency		5.000%	\$	50,226
BINIB Insurances		1.000%	\$	10,548
Misc. Permits		w/KU - South	\$	-
Building Permit / Plan Check		w/KU - South	\$	-
Contractors Fee		2.000%	\$	21,306
B & O Taxes		0.686%	\$	7,506
Indirect Construction Cost		\$ 2.55	\$	241,374
Total Construction Cost (TCC)			\$	1,094,115
\$ per GSF / Project Gross Square Feet (GSF)		\$ 11.58		94,515
Civil Design		By Owner	\$	-
Landscape Design		By Owner	\$	-
Architectural Design		By Owner	\$	-
Structural Design		By Owner	\$	-
Mechanical Design		By Owner	\$	-
Electrical Design		By Owner	\$	-
Design Fees		\$ -	\$	-
Builder's Risk Insurance		By Owner	\$	-
Moving / Relocation Costs		By Owner	\$	-
Testing/Inspection Service		By Owner	\$	-
Owner Fixt. / Furnish. / Equip. (FF&E)		By Owner	\$	-
Washington State Sales Tax (WSST)		10.100%	\$	110,506
Other Cost		\$ 1.17	\$	110,506
Total Project Costs (TPC)			\$	1,204,620
\$ per GSF / Project Gross Square Feet (GSF)		\$ 12.75		94,515



PROJECT: KIRKLAND URBAN - SOUTH (PARK IMPROVEMENTS)

OWNER: GOOGLE

ARCHITECT: COLLINS-WOERMAN

ESTIMATE TYPE: CONCEPT

ISSUE DATE: 9/27/2019

UNI L2	Phase	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
<b>E10</b>		<b>EQUIPMENT</b>			
	<b>11680.000</b>	<b>Playfield Equipment</b>			
		<b>Play Equipment / Skate Park (EXCLUDED)</b>	- ea	0.00 /ea	0
		<b>Playfield Equipment</b>	94,515.00 sf	/sf	
		<b>E10 EQUIPMENT</b>	94,515.00 SF	/SF	
<b>G10</b>		<b>SITE PREPARATION</b>			
	<b>2320.000</b>	<b>Geotech Investigation</b>			
		<b>Exploratory Excavation (EXCLUDED)</b>	- ea	0.00 /ea	0
		<b>Geotech Investigation</b>	94,515.00 sf	/sf	
	<b>2410.130</b>	<b>Selective Site Demolition</b>			
		Horizontal Site Demolition (Area of New Work)	38,510.00 sf	1.50 /sf	57,765
		<b>Selective Site Demolition</b>	94,515.00 sf	0.61 /sf	57,765
	<b>2610.000</b>	<b>Contaminated Soils</b>			
		<b>Excavate Hazardous Soils (EXCLUDED)</b>	- tcy	0.00 /tcy	0
		<b>Load Hazardous Soils (EXCLUDED)</b>	- tcy	0.00 /tcy	0
		<b>Off-Haul Hazardous Soils - Solo Truck (EXCLUDED)</b>	- tcy	0.00 /tcy	0
		<b>Dispose Hazardous Soils (1.45 tons/cy - EXCLUDED)</b>	- ton	0.00 /ton	0
		<b>Contaminated Soils</b>	94,515.00 sf	/sf	
	<b>2650.000</b>	<b>UG Storage Tank Removal</b>			
		<b>Underground Tank Removal (EXCLUDED)</b>	- ea	0.00 /ea	0
		<b>UG Storage Tank Removal</b>	94,515.00 sf	/sf	
	<b>31120.000</b>	<b>Selective Clearing</b>			
		Selective Clearing - New Site Area	38,510.00 sf	0.60 /sf	23,106
		<b>Selective Clearing</b>	94,515.00 sf	0.24 /sf	23,106
	<b>31130.000</b>	<b>Selective Tree/Shrub Removal</b>			
		Selective Tree/Shrub Trimming (ALLOWANCE - Existing Trees)	5.00 ea	250.00 /ea	1,250
		<b>Selective Tree/Shrub Removal</b>	94,515.00 sf	0.01 /sf	1,250
	<b>31140.000</b>	<b>Earth Strip/Stockpile</b>			
		Strip Topsoil (38,510sf x 6"d)	927.00 tcy	30.40 /tcy	28,181
		Load Topsoil	927.00 tcy	15.35 /tcy	14,229
		Off-Haul/Dump Topsoil	927.00 tcy	17.50 /tcy	16,223
		<b>Earth Strip/Stockpile</b>	94,515.00 sf	0.62 /sf	58,633
	<b>31220.130</b>	<b>Grading</b>			
		Rough Grading - Site	38,510.00 sf	0.50 /sf	19,255
		<b>Grading</b>	94,515.00 sf	0.20 /sf	19,255
	<b>31230.130</b>	<b>Subgrade Preparation</b>			
		Subgrade Prep - Site Slabs	15,600.00 sf	0.70 /sf	10,920
		Subgrade Prep - Landscape Areas	22,910.00 sf	0.85 /sf	19,474
		<b>Subgrade Preparation</b>	94,515.00 sf	0.32 /sf	30,394
	<b>31230.161</b>	<b>Structural Excavation &amp; Backfill</b>			
		Site Footing/Wall Excavation (69cy for Ftgs + 40%)	97.00 tcy	51.82 /tcy	5,026
		Load Site Footing/Wall Spoils	69.00 tcy	6.00 /tcy	414
		Off-Haul/Dump Site Footing/Wall Spoils (Solo Truck)	69.00 tcy	53.27 /tcy	3,676
		Site Backfill - Footings/Walls	28.00 tcy	51.82 /tcy	1,451



PROJECT: KIRKLAND URBAN - SOUTH (PARK IMPROVEMENTS)

OWNER: GOOGLE

ARCHITECT: COLLINS-WOERMAN

ESTIMATE TYPE: CONCEPT

ISSUE DATE: 9/27/2019

UNI L2	Phase	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
G20	31230.161	<b>Structural Excavation &amp; Backfill</b>			
		<b>Site Backfill - Import Premium (EXCLUDED - Use Native Materials)</b>	- tcy	0.00 /tcy	0
		Structural Excavation & Backfill	94,515.00 sf	0.11 /sf	10,567
	31250.000	<b>Erosion &amp; Sedimentation</b>			
		Temporary Erosion and Sediment Control (TESC)	94,515.00 sf	0.35 /sf	33,080
		Erosion & Sedimentation	94,515.00 sf	0.35 /sf	33,080
		<b>G10 SITE PREPARATION</b>	<b>94,515.00 SF</b>	<b>2.48 /SF</b>	<b>234,050</b>
		<b>SITE IMPROVEMENTS</b>			
	3000.010	<b>Concrete Construction</b>			
		Site Strip Footings - Retaining / Seat, Accent Wall (151lf x 3.0'w x 1.5'd - 75#/cy)	27.00 cy	550.00 /cy	14,850
		Site Strip Footings - Retaining / Seat, Low Wall (230lf x 3.0'w x 1.5'd - 75#/cy)	42.00 cy	550.00 /cy	23,100
		Site Retaining / Seat Walls - Accent Wall (151lf x 4.0'h x 1.5'thk - 4.0#/sf)	604.00 sf	42.00 /sf	25,368
		Site Retaining / Seat Walls - Low Wall (230lf x 4.0'h x 1.5'thk - 4.0#/sf)	920.00 sf	42.00 /sf	38,640
		Concrete Construction	94,515.00 sf	1.08 /sf	101,958
	3010.000	<b>Concrete Washout &amp; Recycling</b>			
		Eco-Pans - Site Concrete	157.00 cy	2.25 /cy	353
		Concrete Washout & Recycling	94,515.00 sf	0.00 /sf	353
	3210.000	<b>Reinforcing Steel</b>			
		Concrete Reinforcing - Site (Furnish - Footings)	3.00 ton	1,200.00 /ton	3,600
		Concrete Reinforcing - Site (Furnish - Walls)	3.00 ton	1,200.00 /ton	3,600
		Concrete Reinforcing - Site (Install)	6.00 ton	900.00 /ton	5,400
		Concrete Reinforcing - Site (Material Handling/Distribution)	6.00 ton	82.00 /ton	492
		Reinforcing Steel	94,515.00 sf	0.14 /sf	13,092
	3220.000	<b>Welded Wire Fabric</b>			
		<b>WWF - Site (Furnish - EXCLUDED)</b>	- sf	0.00 /sf	0
		Welded Wire Fabric	94,515.00 sf	/sf	
	31220.190	<b>Finish Grading</b>			
		Finish Grading - Landscape Areas	22,910.00 sf	0.55 /sf	12,601
		Finish Grading	94,515.00 sf	0.13 /sf	12,601
	32110.000	<b>Base Courses</b>			
		Aggregate Base Course - Rigid Pavement (7,770sf x 6"d)	187.00 tcy	50.00 /tcy	9,350
		Aggregate Base Course - Sidewalk, New - Adjacent to Access Road (5,230sf x 4"d)	83.00 tcy	50.00 /tcy	4,150
		Aggregate Base Course - Sidewalk, New - Path (2,600sf x 4"d)	41.00 tcy	50.00 /tcy	2,050
		Base Courses	94,515.00 sf	0.17 /sf	15,550
	32130.000	<b>Rigid Pavement</b>			
		Concrete Paving - Plaza / Food Truck Area	7,770.00 sf	16.50 /sf	128,205
		Rigid Pavement	94,515.00 sf	1.36 /sf	128,205
	32130.130	<b>Sidewalk</b>			
		Sidewalk - New, Adjacent to Access Road	5,230.00 sf	8.50 /sf	44,455
		Sidewalk - New, On-Site Path	2,600.00 sf	8.50 /sf	22,100
		Sidewalk - On-Site Stair On Grade (LF of Tread)	54.00 lf	105.00 /lf	5,670
		Sidewalk - ADA Ramp	3.00 ea	2,250.00 /ea	6,750



PROJECT: KIRKLAND URBAN - SOUTH (PARK IMPROVEMENTS)

OWNER: GOOGLE

ARCHITECT: COLLINS-WOERMAN

ESTIMATE TYPE: CONCEPT

ISSUE DATE: 9/27/2019

UNI L2	Phase	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
		<b>Sidewalk</b>	<b>94,515.00 sf</b>	<b>0.84 /sf</b>	<b>78,975</b>
32130.160		<b>Decorative Concrete Paving</b>			
		<b>Decorative Concrete Paving (EXCLUDED)</b>	<b>- sf</b>	<b>0.00 /sf</b>	<b>0</b>
		<b>Decorative Concrete Paving</b>	<b>94,515.00 sf</b>	<b>/sf</b>	
32170.260		<b>Tactile Warning Surfacing</b>			
		Detectable Warning Surface (24" x 36" Pad at ADA Ramps)	3.00 ea	210.00 /ea	630
		<b>Tactile Warning Surfacing</b>	<b>94,515.00 sf</b>	<b>0.01 /sf</b>	<b>630</b>
32330.000		<b>Site Furnishings</b>			
		Site Bicycle Racks (ALLOWANCE)	10.00 ea	942.50 /ea	9,425
		Skateboard Deterrents - Seat Walls (381lf / 4.0'oc)	96.00 ea	173.75 /ea	16,680
		<b>Tables &amp; Chairs - Site (EXCLUDED - BY OWNER)</b>	<b>- ea</b>	<b>0.00 /ea</b>	<b>0</b>
		<b>Site Furnishings</b>	<b>94,515.00 sf</b>	<b>0.28 /sf</b>	<b>26,105</b>
32800.000		<b>Irrigation Systems</b>			
		<b>Irrigation Deduct Meter (EXCLUDED - w/KU South)</b>	<b>ea</b>	<b>/ea</b>	
		<b>Irrigation Control Panel (EXCLUDED - w/KU South)</b>	<b>ea</b>	<b>/ea</b>	
		Irrigation Sleeves (ALLOWANCE)	150.00 lf	15.00 /lf	2,250
		Irrigation System - Site (Check / Repair at Existing - ALLOWANCE)	48,230.00 sf	0.75 /sf	36,173
		Irrigation System - Site	22,910.00 sf	2.10 /sf	48,111
		<b>Irrigation Systems</b>	<b>94,515.00 sf</b>	<b>0.92 /sf</b>	<b>86,534</b>
32910.000		<b>Plant Preparation</b>			
		Mulching - Site (Shrub Area - 3,850sf x 4"d)	61.00 tcy	45.00 /tcy	2,745
		Place Topsoil - Site (Shrub (3,850sf) + Grass Area (19,060sf) x 6"d)	552.00 tcy	7.50 /tcy	4,140
		Place Topsoil - Site (3.0 x 3.0 x 3.0 Pit at New Trees)	5.00 tcy	7.50 /tcy	38
		Import Topsoil - Site	557.00 tcy	45.00 /tcy	25,065
		<b>Plant Preparation</b>	<b>94,515.00 sf</b>	<b>0.34 /sf</b>	<b>31,988</b>
32920.000		<b>Turfs &amp; Grasses</b>			
		Sodding - Repair of Existing (ALLOWANCE)	48,230.00 sf	0.30 /sf	14,469
		Sodding - New Grass Area	19,060.00 sf	2.00 /sf	38,120
		<b>Turfs &amp; Grasses</b>	<b>94,515.00 sf</b>	<b>0.56 /sf</b>	<b>52,589</b>
32930.000		<b>Plants</b>			
		Shrubs - Site	3,850.00 sf	3.25 /sf	12,513
		Tree, Medium - Site	72.00 ea	800.00 /ea	57,600
		<b>Plants</b>	<b>94,515.00 sf</b>	<b>0.74 /sf</b>	<b>70,113</b>
32960.000		<b>Transplanting</b>			
		<b>Groundcover Transplanting (EXCLUDED)</b>	<b>- sf</b>	<b>0.00 /sf</b>	<b>0</b>
		<b>Tree Transplanting (EXCLUDED)</b>	<b>- ea</b>	<b>0.00 /ea</b>	<b>0</b>
		<b>Transplanting</b>	<b>94,515.00 sf</b>	<b>/sf</b>	
<b>G20 SITE IMPROVEMENTS</b>			<b>94,515.00 SF</b>	<b>6.55 /SF</b>	<b>618,691</b>
G40		<b>SITE ELECTRICAL UTILITIES</b>			
26560.000		<b>Exterior Lighting</b>			
		<b>Exterior Lighting - Walkway (EXCLUDED)</b>	<b>ea</b>	<b>/ea</b>	
		<b>Trench/Conduit/Wiring - Site Lighting (EXCLUDED)</b>	<b>lf</b>	<b>/lf</b>	
		<b>Exterior Lighting</b>	<b>94,515.00 sf</b>	<b>/sf</b>	
<b>G40 SITE ELECTRICAL UTILITIES</b>			<b>94,515.00 SF</b>	<b>/SF</b>	



PROJECT: KIRKLAND URBAN - SOUTH (PARK IMPROVEMENTS)

OWNER: GOOGLE

ARCHITECT: COLLINS-WOERMAN

ESTIMATE TYPE: CONCEPT

ISSUE DATE: 9/27/2019

UNI L2	Phase	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
<b>Z10</b>		<b>SITE MANAGEMENT (GC's)</b>			
	<b>2220.000</b>	<b>Existing Conditions Assessment</b>			
		<b>Traffic Assessment (BY OWNER)</b>	<b>hr</b>	<b>/hr</b>	
		Existing Conditions Assessment	94,515.00 sf	/sf	
	<b>2240.000</b>	<b>Environmental Assessment</b>			
		<b>Chemical Sampling/Analysis of Soil (BY OWNER)</b>	<b>hr</b>	<b>/hr</b>	
		Environmental Assessment	94,515.00 sf	/sf	
	<b>2320.000</b>	<b>Geotech Investigation</b>			
		<b>Subsurface Drilling &amp; Sampling (BY OWNER)</b>	<b>ea</b>	<b>/ea</b>	
		Geotech Investigation	94,515.00 sf	/sf	
<b>Z10 SITE MANAGEMENT (GC's)</b>			<b>94,515.00 SF</b>	<b>/SF</b>	
<b>Z15</b>		<b>TEMPORARY SITE SERVICES (GR's)</b>			
	<b>1000.110</b>	<b>Temporary Site Services</b>			
		<b>Temporary Site Services (Included with Estimate Detail for KU - South)</b>	<b>wk</b>	<b>/wk</b>	
		Temporary Site Services	94,515.00 sf	/sf	
<b>Z15 TEMPORARY SITE SERVICES (GR's)</b>			<b>94,515.00 SF</b>	<b>/SF</b>	





## Building Statistics

*CONFIDENTIAL*

PROJECT: KIRKLAND URBAN - SOUTH (PARK IMPROVEMENTS)

OWNER: GOOGLE

ARCHITECT: COLLINS-WOERMAN

ESTIMATE TYPE:

CONCEPT

ISSUE DATE:

9/27/2019

Gross Square Footage Summary					Enclosure			Counts			
Description	Existing	New			Total (GSF)	Floor Perim. (LF)	Floor to Floor (FT)	Total Enclosure (VSF)	Parking Stalls (EA)	Living Units (EA)	Elevator (STOP)
Site Area - Area of New Work					-						
Concrete Paving		7,770			7,770			0			
Sidewalk - New (Adjacent to Access Rd)		5,230			5,230			0			
Sidewalk - Path	7,775	2,600	-		10,375	150	12	40	2	2	2
					-			0			
Grass	48,230	19,060			67,290			0			
Shrubs		3,850			3,850			0			
					-			0			
					-			0			
					-			0			
					-			0			
Site Area - Existing to Remain					-			0			
					-			0			
					-			0			
					-			0			
					-			0			
					-			0			
					-			0			
					-			0			
					-			0			
					-			0			
					-			0			
					-			0			
Totals	56,005	38,510	0	0	94,515	150	12	40	2	2	2



## RESOLUTION R-5396

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO SIGN A TEMPORARY ROAD AND CONSTRUCTION ACCESS AGREEMENT WITH KIRKLAND URBAN PHASE III OWNER, LLC FOR THE TEMPORARY USE OF CITY PROPERTY FOR THE PURPOSE OF CONSTRUCTION ACCESS, CONSTRUCTION STAGING AND THE CONSTRUCTION OF PUBLIC UTILITIES AND PARK IMPROVEMENTS TO BE PERMANENTLY LOCATED IN THE EASTERLY EDGE OF PETER KIRK PARK.

1 WHEREAS, the City owns the real property known as the Peter  
2 Kirk Park generally located at 406 Kirkland Avenue, Kirkland (City  
3 Property); and  
4

5 WHEREAS, Kirkland Urban Phase III Owner, LLC (KUP) owns or  
6 controls approximately 0.59 acres of real property immediately east of  
7 and adjacent to the City Property known as Kirkland Urban South and  
8 generally located at 211 Park Place Center, Kirkland (KUS Property); and  
9

10 WHEREAS, KUP intends to develop the KUS Property as a mixed-  
11 use development (the Project) in accordance with the Development  
12 Agreement dated August 24, 2015, recorded at King County Recording  
13 Number 20150827000785; and  
14

15 WHEREAS, this portion of the Project calls for approximately  
16 250,000 square feet of office and 60,000 square feet of  
17 retail/entertainment per Ordinance 4677 approved by City Council  
18 January 15, 2019; and  
19

20 WHEREAS, KUP's goals for the development is a thriving retail  
21 and commercial center, for a return on investment and quality public  
22 infrastructure and service; and  
23

24 WHEREAS, the City's goals for the development include  
25 implementing its comprehensive plan, producing positive economic  
26 impacts to the City, promoting environmental quality, and mitigation of  
27 Project impacts; and  
28

29 WHEREAS, in connection with KUP's construction of the Project,  
30 KUP has requested that the City grant KUP a Temporary Road and  
31 Construction Access Agreement ("Temporary Access Agreement") over,  
32 under, across, through and upon a portion of the City Property for the  
33 purposes of construction access, construction staging, and construction of  
34 public utility lines which will be permanently placed in the easterly edge of  
35 Peter Kirk Park; and



36 WHEREAS, in consideration of the City's grant of the Temporary  
37 Access Agreement, KUP shall replace all disturbed landscaping and  
38 improvements, and construct and install pedestrian pathways, landscaping  
39 and a public plaza amenity to Peter Kirk Park; and  
40

41 WHEREAS, in consideration of the City's grant of the Temporary  
42 Access Agreement, KUP shall also pay the License Fee as set forth in the  
43 Temporary Access Agreement; and  
44

45 WHEREAS, in view of the public benefits to be gained by the City  
46 through construction and installation of improvements to the Park, the  
47 payment of a License Fee and development of this portion of the Project,  
48 the City is willing to grant the Temporary Access Agreement upon the  
49 terms and conditions set forth in the Temporary Access Agreement.  
50

51 NOW, THEREFORE, be it resolved by the City Council of the City  
52 of Kirkland as follows:  
53

54 Section 1. The City Manager is authorized and directed to  
55 execute on behalf of the City of Kirkland the Temporary Road and  
56 Construction Access Agreement substantially similar to that attached to  
57 this Resolution as Exhibit "A."  
58

59 Passed by majority vote of the Kirkland City Council in open  
60 meeting this \_\_\_\_ day of \_\_\_\_\_, 2019.  
61

62 Signed in authentication thereof this \_\_\_\_ day of \_\_\_\_\_,  
63 2019.

\_\_\_\_\_  
Penny Sweet, Mayor

Attest:

\_\_\_\_\_  
Kathi Anderson, City Clerk



## TEMPORARY ROAD AND CONSTRUCTION ACCESS AGREEMENT

Grantor: City of Kirkland

Grantee: KIRKLAND URBAN PHASE III OWNER, LLC

Legal description (abbreviated): Grantor Property: Portion of Government Lot 5 and portion of SE Quarter of SW Quarter Section 5, Township 25 North, Range 5 East, WM, King County (as described in Lot Consolidation, recording number 20010619001842)  
(See **Exhibit A** for complete legal description)

Grantee Property: Lots 4-6, LLA #16-00855, rec 20160812900001 (See **Exhibit B** for complete legal description)

Assessor's Tax Parcel #s: 052505-9029 (Grantor)  
1248700053 (Grantee)



## TEMPORARY ROAD AND CONSTRUCTION ACCESS AGREEMENT

THIS TEMPORARY ROAD AND CONSTRUCTION ACCESS AGREEMENT (the “Agreement”), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the CITY OF KIRKLAND (the “City”), a Washington municipal corporation, and KIRKLAND URBAN PHASE III OWNER, LLC, a Delaware limited liability company (together with its successors and assigns, “Kirkland Urban”).

### RECITALS

WHEREAS, the City owns the real property known as the Peter Kirk Park generally located at 406 Kirkland Avenue, Kirkland, Washington, legally described in **Exhibit A** attached hereto (the “City Property”);

WHEREAS, Kirkland Urban owns the real property immediately east of and adjacent to the City Property, legally described in **Exhibit B** attached hereto (the “Kirkland Urban Property”);

WHEREAS, Kirkland Urban intends to develop the Kirkland Urban Property as a mixed use development (the “Project”) in accordance with the Development Agreement dated August 24, 2015 between the City and KPP Development LLC, the previous owner of the Kirkland Urban Property, recorded at King County Recording Number 20150827000785; and

WHEREAS, in connection with Kirkland Urban’s construction of the Project, the City has agreed to grant to Kirkland Urban a temporary license over, under, across, through and upon a portion of the City Property for the purposes of access to Central Way and construction activities, upon the terms and conditions hereinafter set forth.

### AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.



2. Consideration.<sup>1</sup> The consideration for the City's grant of the License (as defined below) shall be \$147,675.70, which shall be paid within thirty (30) days of the City's execution of this Access Agreement.
3. Grant of Temporary License. The City hereby grants to Kirkland Urban and its successors, assigns, affiliates, employees, agents, contractors, and subcontractors (the "Representatives") a temporary license over, across, through and upon that portion of the City Property legally described in **Exhibit C** attached hereto (the "License Area") for (A) ingress and egress to and from the Kirkland Urban Property and Central Way, for all vehicular and pedestrian access purposes necessary or desirable for Kirkland Urban's construction of the Project, including as an entrance or exit for truck hauling, point of access for regular material deliveries to the site, as a crane and concrete pump pad site to be used in conformity with separate agreements between City and Kirkland Urban and its Representatives, or as a laydown or material storage area, and (B) construction and maintenance activities in connection with the Project (the "License"). The License shall include the right by Kirkland Urban and its Representatives to enter upon and use the License Area for the construction, installation, maintenance and repair of, among other things, (1) a temporary roadway, (2) utilities for the Project and other neighboring properties ("Utilities"), as further described in Section 5 below, and (3) the Park Improvements. The temporary roadway shall be constructed in accordance with design plans approved in writing by the City's Public Work Director or her designee.
4. City and Public's Use. The City may use the License Area for any purpose that does not interfere with the purposes of the License; provided, however, that the City acknowledges and agrees that Kirkland Urban and its Representatives shall have the right to close and physically block the License Area from the City's and/or public's use from time to time. Prior to any closure of the License Area from the City's and/or public's use, notification and plans for the same shall be submitted in writing to the City, at the address provided in Section 11.12 below. No closure of access shall occur without the Kirkland Fire Department's prior written approval which shall not be unreasonably withheld; provided, however, that in the event of an emergency or for safety reasons requiring immediate action by Kirkland Urban for the protection of its facilities or other persons or property, Kirkland Urban or its Representatives shall have the right to close and physically block the License Area for such time and upon such notice to the City as is reasonable under the circumstances.
5. Park Improvements; Utilities.<sup>2</sup> Kirkland Urban or its Representatives shall install and construct pedestrian pathways, landscaping and other improvements ("Park Improvements") and the Utilities on or before the Termination Date (as defined in Section 8 below) substantially in accordance with **Exhibit D**. The design of the Park Improvements and the Utilities shall be approved through the permitting process with the City. If the City reasonably requests, Kirkland Urban shall provide assurance of performance satisfactory to the City prior to commencement of

---

<sup>1</sup> NTD: City and Kirkland Urban to discuss further, with amount of cash consideration to be reduced by value of Park Improvements installed.

<sup>2</sup> NTD: Section to be refined upon completion of general Park Improvements plans.



the Park Improvements. Upon completion of the Park Improvements, Kirkland Urban shall dedicate to the City, and the City shall accept, the Park Improvements and the Utilities as constructed on the City Property. Until such time as the Park Improvements and the Utilities are dedicated to the City, Kirkland Urban shall maintain, or cause to be maintained, all Park Improvements in good and safe condition, at Kirkland Urban's sole expense.

6. Restoration; Use; Liens.

6.1 Kirkland Urban will be solely responsible for repair and remediation of any damage to the City Property, including any improvements thereon, caused by Kirkland Urban's or its Representatives' exercise of their rights under this Agreement.

6.2 In no event shall Kirkland Urban's or its Representatives' use of the License Area and activities associated with their construction activities cause any material disruption in the use by the City and the public of that portion of the City Property that lies outside the License Area.

6.3 Kirkland Urban shall use, and shall cause its Representatives to use, commercially reasonable efforts to perform all construction on the City Property diligently and continuously to completion in a safe and workmanlike manner.

6.4 Kirkland Urban shall keep the City Property free and clear of all liens, charges, and other monetary encumbrances arising out of the use of the License Area that may be claimed or asserted by any third party as a result of Kirkland Urban's or its Representatives' exercise of their rights under this Agreement. Kirkland Urban agrees to hold the City harmless for any loss or expense, including reasonable attorneys' fees and costs, arising from any such liens which might be filed against the City Property.

6.5 Upon completion of the construction of the Utilities, Kirkland Urban shall restore, or cause to be restored, the area above the Utilities to a like or better condition than it was prior to construction of the Utilities. The restoration shall include the reestablishment of grass and construction of temporary paths to be used until the final restoration described in Subsection 6.6.

6.6 Upon termination or revocation of this Agreement in any manner provided in this Agreement, Kirkland Urban and its Representatives, at Kirkland Urban's cost and expense, shall abandon their use of the License Area, remove the temporary roadway, and restore the License Area to like or better condition than it was prior to the construction of the temporary roadway.

7. Compliance with Laws. Kirkland Urban and its Representatives shall comply with all applicable material laws and codes in connection with its activities to be performed under this Agreement and its use of the License Area, and shall obtain all material permits and approvals for all such work at Kirkland Urban's expense.



8. Term. The License shall terminate on December 31, 2021 (the “Termination Date”) or upon completion of the Project, whichever is earlier.

9. Assignment. The License and all rights and obligations of Kirkland Urban in this Agreement are not assignable without the prior written consent of the City to the proposed assignment, which consent shall not be unreasonably withheld.

10. Insurance. During the term of this Agreement, Kirkland Urban and its Representatives shall, at their own expense, maintain on file with the City prior to exercising any rights under this Agreement currently effective and satisfactory certification of primary Comprehensive General Liability insurance with limits of liability incident to their exercise of rights under this Agreement of not less than \$1,000,000 each occurrence, \$2,000,000 general aggregate. Such policy must specifically include “the City of Kirkland” as an additional insured for primary and non-contributory limits of liability incident to Kirkland Urban’s or its Representatives’ exercise of rights under this Agreement.

11. General Provisions.

11.1 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

11.2 Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, the rest of the Agreement shall be enforced without the invalid or the unenforceable provision.

11.3 Authority. Each party respectively represents and warrants that it has the power and authority and is duly authorized to enter into this Agreement on the terms and conditions herein stated, and to deliver and perform its obligations under this Agreement.

11.4 Exhibits Incorporated. **Exhibits A, B, C, and D** are incorporated herein by this reference as if fully set forth.

11.5 Headings. The headings in this Agreement are inserted for reference only and shall not be construed to expand, limit or otherwise modify the terms and conditions of this Agreement.

11.6 Time of the Essence. Time is of the essence of this Agreement and of every provision hereof. Unless otherwise set forth in this Agreement, the reference to “days” shall mean calendar days. If any time for action occurs on a weekend or legal holiday in the State of Washington, then the time period shall be extended automatically to the next business day.

11.7 Entire Agreement and Amendment. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and neither this Agreement



11.8 Notice of Default. No party shall be in default under this Agreement unless it has failed to perform as required under this Agreement for a period of 30 days after written notice of default from any other party. Each notice of default shall specify the nature of the alleged default and the manner in which the default may be cured satisfactorily. If the nature of the alleged default is such that it cannot be reasonably cured within the 30-day period, then commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure.

11.10 Revocation. The City may terminate Kirkland Urban's rights under this Agreement if after notice of default under Section 11.8 Kirkland Urban has not effected a cure; provided, no act of the City other than giving written notice to Kirkland Urban with express statement of termination shall terminate this Agreement.

11.12 Notices. All communications, notices, and demands of any kind that a party under this Agreement requires or desires to give to any other party shall be in writing and either (i) delivered personally or by reputable overnight courier (such as Federal Express), (ii) sent by facsimile with an additional copy mailed first class, or (iii) deposited in the U.S. mail, certified mail postage prepaid, return receipt requested, and addressed as follows:

and Kirkland Urban Phase III Owner, LLC



c/o GOOGLE LLC  
Attention: Legal Department  
1600 Amphitheatre Parkway  
Mountain View, CA 94043

and

Kirkland Urban Phase III Owner, LLC  
c/o GOOGLE LLC  
Attention: Lease Administration  
1600 Amphitheatre Parkway  
Mountain View, CA 94043

With copy to:

Hillis Clark Martin & Peterson P.S.  
999 Third Avenue, Suite 4600  
Seattle, WA 98104  
Attention: Kurt Kruckeberg

Notice by hand delivery or facsimile shall be effective upon receipt, provided that notice by facsimile shall be accompanied by mailed notice as set forth herein and shall be evidenced by a printed confirmation of receipt. If sent by overnight courier, notice shall be deemed delivered on the next business day after deposited with the courier. If deposited in the mail, certified mail, return receipt requested, notice shall be deemed delivered 48 hours after deposited. Any party at any time by notice to the other party may designate a different address or person to which such notice or communication shall be given.

11.13 Delays. If either party is delayed in the performance of its obligations under this Agreement due to acts or events beyond such party's reasonable control, including, without limitation: (a) acts of God; (b) flood, fire, earthquake, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order or law; (e) actions, embargoes, or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (i) shortage of adequate power or transportation facilities, then performance of those obligations shall be excused for the period of delay. For purposes of this Agreement, economic downturns, loss in value of assets, or inability to obtain or retain financing do not constitute events beyond a party's reasonable control.

11.14 Indemnification and Release. Kirkland Urban shall protect, defend, indemnify and hold harmless the City, its officers, officials, employees and volunteers (each, an "Indemnitee") from and against any and all claims, actions, suits or liabilities for injury or death of any person, or for loss or damage to property, which arises directly or indirectly on account of or out of acts or omissions of Kirkland Urban or Kirkland Urban's Representatives in the exercise of its or their rights under this Agreement; except for injuries or damages to the extent caused by the negligence or willful misconduct of the City. Solely for the purpose of effectuating the indemnification obligations hereunder, and not for the benefit of any third



parties (including employees of the parties), each party specifically and expressly waives any immunity that may be granted it under any applicable federal, state, or local worker compensation acts or other employee benefit acts. The parties acknowledge that the foregoing waiver has been specifically and mutually negotiated between the parties. This indemnity with respect to claims during the term of this Agreement shall survive the termination or revocation of this Agreement.

11.15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one instrument.

*[Signature page follows.]*



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, effective on the day and year set forth on the first page hereof.

CITY OF KIRKLAND, a Washington municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

KIRKLAND URBAN PHASE III OWNER, LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that (s)he signed this instrument, on oath stated that (s)he was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of THE CITY OF KIRKLAND, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: \_\_\_\_\_, 2019.

\_\_\_\_\_  
Notary Public for the State of Washington  
residing at \_\_\_\_\_  
Print name: \_\_\_\_\_  
Commission expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF \_\_\_\_\_)

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that (s)he signed this instrument, on oath stated that (s)he was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of KIRKLAND URBAN PHASE III OWNER, LLC, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: \_\_\_\_\_, 2019.

\_\_\_\_\_  
Notary Public for the State of Washington  
residing at \_\_\_\_\_  
Print name: \_\_\_\_\_  
Commission expires: \_\_\_\_\_



**EXHIBIT A****CITY PROPERTY LEGAL DESCRIPTION**

THAT PORTION OF GOVERNMENT LOT 5 AND OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT DISTANT NORTH 89°39'00" EAST ALONG THE SOUTH LINE OF SAID SECTION 1511.50 FEET AND NORTH 00°21'00" WEST 30 FEET FROM THE MEANDER CORNER COMMON TO SECTIONS 5 AND 8 OF SAID TOWNSHIP AND RANGE;

THENCE SOUTH 89°39'00" WEST, PARALLEL TO THE SOUTH LINE OF SAID SECTION 5, A DISTANCE OF 721.50 FEET;

THENCE NORTH 00°21'00" WEST A DISTANCE OF 623.14 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF CENTRAL AVENUE IN KIRKLAND TERRACE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 21 OF PLATS, PAGE 42, IN KING COUNTY, WASHINGTON (FORMERLY LAKE AVENUE IN THE PLAT OF THE TOWN OF KIRKLAND ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 6 OF PLATS, PAGE 53, IN KING COUNTY, WASHINGTON);

THENCE NORTH 70°04'15" EAST ALONG THE SOUTHERLY LINE OF SAID CENTRAL AVENUE A DISTANCE OF 141.12 FEET TO AN ANGLE POINT IN SAID SOUTHERLY LINE;

THENCE NORTH 63°26'15" EAST ALONG SAID SOUTHERLY LINE A DISTANCE OF 656.01 FEET, MORE OR LESS, TO A POINT WHICH BEARS NORTH 00°21'00" WEST FROM THE POINT OF BEGINNING;

THENCE SOUTH 00°21'00" EAST A DISTANCE OF 960.20 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

EXCEPT THAT PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF KIRKLAND WAY (ALSO KNOWN AS KIRKLAND AVENUE), AS IT EXISTED ON MAY 7, 1980.

(SAID LEGAL DESCRIPTION IS SET FORTH IN LOT CONSOLIDATION RECORDED AT KING COUNTY RECORDING NUMBER 20010619001842.)



**EXHIBIT B**

**KIRKLAND URBAN PROPERTY LEGAL DESCRIPTION**

LOTS 4, 5 AND 6 OF CITY OF KIRKLAND LOT LINE ALTERATION NO. LLA16  
00855, RECORDED AUGUST 12, 2016 AS RECORDING NO. 20160812900001, IN KING  
COUNTY WASHINGTON.



**EXHIBIT C****LICENSE AREA LEGAL DESCRIPTION**

THAT PORTION OF GOVERNMENT LOT 5 AND OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING EASTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 6, CITY OF KIRKLAND LLA16-00855 RECORDED UNDER RECORDING NUMBER 20160812900001;

THENCE N02°36'28"E, ALONG THE WEST LINE OF SAID LOT, 67.80 FEET TO THE POINT OF BEGINNING;

THENCE N22°21'12"W 54.50 FEET;

THENCE N02°36'28"E 25.75 FEET;

THENCE N43°56'56"W 11.50 FEET;

THENCE N79°48'40"W 40.00 FEET;

THENCE N02°36'28"E 74.74 FEET;

THENCE N59°54'55"E 35.80 FEET;

THENCE N31°32'59"E 8.00 FEET;

THENCE N02°36'28"E 36.00 FEET;

THENCE N56°42'21"E 23.40 FEET;

THENCE N18°51'14"E 64.50 FEET TO A POINT ON THE WEST LINE OF CITY OF KIRKLAND LLA16-00855 RECORDED UNDER RECORDING NUMBER 20160812900001, A POINT HEREAFTER REFERRED TO AS POINT "A".

TOGETHER WITH A 17-FOOT-WIDE STRIP OF LAND OVER THAT PORTION OF GOVERNMENT LOT 5 AND OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING 8.50 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT SAID POINT "A";

THENCE N02°36'28"W, ALONG THE WEST LINE OF SAID CITY OF KIRKLAND LLA, 119.48 FEET;

THENCE S66°23'43"W, CONTINUING ALONG SAID LINE, 0.72 FEET;

THENCE N02°36'28"E, CONTINUING ALONG SAID LINE, 117.64 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED CENTERLINE;

THENCE N30°58'30"W 60.36 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY MARGIN OF CENTRAL WAY AND THE TERMINUS OF SAID LINE.

THE SIDELINES OF THE ABOVE-DESCRIBED STRIP SHALL BE LENGTHENED OR SHORTENED, AS REQUIRED, TO INTERSECT AT SAID SOUTHERLY MARGIN OF CENTRAL WAY AND THE WEST LINE OF CITY OF KIRKLAND LLA16-00855.

CONTAINS 11,600± SQUARE FEET (0.2663± ACRES)



**EXHIBIT D****PROPOSED PARK IMPROVEMENTS<sup>3</sup>**

This is a conceptual plan of the agreed to improvements for the park. Staff will work with the developer to create a detailed plan in accordance with this agreement which shall substantially reflect the concepts discussed during presentations to the Neighborhood Groups, City Council, Parks Board and City Staff.

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<sup>3</sup>

Conceptual Plan







## CITY OF KIRKLAND

### Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

[www.kirklandwa.gov](http://www.kirklandwa.gov)

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#### MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Kathy Brown, Public Works Director  
Joel Pfundt, Transportation Manager  
Kimberly Scrivner, Transportation Planner

**Date:** October 3, 2019

**Subject:** EASTRAIL PARTNERS FUNDING—CITY CONTRIBUTION

#### **RECOMMENDATION:**

It is recommended that the City Council provide direction to staff regarding proposed financial support for the Eastrail Partners. The financial support proposed by the Eastside Rail Corridor (now Eastrail) Regional Advisory Council (RAC) for Kirkland is:

*To contribute up to \$10,000 that would be a percentage shared by the Eastrail Regional Advisory Council partners of the proposed \$100,000 to support establishing the Eastside Rail Corridor Funding Commission's new entity, called the Eastrail Partners.*

#### **BACKGROUND DISCUSSION:**

**The Eastrail:** Formerly known as the Eastside Rail Corridor (ERC), the Eastrail is a 42-mile multiuse corridor on a former rail line from Renton to Snohomish County, of which the Cross Kirkland Corridor (CKC) comprises a 5.75-mile segment.

**Eastrail Regional Advisory Council (RAC):** In 2012, the ERC Regional Advisory Council, now known as the Eastrail Regional Advisory Council (RAC), was formed with the original members being entities that had property rights or ownership interests in the corridor. Original RAC members included Sound Transit, the cities of Redmond and Kirkland, Puget Sound Energy, and King County. In 2017, the RAC was expanded to include representatives from jurisdictions through which the ERC passes (the cities of Bellevue and Renton), new ERC owners (the City of Woodinville and Snohomish County), and the Eastside Greenway Alliance. These entities work together to fulfill the RAC's vision, which is:



***Our Vision: A corridor for the Ages***

*Development of the corridor will enhance the mobility of our region by creating a critical north-south transportation corridor that will allow for multimodal connections, including high-capacity transit (e.g. heavy rail, light rail, or other forms of fixed guideway transportation) and non-motorized trail use. The corridor will enable key utility improvements to help meet the demands of a growing population. The corridor will expand the recreation network, creating equitable access for all residents, and benefitting generations of Puget Sound residents.*

Deputy Mayor Arnold is the City's representative to the RAC.

**Funding Commission:**

Development of the Eastrail has been led by the public sector, but the RAC has explored expanding participation to the private sector with the hope that private sector participation and contribution could accelerate completion of the Eastrail. On April 30, 2018, the RAC convened the Eastside Rail Corridor Funding Commission comprised of community leaders from the private and non-profit sectors. It was tasked with developing recommendations for identifying and securing funding from private and non-governmental sources to complete development of the corridor. The Funding Commission convened seven times between April 2018 and January 2019.

The Funding Commission developed a three-part strategy for completing the Eastrail that encourages public/private partnerships and contributions:

- **Connect:** Build a safe, less expensive interim trail along the entire length of the corridor and open it for use as soon as possible;
- **Construct:** Make continuous progress toward widening and paving the entire trail so that people of all ages and abilities can use it; and
- **Complete:** Develop public gathering spaces, art, and amenities along the trail to enhance the trail experience and knit the Eastrail into surrounding communities.

This strategy includes a set of recommendations based on the following activities:

- Create opportunities for private participation;
- Encourage land use policies and new funding tools that support trail development; and
- Create an independent entity (discussed immediately below) to accelerate development and maximize the value of the Eastrail.

**Formation of the Eastrail Partners Non-Profit Organization:**

The Funding Commission's business plan included a key recommendation to create an independent entity tasked with expanding opportunities to support the Eastrail through private sector involvement.

The Funding Commission identified a funding need of \$200,000 to support the start-up of this new entity, called Eastrail Partners (EP), and requested a cost sharing approach shared by RAC members, private contributions and a matching grant through the King County Parks Foundation. An overview of the \$200,000 is provided on the following page.



- YEAR ONE budget of \$200,000
  - Request for \$100,000 contribution from RAC members (secured or pending)
  - \$50,000 matching grant from King County Parks Foundation (secured)
  - \$50,000 from other private and philanthropic contributors (secured or pledged)
- A Funding Agreement would delineate functions supported by public funding

The distribution of the \$100,000 share from RAC members is based on a cost sharing formula and agreement previously approved by Council on [September 5, 2017](#), to support the development and subsequent launch of the Eastrail branding effort. This formula does have some modifications based on new members, Woodinville and Snohomish County, and the withdrawal of the Eastside Greenway Alliance's contribution.

On July 12, 2019, the RAC unanimously approved *A resolution of the Eastrail Regional Advisory Council* regarding the formation of the Eastrail Partners entity. This resolution (see Attachment A) outlined how the Eastrail Partners was formed, that there is consensus among RAC members in support of the formation of the Eastrail Partners entity and included a commitment from RAC member entities to:

1. Work within their respective entities to gain any necessary approvals to secure the funding amount identified for their entity in the cost share table (Attachment A)
2. Transfer the reserved funds to the Eastrail Partners
3. Among the RAC members that are public agencies, work with King County to draft an agreement between the public agencies and Eastrail Partners that describes the services to be provided using public funding.

On July 15<sup>th</sup>, 2019, the Article of Incorporation was granted to the Eastrail Partners. With the initiation and completion of the incorporation of Eastrail Partners the Funding Commission is disbanded, with the expectation that Eastrail Partners will become the entity to move the Funding Commission recommendations forward in coordination with the RAC.

In addition, the new Eastrail Partners has formed the Eastrail Board of Directors that will be comprised of 12-17 members to serve as the leadership body of the Eastrail Partners. There are currently 11 members on the Board of Directors and the EP is currently seeking additional members to the board. Members may include community leaders, major employers and property owners, businesses, and representation from historically underserved or under-represented communities with an interest in or proximity to the Eastrail. This also may include organizations that support parks, trails, and/or open space.

It is expected that once the EP has secured the necessary contributions, EP members would begin to hire staff to start-up this organization.

#### **COUNCIL DISCUSSION:**

On May 21, 2019, staff shared with Council the business plan outlined by the Funding Commission with a request for direction regarding Kirkland's share of the requested \$100,000 to support the Eastrail Partners. The Council responded with many questions and asked staff to



return with more information. Some of the key questions posed by Council members are listed below with some additional information:

1. How will the Eastrail Partners be governed and what is the role of the RAC and individual RAC members?

*The Eastrail Partners (EP) is an independent Washington State non-profit organization whose purpose, as stated in its Articles of Incorporation, is to support the development, expansion and maintenance of the Eastrail. As such, the EP is separate and distinct from the RAC but will work closely with the RAC and individual RAC members to further the success of projects and programs of mutual interest. The Eastrail Partners is governed by a board of directors that is made-up of former Funding Commission members and other members of the community that reflect the vibrant diversity of the communities along the Eastrail corridor.*

*Coordination activities with the RAC may include, but are not limited to, the EP making regular updates at the RAC meetings, setting up periodic working sessions between the EP and the RAC and the EP working directly with individual RAC members as needed.*

2. The business plan provided by the Funding Commission is very high-level and does not include the level of detail that would be needed to guide an organization. Will a more detailed business plan be developed and what is the timing?

*The Funding Commission was a group of volunteers appointed and charged by the RAC to provide recommendations on how to maximize the corridor for all King County residents. The group met seven times over a year, delivering its final report and recommendation to the RAC earlier this year and the business plan they developed is very high level. A more detailed business plan that includes a better timeline, milestones, budget and staff requirements will be developed as the EP board begins to meet and map out its first-year operations. The expanded EP board, now made up of 11 former Funding Commission members, will meet for the first time this month (October 2019). A proposed annual budget will be approved at this meeting and the process of developing a more detailed workplan will be discussed. A top priority for the Eastrail Partners is to hire its dedicated staff, anticipated to happen by the end of the year. Interim staffing is standing up the organization, including putting into place a financial tracking and reporting structure and supporting board development to increase representation from RAC member communities. Once staff is hired by the EP, they will be tasked with further developing a long-range plan*

3. What will the original \$200,000 be used to fund and what will be funded with any additional raised funds by the EP?

*The RAC agreed with the Funding Commission's recommendation to form a separate organization to carry on the advocacy work (including fundraising from*



private and non-governmental sources) for the Eastrail for the long term. Thus, a fundamental purpose of the EP is to increase private sector support (including funding) and advocacy for the development of the Eastrail. The share Kirkland has been asked to provide would be pooled with funding being provided by other RAC members and private entities and will cover the costs of the EP startup activities and initial program opportunities as identified in the business plan presented to the RAC in April 2019. These include:

- Recruit and onboard a staff lead (i.e., an executive director);
- Expand the initial Board of Directors to bring the diversity, skills and connections that reflect the vibrant communities along the Eastrail;
- Develop and deploy a financial tracking and reporting structure;
- Develop and begin implementation of a communications and stakeholder engagement plan, including creation of collateral communications materials;
- Develop and begin implementation of a plan to fund the EP organization going forward;
- Complete a long-range business plan that includes goals, schedule, estimated staff requirements;
- Secure an exemplary corporate sponsorship and joint venture supporting the RAC vision for the Eastrail; and
- Develop a strategic approach to working with the RAC and RAC members to maximize the corridor for King County residents

A strategy for appropriating additional funds that are raised by the EP will be outlined in the more detailed business plan noted above. In its final report, the Funding Commission recommended a Connect, Construct, Complete approach to maximizing Eastrail value to residents. The Eastrail Partners will work with that vision, recognizing that this will never be a linear approach to building out the Eastrail. Some projects that fall in the 'complete' category will happen before the corridor is fully connected or constructed. However, the vision provides a strategic approach to prioritizing advocacy efforts and ensuring the full length of the Eastrail is connected and completed. The Eastrail Partners will work hand in hand with the RAC and RAC members to identify and advocate for key connections and to fully construct and complete the Eastrail. Eastrail Partners will provide private sector and community support around major public sector capital investments and help identify and bring private sector investment to the corridor. Additionally, Eastrail Partners will work closely with the RAC and RAC members to support land use decisions that benefit activation of the Eastrail.

4. Will the EP be asking Kirkland for money for Eastrail development?

Eastrail Partners will be a trusted partner with the RAC and RAC members in the completion of the Eastrail. EP will bring advocacy, private sector experience and perspective, and funding to this work. The EP will secure private sector funds and advocate for public sector investments dedicated to developing the Eastrail. Using the Connect, Construct, Complete vision, EP's work will take place and evolve in the context of the master plans and related capital investment plans approved by Eastrail owners and stakeholders Kirkland, King County, Redmond,



*Woodinville, and Snohomish County. While not all master plans may have the same priorities and RAC members may have different priorities, the EP will work closely with individual RAC members, particularly corridor owners.*

*In the future EP may find private sector partners looking to bring private funding to jointly fund a project with Kirkland. In this respect EP may function as a broker connecting the City to private sector entities looking to partner on a project. However, Kirkland has made it very clear that Kirkland reserves the right to contact our own businesses and other community members, and work with them directly.*

5. Will the EP be asking Kirkland to support the organization again in one-year?

*Eastrail Partners fully understands that the subject funding request is a one-time ask focused on support for EP startup activities. Once EP is up and running it will work closely with the RAC to develop a work plan for post-startup activities that align with RAC member priorities. During the first year, one of the issues the Eastrail Partners will need to address is how to sustain the entity long-term. There is a possibility that Kirkland could be asked to make a contribution for subsequent year(s), but no commitments have been made.*

**NEXT STEPS:**

The current estimate for Kirkland's contribution is approximately \$10,000. This is assuming that all the RAC partners contribute. If Council chooses to move forward with this contribution, the recommended source of funding would be the City Council Contingency Fund. Staff would bring a fiscal note for approval to the November 6 Council meeting.

- If Council approves to contribute Kirkland's share, staff will work with King County to formalize the funding agreement.
- Staff will continue to provide support to the Principal Staff Team (PST) and the RAC as it works with the newly established entity to implement the recommendations.

Attachment A: A resolution of the Eastrail Regional Advisory Council approved by the RAC on July 12, 2019

Attachment B: Eastrail Articles of Incorporation

Attachment C: Eastside Rail Corridor Funding Commission Final Business Plan



**A resolution of the Eastrail Regional Advisory Council regarding the formation of the Eastrail Partners entity**

**WHEREAS**, in the spring of 2018 the Eastside Rail Corridor Regional Advisory Council (RAC) formed the Eastside Rail Corridor Trail Funding Commission to foster near- and long-term engagement of the business and non-governmental sectors in support of regional trail development in the corridor, and

**WHEREAS**, in January 2019 the Funding Commission presented several recommendations to the RAC that were intended to focus future efforts to realize that engagement, and

**WHEREAS**, among these recommendations the Funding Commission called for the creation by the RAC of a new non-governmental entity that would serve to focus and increase the results of efforts to advocate for development of the regional trail and raise funds to support that development, and

**WHEREAS**, the Funding Commission identified a funding need of \$200,000 to support the start-up of this new entity and requested a cost sharing approach entailing a total contribution of \$100,000 from RAC members, a \$50,000 contribution from the King County Parks Foundation, and a \$50,000 contribution of private funding to be raised by Funding Commission members, and

**WHEREAS**, these funds would be used to pay expenses related to hiring an executive director, developing and implementing a communications and stakeholder engagement plan, developing an organizational funding plan, and securing an exemplary corporate sponsorship and joint venture, and

**WHEREAS**, commitments supporting the requested respective contributions from the King County Parks Foundation and the private contributors have been provided, and

**WHEREAS**, the RAC Principals Staff Team has developed a cost sharing structure (Attachment A) that identifies the shares to be paid by respective participating RAC members to achieve the \$100,000 total contribution from the RAC requested by the Funding Commission, and

**WHEREAS**, in April 2019 the RAC reached consensus supporting the renaming of the Eastside Rail Corridor as the Eastrail Corridor, and

**WHEREAS**, significant progress has been made to incorporate the new entity as the “Eastrail Partners” under RCW 24.03 with the completion of the incorporation process expected to occur in August 2019, and

**WHEREAS**, Funding Commission members have provided briefings and information to the RAC in support of timely efforts by RAC members to advance the formation of the new “Eastrail Partners” entity, and



**WHEREAS**, with the initiation and anticipated imminent completion of the incorporation of Eastrail Partners the Funding Commission is disbanded, with the expectation that Eastrail Partners will become the entity to steward the Funding Commission recommendations in coordination with the RAC, and

**WHEREAS**, at its July 12, 2019 meeting the RAC reached consensus in support of the formation of the Eastrail Partners entity and the provision of the \$100,000 requested match cost shared among RAC member entities.

**THEREFORE**, in support of timely action to form the Eastrail Partners entity the RAC recommends that RAC member entities take the following actions:

1. Work within their respective entities to gain any necessary approvals to secure the funding amount identified for their entity in the cost share table (Attachment A)
2. Transfer the reserved funds to the Eastrail Partners by September 30, 2019
3. Among the RAC members that are public agencies, work with King County to draft an agreement between the public agencies and Eastrail Partners that describes the services to be provided using public funding.



**Attachment A**

<b>Cost share totals per RAC entity</b>	
City of Bellevue	\$11,299.44
King County	\$25,552.47
City of Kirkland	\$9,299.16
Puget Sound Energy	\$10,000.00
City of Redmond	\$6,307.26
City of Renton	\$3,766.48
Snohomish County	\$18,079.10
Sound Transit	\$11,778.97
City of Woodinville	\$3,917.14
Total	\$100,000.00



UNITED STATES OF AMERICA

# The State of Washington



## Secretary of State

I, **KIM WYMAN**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

### ARTICLES OF INCORPORATION

to

**EASTRAIL PARTNERS**

A **WA NONPROFIT CORPORATION**, effective on the date indicated below.

Effective Date: 07/15/2019

UBI Number: 604 478 743



Given under my hand and the Seal of the State  
of Washington at Olympia, the State Capital



Kim Wyman, Secretary of State

Date Issued: 07/15/2019



**ARTICLES OF INCORPORATION**  
**OF**  
**EASTRAIL PARTNERS**

The undersigned, acting as the incorporator of a nonprofit corporation under the Washington Nonprofit Corporation Act, Chapter 24.03 of the Revised Code of Washington, hereby adopts the following Articles of Incorporation for such corporation:

**ARTICLE 1**

**Name**

The name of the corporation is Eastrail Partners.

**ARTICLE II**

**Duration**

The corporation shall have perpetual existence.

**ARTICLE III**

**Purposes**

The corporation is organized and shall be operated exclusively as a charitable organization for the exempt purposes permitted by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), to support the development, expansion and maintenance of a regional trail system on the Eastside Rail Corridor, together with other transportation, utility and community development projects sustainable on and alongside a multi-use corridor.

**ARTICLE IV**

**Powers**

The corporation shall have all powers granted by the Washington Nonprofit Corporation Act, RCW 24.03, as amended (including any additional powers granted by amendments to said Act after the formation of the corporation) which are consistent with the qualification of the corporation under Section 501(c)(3) of the Code.



## **ARTICLE V**

### **Directors**

A. The management of the corporation shall be vested in a board of directors. The number, qualifications, terms of office, manner of election, time and place of meetings and powers and duties of the directors shall be prescribed in the Bylaws. The number of directors may be increased or decreased from time to time by amendment of the Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director.

B. The initial Board of Directors shall consist of three directors. The initial directors shall hold office for such period as may be provided in the Bylaws. The names and addresses of the initial directors are:

Eugene Duvernoy  
1150 19th Ave E.  
Seattle, WA 98112

Gregory K. Johnson  
Wright Runstad & Company  
1201 Third Avenue, Suite 2700  
Seattle, WA 98101

Stacey Graven  
9321 NE 26th Street  
Clyde Hill, WA 98004

## **ARTICLE VI**

### **Members**

There shall be no members of the Corporation.

## **ARTICLE VII**

### **Limitation on Director Liability**

To the fullest extent permitted by Washington law as now or hereafter in effect, no director shall have any personal liability to the corporation for monetary damages for conduct as a director, provided that this provision shall not be deemed to eliminate or limit the liability of a director for:

- (a) Any breach of the director's duty of loyalty to the corporation;



- (b) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) Any unlawful distribution;
- (d) Any transaction from which the director derived an improper personal benefit; or
- (e) Any act or omission in violation of the Washington Nonprofit Corporation Act.

Any amendment to or repeal of this Article shall not adversely affect any right of a director of the corporation hereunder with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

## **ARTICLE VIII**

### **Indemnification of Directors**

To the fullest extent permitted by Washington law as now or hereafter in effect, the corporation is authorized to indemnify any director of the Corporation. The Board of Directors shall be entitled to determine the terms of such indemnification, including advancement of expenses, and to give effect thereto through the adoption of Bylaws, approval of agreements or by any other manner approved by the Board of Directors. Any amendment to or repeal of this Article shall not adversely affect any right of a director of the corporation hereunder with respect to any right to indemnification that arises prior to such amendment or repeal.

## **ARTICLE IX**

### **Prohibited Activities**

A. No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to, its directors, officers or other private persons, except that the corporation is authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its charitable purposes.

B. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, except as otherwise permitted under Section 501(h) of the Code, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.



C. It is intended that the corporation shall have and shall continue to have the status of a corporation exempt from federal income taxation under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code. Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income taxation under Section 501(c)(3) of the Code or the corresponding provision of any future federal tax laws.

## **ARTICLE X**

### **Dissolution**

No director or officer of the corporation will be entitled to share in the distribution of any of the corporation's assets upon dissolution or final liquidation of the corporation or the winding up of its affairs. Upon any dissolution, liquidation or winding up, the remaining net assets of the corporation shall be distributed by the Board of Directors to an organization or organizations selected by the Board of Directors in accordance with the Bylaws, provided that such organization or organizations are qualified as exempt from federal income taxation under Sections 501(a) and 501(c)(3) of the Code.

## **ARTICLE XI**

### **Reserved Rights**

The corporation reserves the right to amend, alter, change or repeal any provision of these Articles of Incorporation in any manner now or hereafter permitted by law not inconsistent with its qualification under Section 501(c)(3) of the Code.

## **ARTICLE XII**

### **Bylaws**

The authority to make, alter, amend or repeal the Bylaws is vested in the Board of Directors, and may be exercised at any meeting of the Board of Directors or in any other manner allowed pursuant to the Washington Nonprofit Corporation Act.

## **ARTICLE XIII**

### **Registered Office and Registered Agent**

The name and address of the initial registered agent and the initial registered office of the corporation in the State of Washington is Matthew Cohen, 600 University Street, Suite 3600, Seattle, Washington 98101.




**ARTICLE XIV**

**Incorporator**

The name and address of the incorporator of the corporation is as follows:

Matthew Cohen  
600 University Street  
Suite 3600  
Seattle, WA 98101

IN WITNESS WHEREOF, the incorporator has hereunto set his hand this 8<sup>th</sup> day of July, 2019.

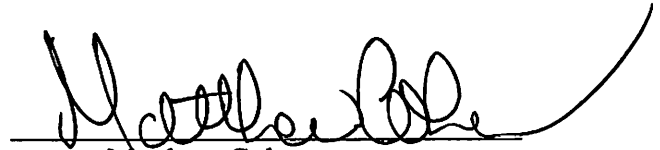
  
\_\_\_\_\_  
Matthew Cohen, Incorporator



CONSENT TO APPOINTMENT AS REGISTERED AGENT

The undersigned hereby consents to serve as registered agent for Eastrail Partners in the State of Washington.

DATED this 8<sup>th</sup> day of July, 2019.

A handwritten signature in black ink, appearing to read "Matthew Cohen", is written over a horizontal line.

Matthew Cohen  
600 University Street  
Suite 3600  
Seattle, WA 98101

102237842.4 0203995-00001



# Eastside Rail Corridor Funding Commission

## *The Eastrail Partnership: FINAL Business Plan (Updated 04/03/2019)*

### About this plan

This plan provides a framework for establishing an independent entity to support development of the Eastside Rail Corridor (ERC). For this business plan, we are calling the entity the Eastrail Partnership, recognizing it is likely to transition to a new name once established.

### Purpose of the Eastrail Partnership

The purpose of the Eastrail Partnership is to maximize the value of the ERC to all King County residents by supporting the Connect, Construct, Complete strategy.

The Eastrail Partnership will be a trusted partner of the ERC Regional Advisory Council (RAC) and take a supportive and complementary approach to achieving the best possible development of the ERC.

### Key Functions of the Eastrail Partnership

#### **Communications and stakeholder engagement**

- Activate the Eastrail brand
- Supplement public outreach conducted by King County and the Cities of Redmond and Kirkland, including:
  - Implement programs and events to build public support for development of the ERC
  - Publicize progress on developing the ERC trail to inspire private sector and community support

#### **Fundraising and partnerships**

- Establish guidelines for fundraising and joint partnerships according to best practices
- Raise funds from the private sector to implement the ERC
- Work with RAC jurisdictions to help identify and create opportunities for private sector partnership
- Establish partnerships with communities and businesses; for example, facilitate corporate sponsorships and joint ventures

#### **Advocacy**

- Advocate for resources and policies to support Connect-Construct-Complete, including the 2019 Parks Levy (on the ballot in August 2019)
- Conduct public opinion research and analysis for ballot measures
- Assist with trail-supportive policy development





## Eastrail Partnership Leadership Committee

The Leadership Committee—comprised of 12-17 members—will serve as the leadership body of the Eastrail Partnership. Many of the existing Trail Funding Commission members have indicated they are interested in being represented on this committee.

### Membership characteristics:

- Community leaders along the length of the ERC corridor, including and especially representation from historically underserved or under-represented communities
- Major employers and property owners with an interest in or proximity to the ERC trail
- Businesses related to trail usage (such as those providing retail or hospitality services to trail users)
- Community leaders from organizations that support parks, trails, and/or open space

### Types of expertise

- Diversity, equity, and inclusion
- Policy and land use
- Public-private partnerships
- Non-motorized transportation
- Tourism
- Financial management
- Fundraising

## Organizational Structure

### Governance

- The Eastrail Partnership will be a sponsored project by another organization—such as the King County Parks Foundation—to minimize startup costs and enable the Eastrail Partnership to stand up quickly.
- The Leadership Committee will direct the Eastrail Partnership activities, in consultation with the RAC and host organization.
- Over time, if it makes sense, the Eastrail Partnership can spin off from host organization.

### Funding

- Funding would include private sector and philanthropic investments and public funding.
- There would be a clear and documented financial reporting structure to track Eastrail Partnership functions supported by public funding. Publicly supported functions will be finalized with RAC engagement and can include activities such as establishing the Leadership Committee, hiring staff, outreach, fundraising, sponsorships, and policy development. It is expected that functions supported by private funding may include advocacy and ballot measure development and opinion research and analysis.
- RAC members would provide a total public sector commitment of \$100,000 to cover a portion of the cost of functions appropriate for public funding.



- Over the first year of operation the Eastrail Partnership will raise \$100,000 in private sector contributions. We anticipate approximately \$50,000 from the King County Parks Foundation and \$50,000 from other private sector organizations.

### Expected Staffing

- 1 FTE
- Key characteristics of staff lead
  - Strong organizational skills
  - Strong transactional skills
  - Knows ERC-related businesses and key personnel
  - Knows ERC communities
  - Well-reasoned judgement
  - Refined project execution skills

### Budget

\$200,000 for year ONE spending allocations.

### Timeline

The timeline below illustrates the proposed first year activities of the Eastrail Partnership, including those that will be supported solely by private funds.



Month 1	2	3	4	5	6	7	8	9	10	11	12	Percentage of Year 1 budget
<b>Develop</b> financial tracking and reporting structure	<b>Recruit and onboard</b> staff lead											<b>15%</b>
		<b>Develop</b> communications and stakeholder engagement plan and collateral				<b>Implement</b> communications and stakeholder engagement plan						<b>35%</b>
				<b>Develop</b> organizational funding/execution plan								<b>35%</b>
							<b>Secure</b> an exemplary corporate sponsorship and joint venture					<b>15%</b>



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

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Kelli Jones, Surface Water Engineering Program Supervisor  
Jenny Gaus, Surface Water Engineering  
Kathy Brown, Public Works Director

**Date:** October 3, 2109

**Subject:** OPTIONS FOR STUDY OF PLACEMENT OF A REGIONAL STORMWATER FACILITY AT SPINNEY HOMESTEAD PARK AND TO DEVELOP A MITIGATION PROGRAM

**RECOMMENDATION:**

It is recommended that the City Council choose one of the options discussed below for the scope of a study for a regional stormwater facility, and that Council approve the attached Resolution which authorizes the City Manager to fund the preferred study option.

**BACKGROUND DISCUSSION:****A. Previous Council Discussion and Direction**

At the July 2, 2019 City Council Meeting, staff presented the results of a study conducted by Altaterra consultants subsequent to Kirkland's adoption of the *2016 King County Surface Water Design Manual* (KC Manual). Council had requested this study to address a nuance of the KC Manual that was particularly impactful to small, infill developments that are common in Kirkland. Stormwater mitigation (i.e. flow control, such as tanks or ponds) is required for smaller short plat developments under the KC Manual, but not required under the Ecology Manual. One of the findings of the study was that it may be possible to place a regional stormwater facility beneath Spinney Homestead Park in the Forbes Creek Watershed as an alternative to site-by-site stormwater mitigation for certain short plats.

Council expressed interest in further studying this idea and, in the event it appears feasible, to develop both a design for the facility and details of a program to allow certain small short plats to use this facility for stormwater mitigation.

Options for that further study are presented below. Prior to presenting those options, staff will endeavor to clarify the potential benefits of a regional facility at Spinney Homestead Park, and the relationship with other potential regional facilities in the Forbes Creek Watershed.

**B. Context for a Regional Facility in the Forbes Creek Watershed**

Most of the Forbes Creek Watershed was developed prior to requirements for contemporary stormwater facilities. In the 2005 and 2014 Surface Water Master Plans, adding flow control



capacity to serve existing development was identified as a priority. In the 2014 Surface Water Master Plan, a placeholder was put into the proposed surface water capital project list for a \$10 million project to provide that capacity. The understanding was that further study and evaluation would be needed to site, design, and construct that facility or facilities, and that significant funding would be needed for this effort.

Planning for retrofit facilities has taken place for the first Forbes Creek subwatershed via a National Estuary Program Grant. The North Rose Hill subwatershed was chosen as a priority because that area contributes a large percentage of the flow in the main channel of Forbes Creek even though its land area is relatively small (see the [North Rose Hill Stormwater Project Planning Page](#)). Three projects were developed to the 30% level during this effort. A list of other potential projects was developed, and those projects were prioritized. Future retrofit planning efforts will continue to identify projects based on a prioritized list of Forbes Creek subwatersheds.

The potential for a regional facility at Spinney Homestead Park was identified as part of the aforementioned study that followed the adoption of the KC Manual. It is important to note that that study differs from retrofit planning in that it focused on *alternatives* to site-by-site mitigation for new development/redevelopment projects. A regional facility at Spinney Homestead Park could provide mitigation for small short plats, which could be beneficial because there is a high potential for more small short plat development in the subwatershed where Spinney Homestead is located. The Council could choose to use all or a portion of such a facility to mitigate for the impacts of certain small short plats.

There is flexibility for how and where stormwater mitigation is provided for smaller short plat developments. A regional facility at Spinney Homestead Park would provide equivalent flow control benefit in the same subwatershed as the short plat impacts, thereby meeting the watershed-level flow control requirements of the KC Manual that are not required under Ecology's Manual. Investigation of downstream open channels and stormwater infrastructure conditions will be done to confirm preliminary assumptions prior to launching the project.

Presently, stormwater from the 53 acres that surround Spinney Homestead Park is conveyed by pipes and flows untreated into Forbes Creek at two locations (see Attachment A, Spinney Homestead Park Regional Stormwater Facility Proposal). What is being explored is whether a facility could be constructed at Spinney Homestead that would capture and treat stormwater from all or a portion of those same 53 acres, then convey the treated water into Forbes Creek via the southern existing system.

The impacts of small short plats are diffuse. Although in aggregate these impacts are important to stream health, if the aggregate impact is addressed in the same subbasin, stream health will be protected. In addition, the regional facility may provide a slight advantage, in that mitigation is provided before development and so the stream will see improvement sooner than if mitigation were done site-by-site.

From a practical and cost standpoint, having one large facility to maintain and monitor is simpler, less expensive, and more efficient than having multiple, small facilities scattered throughout the basin.



### **C. Answers to Questions from the July 2<sup>nd</sup> Council Meeting**

#### ***How would a mitigation program impact housing alternatives and availability?***

Councilmember Pascal asked at the July 2, 2019 meeting what impact regional mitigation versus site-by-site mitigation might have on “missing middle” housing. Planning staff feel that regional mitigation might promote the creation of additional housing by freeing up private land that otherwise would be used for stormwater facilities. They do not feel that additional zoning incentives are needed to make this an attractive alternative for developers. Given the housing market in this area, it is unclear whether the additional housing would be more units (i.e. accessory dwelling units), larger single-family homes, or a greater quantity of single-family homes. Stormwater facilities typically are underground and do not count towards lot coverages though they do take up space that could be used to place buildings.

#### ***Where does this concept fit with other surface water priorities and other proposals for regional facilities?***

The last Surface Water Master Plan was completed in 2014. Staff will be proposing that a new Surface Water Master Plan be developed beginning in 2021. That plan will include prioritization of needs including regional stormwater facilities for retrofit of existing stormwater impacts.

Facilities such as the one that is being contemplated are costly. At the same time, the more certainty we have about the design and cost of such a facility the better prepared the City will be to apply for grants, partner with Parks or other City departments for joint benefit, acquire property, and prioritize facility planning and implementation.

#### ***Shouldn't we be using regional facilities as much as possible, especially where they can stimulate development (such as in the 85<sup>th</sup> Street Corridor)?***

Whether it is possible to place regional (as opposed to site-by-site) facilities depends on topography, the availability of land, and its location relative to existing or potential future development impacts. In Totem Lake, for example, there are many commercial developments that are close to and around Totem Lake at the bottom of a flat valley. Given that the lake itself cannot currently be used for stormwater control, there are few locations in the flat valley bottom that could be used to provide stormwater control for multiple properties/projects.

That said, it could be very valuable to conduct planning alongside neighborhood and/or corridor plans to determine whether regional stormwater facilities could be of benefit elsewhere in the City and whether local development could support the cost of regional facility construction through stormwater fee-in-lieu programs. Such planning could be prioritized as part of the next Surface Water Master Plan.



#### **D. Scope Options for Study of a Regional Stormwater Facility at Spinney Homestead Park and of a Mitigation Program**

Two options are provided to further our understanding of the feasibility of developing a Regional Stormwater Facility at Spinney Homestead Park.

##### ***Option 1: Phased Feasibility Investigation, Design, and Development of a Mitigation Program***

This option would include Council approval of a full budget for concept investigation and design, and for development of the mitigation program, but it would include check-ins with Council where staff would report on the conclusions of the preceding phase and determine authorization for the subsequent phase. For such a program to be financially successful, it would likely require that the Council mandate that short plats buy in to the regional facility rather than providing it as a voluntary option. The study is proposed to begin in 2020. The advantage of this approach is that the work and the budget would be metered, and that Council would be involved throughout in key decisions about the direction of the project. An overview of the full scope is provided (see Attachment B, Full Scope Description). The scope attached is a draft: the consultant for the project would be chosen via a Request for Qualifications (RFQ) process. Details of the cost estimate of the study also are provided (see Attachment C, Option 1 Phases and Estimated Costs). The following would be the phases of the project:

- Phase 1: Basic Feasibility (Estimated Cost: \$22,000)  
Answer questions such as whether and how much stormwater could be routed to the site, and how large a facility could be constructed at it.

Council Check-In: If the project appears feasible, should investigation and conceptual design proceed?

- Phase 2: Modeling, Geotechnical Exploration, and 10% (Conceptual) Design (Estimated Cost: \$300,000)  
Collect information that informs the design, gathers public and developer input, and develops a conceptual layout of a regional facility.

Council Check-In: Do the impacts and cost of the facility appear to be worthwhile? Does the Council wish to proceed to 30% design and/or develop a mitigation program that would identify what types of projects could use the capacity at the regional facility, for how much, etc.?

- Phase 3: 30% Design and Mitigation Program Development (Estimated Cost \$520,000, or \$220,000 in addition to the 10% design cost)  
Develop design and cost estimate to a level that will facilitate pricing of credits and investigation of whether a mitigation program for certain small short plats makes sense. Gather further developer input to determine interest in participating in a regional facility.

Council Check-In: Given public and developer input and the design and cost/financing options for the facility, does the Council wish to proceed to construction of a regional facility at Spinney Homestead Park? If so, the project would be placed on the Capital Improvement Program, and staff would pursue funding options developed through the study. Does Council wish to develop a program to allow certain small short plats to use capacity in this facility as



stormwater mitigation? If so, staff would establish a mitigation program. Participation in this program would likely need to be mandatory for short plats to help recover the cost of regional detention. If Council does not wish to require a mitigation program, staff would pursue grants to fund construction and/or would pursue alternative financing options.

***Option 2: Wait to proceed until this project can be included as part of the next Surface Water Master Plan***

This option would hold all work on this project until the next Surface Water Master Plan is funded and scoped, likely in 2022. This would allow the project to be prioritized against other programs and projects of the Surface Water Utility. Were this option to be pursued, it is possible that the mitigation aspect of the program may become less inviting: as development of small short plats continues to occur in the area, there will be fewer projects that could potentially purchase credits in—and therefore fund—a regional facility. In addition, this would delay grants and other financing options.

**E. Staff Recommendation**

Staff recommend proceeding with Option 1. Knowing the cost and layout of the facility will help both to prioritize it with other projects, and to pursue grants and other funding options.

**F. Funding for Study**

Funding for the investigation would come from a combination of Surface Water Utility Operating Reserves and Surface Water Utility Capital Improvement Program funds. Elements that relate to study or feasibility (\$49k of the total) would be funded from Surface Water Utility Operating Reserves. If Council wishes to proceed to 10% and to 30% design, the design amount (estimated to be \$471,000) would be funded by the Surface Water Utility CIP (see Attachment D, Fiscal Note).

**G. Next Steps**

In order to proceed with the study and design of a regional stormwater facility at Spinney Homestead Park and development of a mitigation program for certain short plats beginning in 2020, the Council would need to do the following:

- Approve the proposed Resolution (see Attachment E), which authorizes the City Manager to appropriate Surface Water Utility Operating funds in the amount of \$49,000 to fund the feasibility portions of the project.
- Provide direction to staff that the design portion of this project be added to the Surface Water CIP.

Attachment A: Map - Spinney Homestead Park Regional Stormwater Facility Proposal

Attachment B: Full Scope Description

Attachment C: Option 1 Phases and Estimated Costs

Attachment D: Fiscal Note

Attachment E: Resolution




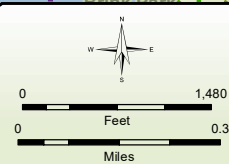
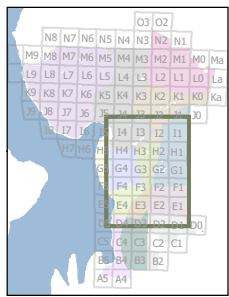
## Spinney Homestead Park

53 acres currently drain to Forbes Creek with no flow control

Up to 53 acres would be diverted to Spinney Homestead Park where flow control would be provided in a regional facility

Small projects upstream of regional facility totalling about 35 acres would apply low impact development measures onsite, but would not provide flow control

 Open  
 Pipe  
 Drainage Basins



Spinney Homestead Regional Facility Planning  
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## City of Kirkland Pilot Stormwater Fee-in-Lieu Program Draft Scope of Work and Budget Estimate 3/11/2019

### Introduction and Background

In the City's evaluation of the benefits and potential implications of modifying flow control standards for small short plats, alternative methods for achieving flow control basin-by-basin were evaluated. A pilot stormwater fee-in-lieu program has promise for the Forbes Creek basin because of the level of redevelopment that is anticipated to convert single family residential properties into small short plat developments consisting of two or more homes.

The scope and budget is to conduct technical and financial analysis necessary to implement the pilot project and design and operate a regional stormwater facility in the Forbes Creek basin (Figure 1).

### Goals and Objectives

The specific project objectives include:

- Evaluate basin options for siting of a regional facility.
- Conduct neighborhood outreach in the vicinity of proposed regional stormwater facility.
- Evaluate financial risks and environmental benefits of the stormwater fee-in-lieu program.
- Develop technical criteria for participation in fee-in-lieu program and associated City stormwater policy modifications.
- Develop financial elements of the program, including price per credit in facility, escalation factors, etc.
- Develop 30% Plans, Specifications and Engineer's Estimate for regional stormwater facility.

### Project Tasks

The tasks below describe the work that will be conducted to accomplish the project goals. All reports, agendas, models, and memos will be provided to the City in native electronic format.

#### Task 1- Project Management

Project management will include communications with the City of Kirkland Project Manager and the consultant team; scheduling and oversight of the various project activities; budget and schedule tracking and oversight, including preparation of monthly invoices and progress reports.

#### Assumptions:

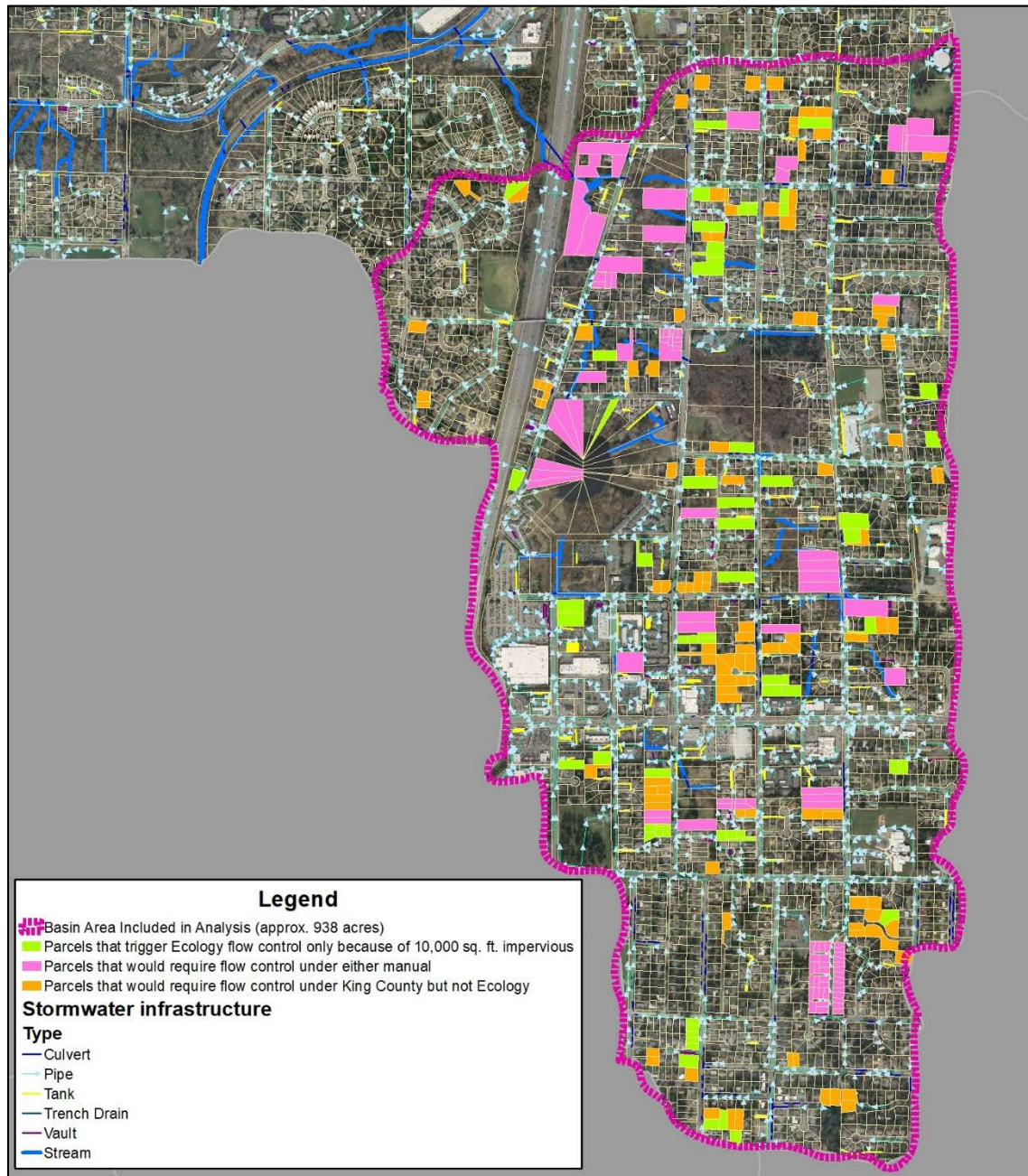
- The project will be 12 months in duration, from May 2019 through April 2020.
- Monthly invoices and progress letters will provide a summary of budget status by task.
- A project kick-off meeting will be held with key Consultant team members and City staff. The meeting will last no more than 2 hours. The Consultant Project Manager will develop the agenda, prepare and provide copies of all necessary materials; take notes and provide a meeting summary. It is assumed that three members of the Consultant team will participate.
- Bi-weekly phone calls with Consultant and City Project Manager to discuss project progress, upcoming events and tasks, and any potential issues and remedies. The meetings are anticipated to be no more than ½ hour.





### Deliverables:

- Twelve (12) monthly progress reports and project invoices.
- Project kick-off meeting agenda, materials, and meeting notes.
- Bi-weekly phone call notes.



**FIGURE 1. BASIN AREA INCLUDED IN PILOT STORMWATER FEE-IN-LIEU PROGRAM (OUTLINED IN PINK). REDEVELOPMENT PARCELS ARE SHOWN IN ORANGE, GREEN AND PINK.**

### Task 2- Pilot Area Evaluation

This task involves field review of the pilot project area to verify basin conditions, including open channel conveyances, existing stormwater facilities, and potential public properties for regional facility siting. Analysis to date completed on the pilot project area has been desk-top and GIS-based, so it will be necessary to verify that the





existing environmental conditions in the basin are unlikely to be impacted by in-basin mitigation swapping and the pilot regional stormwater facility is located where stormwater flow control is necessary and conveyance is feasible. Construction of a new regional facility will need to be designed to blend into neighborhood and/or park amenities that will be accepted by the public. Community outreach will be conducted in the vicinity of the proposed stormwater facility to solicit feedback on potential design options that will help ensure long-term project acceptance and success.

The following subtasks will be completed.

#### Task 2.1 Conduct document and data review

A document and data review will be conducted in the pilot basin area, including GIS data, current parcel development information to show which parcels are still available for redevelopment, modeling data (Forbes Creek Hydrologic Simulation Program-Fortran [HSPF] Hydrologic Model), geotechnical data, and critical areas studies.

##### Assumptions:

- The City will provide the relevant information prior to the start of the task including:
  - Updated GIS information with stormwater infrastructure, geologic mapping, and natural resources data.
  - Updated parcel development data to show parcels that redeveloped after the initial redevelopment analysis was conducted for the Forbes Creek basin.
  - Forbes Creek Hydrologic Simulation Program-Fortran (HSPF) Hydrologic Model
  - Geotechnical information for park parcels or public property that is of interest for potential stormwater facility development.
  - Critical areas studies conducted for development and/or public projects in the basin area.
- A GIS screening process will be conducted to confirm feasible regional facility sites. Up to 3 public properties will be identified for field reconnaissance.

##### Deliverables:

None. Data summaries will be provided in a memorandum describing results of evaluation (Task 2.7).

#### Task 2.2 Field reconnaissance

A field reconnaissance will be conducted based on the document and data review to visually observe existing stormwater facilities, stormwater conveyance including open channel conditions, and public properties that could be utilized for regional stormwater flow control.

##### Assumptions:

- Three members of the consultant team will conduct two (2) reconnaissance field visits of the Forbes Creek drainage area to review conveyance conditions, stormwater facility conditions, open channel conditions, natural resources, or other field conditions that warrant consideration for the stormwater fee-in-lieu pilot program. The field visits are expected to be one day in length.

##### Deliverables:

None. Field reconnaissance summaries will be described in the memorandum describing results of evaluation (Task 2.7)

#### Task 2.3 Hydrologic and hydraulic modeling

The existing Forbes Creek HSPF will be updated to evaluate potential regional facility in the pilot basin area. Additionally, the Western Washington Hydrologic Model (WWHM) may be used for the existing facility improvements, whichever modeling tool is most efficient.



**Deliverables:**

Updated model(s) will be provided to the City at the completion of this task. The model(s) will be used in evaluation of preliminary options (Task 2.4).

**Task 2.4 Evaluate preliminary options**

Public properties identified for potential regional facilities identified in Task 2.2 will be evaluated for feasibility in this subtask.

**Assumptions:**

- The existing drainage conveyance and contributing area characteristics in the vicinity of potential stormwater facility locations will be reviewed to determine conveyance, flow control, and water quality treatment feasibility.
- Modeling will be conducted to evaluate how improvements and/or new facilities can be used to meet flow control and water quality goals.
- Alternatives will be ranked according to their ability to meet technical pilot program objectives (flow control and water quality).

**Deliverables:**

Ranked alternatives and description of challenges, opportunities, and technical feasibility. Alternatives will be described in the memorandum describing results of evaluation (Task 2.7).

**Task 2.5 Conduct community outreach**

Community outreach will be conducted in the pilot basin area to identify community preferences, particularly on public properties. Community engagement is expected to include door-to-door canvassing in the immediate vicinity of potential stormwater facility upgrades and/or new facilities and community meeting targeting stakeholders.

**Assumptions:**

- At least 2 community meetings will be held to convey project details and solicit public opinion.
- Door-to-door canvassing will be conducted in near neighborhoods to solicit project input.

**Deliverables:**

Presentation materials, brochures and outreach materials to effectively convey project options to the public. Results of community outreach will be provided in the memorandum in Task 2.7.

**Task 2.6 Geotechnical borings**

Geotechnical borings will be advanced in up to two locations. The borings will either be used to assist in the selection of a preferred location for the regional facility, if other criteria don't point to an obvious choice, or will be used to aid in the development of 30% stormwater flow control and water quality treatment concepts.

**Assumptions:**

- At least 3 borings will be advanced at each location; two shallow (up to 30 feet below ground surface) and one deep (up to 100 feet below ground surface).
- The geotechnical data will be used to evaluate potential infiltration options, if feasible, groundwater depths and considerations for vault construction (if that option is chosen).

**Deliverables:**

Boring logs and memorandum describing results of geotechnical analysis.

**Task 2.7 Selection of Preferred Alternatives and Technical Memorandum**

Following the completion of the pilot area evaluation, it is anticipated that a single preferred location for a regional stormwater flow control and water quality facility and potentially upgrades to existing stormwater facilities will be





selected. A technical memorandum will be prepared documenting the results of the pilot basin area evaluation, including modeling, geotechnical analysis, field reconnaissance, community outreach and selection of a preferred alternatives.

#### Assumptions:

- The memorandum will be no more than 30 pages, including tables and figures.
- The City will provide a consolidated set of review comments on the draft memorandum.
- All documents will be submitted electronically in Word and PDF formats.
- The final memorandum will incorporate the City's revisions.

#### Deliverables:

Draft and final memorandum.

### Task 3- 30% Concept Plans and Engineering Estimate

This task involves preparing an engineering design report and concept drawings for the preferred alternative for the regional stormwater flow control and water quality facility. The 30% concept design tasks will include the following:

1. Facility size and flow calculations.
  - a. Modeling will be conducted to size facility based on anticipated flow from contributing area. If necessary, a bypass or flow-splitter will be designed if space is limited.
  - b. Facility will be sized to detain flow and provide water quality treatment in accordance with the 2016 King County Surface Water Design Manual (KCSWDM) and the City of Kirkland Addendum to the KCSWDM.
2. Flow metering at up to 3 locations for 6 months to calibrate flow model predictions.
3. Topographic survey of preferred site and contributing conveyance upgrades, if needed.
4. Locations and sizes of conveyance upgrades, if necessary.
5. Design report summarizing results of analysis and engineering design elements.
6. 30% Plans including site layout, flow control and water quality facilities, conveyance improvements, and details using Ecology Pre-Design format.
7. 30% Engineering cost estimate.
8. Schedule for development of 60%, 90% and final construction drawings and construction.

#### Deliverables:

- Draft and final design report.
- Preliminary, draft and final 30% Design Plans in Ecology Pre-Design format.

### Task 4- Assist with Financial Analysis

This task involves assisting the City with financial evaluation of the stormwater fee-in-lieu program. It is anticipated that the City will need the following information to conduct a financial analysis:

1. Cost to design and construct the regional stormwater facility.
2. Operation and maintenance costs for regional stormwater facility.
3. Unit-cost of on-site detention for developers.
4. Number of credits that could be sold in regional stormwater facility.
5. Anticipated participation if the program was voluntary.
6. Adjustment process if the program is mandatory.
7. Number of possible developer participants based on different possible criteria.

The consultant team will assist the City in developing the above costs and assumptions to determine whether the City can break even on a stormwater fee-in-lieu facility at a price-point that makes sense for developers.





The following assumptions and deliverables are associated with this subtask.

#### Assumptions:

- The City will conduct the financial analysis, including financing options for construction and operation of the facility and development of unit costs per credit of detention.

#### Deliverables:

- None. Data will be provided as requested to the City's finance department.

### Task 5- Policy Updates and Coordination with Ecology

This task involves assisting the City in the development of a policy addendum to Kirkland's stormwater code to allow stormwater fee-in-lieu in basins where regional stormwater facilities are constructed and a program is set-up for that purpose. Additionally, assistance will also be provided to coordinate with Ecology, if NPDES Permit modifications are necessary as a result of the stormwater fee-in-lieu program.

#### Assumptions:

- An NPDES Permit modification is not likely necessary as Ecology has indicated preliminary approval of the stormwater fee-in-lieu program concept as presented in January 2019.
- A policy describing the stormwater fee-in-lieu program is necessary as an addendum to the City's stormwater code that describes the program and provides staff and developers with an understanding of the key elements.
- The consultant team will provide policy and/or Ecology assistance, as required.

#### Deliverables:

- Draft policy language.
- Coordination with Ecology.



**Scope and Budget: Summary of Options**

SUMMARY		Feasibility only	Stop Project at 10% Design	30% Design	30% Design and Mitigation Program Development
<b>Task</b>	<b>Description</b>	<b>Total Estimate- Option A</b>	<b>Total Estimate- Option A plus Option B</b>	<b>Total Estimate Option A plus Option C</b>	<b>Total Estimate - Option A plus Option C plus Mitigation Program Development</b>
1	Project Management	\$ 1,500.00	\$ 20,000.00	\$ 32,000.00	\$ 32,000.00
2	Data Analysis and Modeling	\$ 20,446.00	\$ 183,279.60	\$ 274,285.60	\$ 274,285.60
3	Public and Developer Outreach		\$ 13,961.60	\$ 27,923.00	\$ 27,923.00
4	Design		\$ 51,990.00	\$ 100,867.50	\$ 100,867.50
5	Financial Analysis*		\$ 30,060.00	\$ 60,110.00	\$ 60,110.00
6	Mitigation Program Development				\$ 25,481.00
<b>Total</b>		\$ 21,946.00	\$ 299,291.20	\$ 495,186.10	\$ 520,667.10

\*Note Financial Analysis for Option C includes tasks shown in Mitigation Program Development. Budget is not duplicated.



**FISCAL NOTE***CITY OF KIRKLAND*

Source of Request							
Kathy Brown, Director of Public Works							
Description of Request							
One-time request to transfer \$49,000 in Surface Water Working Capital funding for the feasibility phase of the project.							
Legality/City Policy Basis							
Fiscal Impact							
<b>One-time transfer of \$49,000 from Surface Water Working Capital.</b> This reserve can fully fund this request.							
Recommended Funding Source(s)							
<b>Reserve</b>	Description	2020 Est End Balance	Prior Auth. 2019-20 Uses	Prior Auth. 2019-20 Additions	Amount This Request	Revised 2020 End Balance	2020 Target
	Surface Water Working Cap.	4,095,296	(305,558)	178,912	(49,000)	3,919,650	N/A
<b>Revenue/Exp Savings</b>							
<b>Other Source</b>							
Other Information							
<b>Note:</b> The project design phase is estimated to cost \$471,000 - PW staff has proposed utilizing Kirkland's portion of the King County Flood Control District's Subregional Opportunity Fund to fully fund this capital design work. Kirkland's allocation balance of the Subregional Opportunity Fund is currently \$519,576, enough to fully fund this design phase and be incorporated into the 2019-24 CIP Update process. <b>Kirkland's allocation of Subregional funds are dedicated to Kirkland, and any unused funds carry forward into future years.</b>							

Prepared By	Kyle Butler, Financial Planning Supervisor	Date	October 3, 2019
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## RESOLUTION R-5397

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING A FEASIBILITY STUDY RELATED TO CONSTRUCTION OF REGIONAL STORMWATER FACILITIES AND STORMWATER MITIGATION.

WHEREAS, the Kirkland City Council adopted the 2016 King County Surface Water Design Manual with Kirkland Addendum in November of 2016; and

WHEREAS, at the time of adoption the Council expressed interest in providing regional stormwater facilities as an alternative to on-site facilities to help mitigate for the impacts of new development projects; and

WHEREAS, it appears that it may be practical to construct a regional stormwater facility in Spinney Homestead Park that could serve as mitigation of stormwater impacts in Kirkland associated with various development projects in the Forbes Creek Watershed; and

WHEREAS, program elements, including policies for use, credit costs, and tracking methods, would need to be developed in order to allow those projects to use such a regional facility to mitigate project stormwater impacts.

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

Section 1. The City Manager is hereby authorized and directed to use Surface Water Utility Operating and/or Capital Funds in the amount of \$49,000 to study the feasibility of constructing a regional stormwater facility at Spinney Homestead Park, and to develop program elements to allow certain new development projects to use regional facilities as stormwater mitigation. Program elements should be developed for possible application to any regional stormwater facilities located within Kirkland.



45           Passed by majority vote of the Kirkland City Council in open  
46 meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

47  
48           Signed in authentication thereof this \_\_\_\_\_ day of  
49 \_\_\_\_\_, 2019.

\_\_\_\_\_  
Penny Sweet, Mayor

Attest:

\_\_\_\_\_  
Kathi Anderson, City Clerk



**CITY OF KIRKLAND****City Manager's Office**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

[www.kirklandwa.gov](http://www.kirklandwa.gov)**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Deputy City Manager

**Date:** August 9, 2019

**Subject:** Council Committee Evaluation and Recommendations

**RECOMMENDATION:**

Council receives a report on the assessment of how Council Committees are functioning to identify whether there may be more effective alternatives to brief Councilmembers on evolving issues. Staff is seeking feedback on the recommended alternative to replace committees starting in January of 2020 with extended multiple topic study sessions and periodic retreats. If the Council concurs with the recommendation, necessary changes to the Council's Policies and Procedures will be brought back to the Council for review and approval.

**BACKGROUND DISCUSSION:**

At the March 1, 2019 City Council Retreat (**see Attachment A**), the Council discussed the role of Council Committees and how they are administered and supported by staff. A SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) was presented based on Deputy City Manager Marilynne Beard's interviews with Councilmembers and staff and appears on the following page.

Direction from the Council Retreat to further explore issues raised in the SWOT analysis resulted in two parallel evaluations to assess consistency and effectiveness of the current structure:

- Staff engaged Debra Hentz, Lean Specialist, from the Washington State Auditor's Center for Government Innovation (a no cost service of the SAO), to assist with a process to map how the City currently uses the Boards and Commissions and the Council committees to inform the decision-making process of the full Council. The charter for the Lean Process Review is included as **Attachment B**. One key excerpt from the charter document is that "*The purpose of the exercise is to help staff craft a recommendation for Council consideration based on the mapping of current processes and observations of the facilitator and team.*" Debra conducted two full-day sessions in June, meeting with staff supporting each committee to map the relationships to the Boards and Commissions and to walk through a structured assessment process, the results of which are provided in **Attachment C**.
- A general need for consistency in committee business practices was identified. In her role as Deputy City Clerk, Andreana Campbell attended a series of committee meetings in April and May and worked with staff members that support the committees to discuss the inconsistencies around adding and reviewing agenda topics, how minutes are being taken and distributed, and how committees were administered. This work resulted in a series of recommended process improvements, as summarized in **Attachment D**.



## Council Committee SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>-Common understanding of role (advisory, no decision)</li> <li>-Agreements on value added (informal conversations, low key, more open discussion)</li> <li>-Benefit is for staff to be able to get early feedback</li> <li>-More time at committee to talk versus at Council</li> </ul>	<ul style="list-style-type: none"> <li>-Inconsistent procedures and support regarding agenda tracking, minutes, how new topics are generated</li> <li>-Not consistently reviewing outstanding agenda items per policy annually</li> <li>-Some topics are overly broad or ongoing so never get "done"</li> <li>-Staff can add agenda items without going to Council (unfair)</li> <li>-Staff glosses over or ignores strategic plan updates – need more attention on corrective actions needed</li> <li>-Reluctance to eliminate items</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>-Need agreement on when a topic should go to a board/commission, council committee or entire city council</li> <li>-If topic is trying to get in front of two committees, it should probably be going to the full council</li> <li>-Possibly use Council of the whole; longer study sessions with shorter regular meetings</li> <li>-Consistently bring outstanding items back for review every year and be prepared to eliminate from committee</li> <li>-Bring back the reading file</li> <li>-Have one master list of all outstanding agenda items in one place in same format</li> <li>-Add council committee minutes to consent calendar and council can pull if it they want to discuss</li> <li>-At least two Councilmembers should request a new topic</li> </ul>	<ul style="list-style-type: none"> <li>-There are more outstanding items than can be accomplished in a year or more</li> <li>-The relationship between boards and commissions, council committees and City Council is not clear</li> <li>-If there is a board or commission, should it still go to a committee (value added?)</li> <li>-Some councilmembers may think they're missing something if they aren't on all committees</li> <li>-Tendency to not question requests to add an agenda item even if only one Councilmember wants it added</li> </ul>

One of the "opportunities" identified was the need for agreement on when a topic should go to a board/commission, council committee or entire City Council. Council gave direction at the March Retreat that, if a topic is on the work program of a board or commission, the information would go to the full Council first and, if needed, a referral could be made to the appropriate committee (unless staff identified a need to check in with a committee earlier). This direction, along with a review of other topic areas at the March 19, 2019 Council meeting, significantly reduced the list of outstanding topics.

The results of each evaluation are highlighted below and informed the staff recommendations that follow. These recommendations attempt to preserve key elements of the strengths and address the opportunities, weaknesses and threats.



## **Observations**

There were three primary take-aways highlighted by the Lean Process (excerpted from the report in Attachment C):

- *Council committee staff members value the opportunity to have informal conversation about important Council topics, but the current structure is not optimized to efficiently achieve the goal. There were several alternative ideas shared that could be considered, such as consolidating committees into one, allowing multiple departments to join together at the same time providing real time answers to questions and strengthening team alignment OR possibly moving the committee topic discussions to other Council forums, such as retreats, or study sessions/workshops, allowing all the Council members to hear and participate in the detailed discussions that do not happen from the dais in a formal, broadcasted meeting.*
- *Considering the bullet above, the decision should be based on the role of the Councilmembers participating in committee work. Is the intended role to help improve communications between staff and Council by being advocates for staff who present at Council meetings and/or guiding staff creating presentations for the full Council (resulting in less information being required by the full Council)? If so, then the structure of separate meetings with representatives from Council meets that need. If committee discussion is primarily a forum for Councilmembers to gain answers to their individual questions and express their own views, without the extended role of representing other Councilmembers, then a different structure should be created to better inform all Councilmembers and streamline overhead currently experienced by support staff.*
- *Whether the decision is to retain or modify the current structure, it is important to quantify the total cost required, including staff time, to have multiple, or even one committee(s). Once that cost is known, then Council can determine whether the value gained from additional meetings is worth the investment, now and in the future. Prioritizing staff time is a key component to high performing organizations. Along with the cost, the executive team needs to assure that City employees are able to do their job sustainably into the future and that each department considers succession planning by growing the capabilities of their support staff members. Expectations for productivity and leadership will continue to rise; support staff need to be able to step into those higher-level contributions.*

The results of the review of the consistency of how the current committees operate identified a series of process improvements that include standardization of the agenda and minutes, including the content and review process. In addition, improvements to the website are recommended and standardization of the meeting location to the Rose Hill Room for easier public access (there have been very few occasions where the public has attended committee meetings and it has been limited to a few individuals). This evaluation also included a broad estimate of the staff cost of supporting the current committee process. Staff estimates that the committee process costs about \$11,000 per month (see Attachment 4 to Attachment D).

## **Analysis and Options**

The question raised during the evaluation is whether the current level of effort could provide higher value if redirected in a way that preserves the strengths of the current process, provides all Councilmembers with information and opportunity for input, and expands opportunity for public participation. Staff is recommending that this can be accomplished by replacing Council Committees with extended, multiple issue study sessions and periodic policy retreats. Prior to reviewing the staff recommendation for replacing committees, a bit of historical context for each committee may be helpful:

- Finance Committee: Established July 31, 1968. Met on an as needed basis, usually a few times per year and generally related to the budget process until 2007-2008 when regular monthly meetings were established.



- Public Safety Committee: Established May 16, 2000. Met on an as needed basis, until 2007-2008 when regular monthly meetings were established.
- Economic Development: Established June 21, 2005. Coincided with an increase in business license fees, with some of the funds going toward an increase in economic development staffing. A separate Housing Committee was established in 2008.
- Legislative Committee: Established May 2, 2006. (Committee was changed from a standing committee to an ad hoc committee in 2015.)

In 2013, the Council undertook an assessment of Council Committees and expanded their scope as described in Attachment E to include:

- Finance and Administration
- Public Safety
- Legislative
- Economic Development, Planning & Housing (renamed Planning & Economic Development in '15)
- Public Works, Parks and Human Services

The Council Policies and Procedures were updated, and all committees met monthly with the exception of the Legislative Committee, which was made an ad hoc committee in 2015 and generally meets weekly before and during the Legislative Session.

The role of Council Committees has been a Council Retreat topic on at least 5 occasions (February 2012 and 2014, May 2015, February 2018, and March 2019) and the Council Policies and Procedures related to committees have been modified a number of times during that time period:

- Resolution 4960 in January 2013 adopting the expanded committee structure and assignments;
- Resolution 5094 in January 2015 clarifying the advisory role of the committees, how agenda items were added, and clarifying meetings were not subject to the Open Public Meetings Act;
- Resolution 5145 in September 2015 opening meetings to the public starting January 1, 2016;
- Resolution 5311 in September 2018 the process if additional Councilmembers that were not committee members wanted to attend committee meetings.

A brief survey of our neighboring jurisdictions yielded the following observations:

- Bellevue does not have Council committees
- Bothell has three committees (Capital Facilities, Human Services, Public Safety) and an Economic Development Committee of the Whole
- Mercer Island has one Council committee (Sustainability)
- Redmond (Strong Mayor) has moved from committees with 3 members to Committee of the Whole by subject area
- Sammamish eliminated their committees 7/9/19 with all items going to the full Council
- Woodinville does not have Council committees

Based on review of the history and taking into account the evaluations completed earlier this year, staff identified two options for Council consideration. Both options are presumed to be implemented with approximately the same time commitment by Councilmembers:




















- Option 1 - Maintain the current committees but standardize the processes consistent with the recommendations summarized in Attachment D.
- Option 2 – Discontinue the current committee structure but add a half hour to each study session to allow multiple topics to be addressed in that setting and add additional Council Retreats as needed to discuss issues in greater depth in a more informal setting with the full Council:



- The expanded study session format would allow two or three topics to be presented and discussed or provide for an in-depth discussion of one complex topic. It would also allow for greater public access to the Council discussions.
- The additional retreats would provide for more frequent informal updates on work plan items and allow for detailed background and policy exploration on high priority topics.

The two options were rated on a series of criteria generated from the work that has been done, as summarized in the table that follows.

## Council Committee Alternatives Evaluation

Criteria	Option 1 Current Committees	Option 2 Expanded Study Sessions/Retreats
Reflect Full Council Perspective		 
Full Council Familiarity with Topic		 
Informality	 	
Public Participation		
Early Staff Feedback	 	
Staff Time Commitment		 
Council Time Commitment		

  
Some  
Challenges

  
Some  
Benefits

   
Most  
Benefits

### **Staff Recommendation**

Staff is recommending that Council consider implementing Option 2 for the following key reasons:

- Allows all Councilmembers to be briefed at the same time and have simultaneous access to the same information. Staff identified this as a priority given the context of one new Councilmember in 2019 and two new Councilmembers joining the Council in 2020.



- Allows for informal discussion and feedback from the full Council rather than a subset of members.
- Recognizes that committees have not necessarily been reflective of the views of the full Council, necessitating full discussion of topics at study sessions/regular meetings, as well as committees. Staff hopes that formalizing the use of study sessions and retreats for information sharing could result in regular Council meetings having less detailed informational presentations, perhaps allowing Council meetings to end earlier.
- Provides more convenient and predictable options for public attendance (or viewing remotely in the case of study sessions),
- Is more inclusive of future Councilmembers that might have difficulty attending monthly daytime committee meetings due to employment or other constraints.
- Does not preclude the use of ad hoc committees, such as Legislative, Community Survey, and Regional Transportation committees, which are recommended to continue as needed,
- Many of the pending items on committee agendas are periodic updates. These items can be on consent (such as monthly financial dashboard) or done as Special Presentations (similar to the recent Police and Fire Strategic Plan updates). Special presentations could also be used to get early feedback/questions on topics under consideration by Boards and Commissions.

If Council is supportive of the recommendation, staff will further develop procedures and protocols for how to implement the new system. Staff will also draft amendments to the Council Policies and Procedures for consideration. The target timeline for implementation of the new system would be January of 2020.

If Council chooses to keep the current committee structure instead, staff will implement recommendations to further standardize processes across all committees.





**CITY OF KIRKLAND**  
**City Manager's Office**  
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**[www.kirklandwa.gov](http://www.kirklandwa.gov)**

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Marilynne Beard, Deputy City Manager  
Tracey Dunlap, Deputy City Manager

**Date:** February 25, 2019

**Subject:** COUNCIL COMMITTEES

### **RECOMMENDATION:**

City Council discusses the role of Council Committees and how they are administered and supported by staff.

### **BACKGROUND DISCUSSION:**

At the 2018 City Council retreat, the Council began a discussion about Council Committees. As a follow-up to that discussion, staff was tasked with interviewing each Councilmember to determine how the Council Committee structure and management is working at this time. In preparation for the retreat, staff discussed the following questions with each Councilmember:

- Are Council Committees operating consistent with the policy? If not, what is the current practice?
- What changes would you like to see in the current policy?
- What do you like about the way Council Committees operate? What, if anything, could be improved?

Based on the discussions with Council, staff prepared a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) which is summarized on the following page. Generally speaking, there was agreement about the value of the Committees in that they provide for more in-depth discussion on topics that will be coming before the full Council and they provide early feedback to staff about questions and concerns that Council may have. All agreed that the purpose of Council Committees is advisory to the City Council. The current policy adopted in the City Council Policies and Procedures is included as Exhibit A.

Over the years, the new committees were added, and staff support for each committee has changed as new senior staff came on board. The change in staff and councilmembers has resulted in incremental changes to how committees are supported by staff. For instance,



Councilmembers noted that there are inconsistencies in the way new agenda topics are added and reviewed, how minutes of committees are kept and distributed and how frequently the full Council is reviewing outstanding committee agenda items.

A related issue that has arisen as committees have evolved is the relationship of Council committees to Council Boards and Commissions, which also act as advisory bodies to the Council. Many key topics are referred to both Commissions/Board and committees. The Council may wish to discuss the roles of the Commissions/Board during this agenda topic or defer that discussion to a future retreat.

Staff compiled a list of all outstanding Council Committee agenda items for each committee. Each list also includes how issues were referred to the committee. It should be noted that the Legislative Work Group is not considered a Council Committee since it is convened only during legislative session.

The Council retreat is an opportunity to review outstanding Council Committee agenda items. In order to conduct this review, some criteria for discussion may include:

1. In cases where there is a Board or Commission whose current work program is approved by the Council, what is the Committees' role in reviewing the advisory group's work prior to presentation to the full Council?
2. For reports that are periodic in nature (e.g. update on the progress of strategic plans) at what point should that items be brought the full Council either as an informational item or, at some point, a final report with the understanding that some recommendations are ongoing in nature?
3. Should the number of agenda items be prioritized and limited for each year based on the actual content that can be addressed through the Committee's regularly-scheduled meetings? If an item added, does that replace another lower-priority topic?



<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>-Common understanding of role (advisory, no decision)</li> <li>-Agreements on value added (informal conversations, low key, more open discussion)</li> <li>-Benefit is for staff to be able to get early feedback</li> <li>-More time at committee to talk versus at Council</li> </ul>	<ul style="list-style-type: none"> <li>-Inconsistent procedures and support regarding agenda tracking, minutes, how new topics are generated</li> <li>-Not consistently reviewing outstanding agenda items annually per policy</li> <li>-Some topics may be overly broad or ongoing so never get “done”</li> <li>-Staff can add agenda items without going to Council</li> <li>-Staff may not complete strategic plan updates – need more attention on corrective actions needed</li> <li>-General reluctance to eliminate agenda items once they are added</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>-Need agreement on when a topic should go to a board/commission, council committee or entire city council</li> <li>-If topic is trying to get in front of two committees, it should probably be going to the full council</li> <li>-Possibly use Council of the Whole; longer study sessions with shorter regular meetings</li> <li>-Consistently bring back outstanding items for review every year and be prepared to eliminate from committee agenda</li> <li>-Bring back the reading file</li> <li>-Have one master list of all outstanding agenda items in one place in same format</li> <li>-Add council committee minutes to consent calendar and council can pull if it they want to discuss</li> <li>-At least two Councilmembers should request a new topic</li> </ul>	<ul style="list-style-type: none"> <li>-There are more outstanding items than can be accomplished in a year or more</li> <li>-The relationship between boards and commissions, council committees and City Council is not clear (e.g. if there is a board or commission, should and item still go to a committee?)</li> <li>-Some councilmembers may think they’re missing something if they aren’t on all committees</li> <li>-Tendency to not question requests to add an agenda item even if only one Councilmember wants it added</li> </ul>



**CITY OF KIRKLAND****City Manager's Office**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.kirklandwa.gov

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Deputy City Manager

**Date:** February 19, 2019

**Subject:** Council Committee Topic Review

**RECOMMENDATION:**

Council reviews pending Council Committee topics for consideration to be carried over to 2019. Any changes based on the discussion at the March 1 Retreat will be incorporated and the final lists will be brought forward for approval on the Council consent calendar.

**BACKGROUND DISCUSSION:**

The City Council's adopted Policies and Procedures provide the following related to topics:

*7.02 Council Committee Topics. Committee topics are developed through a collaborative process between the City Council and staff or by referral by the City Council. Council Committees will be assigned an agenda topic when it supports a policy or budget decision that will come before the City Council in the near future. Agenda items may be:*

- o Identified by the Committee and approved by the City Council;*
- o Referred by City Council to a committee for monitoring or input, or;*
- o Referred by the City Manager for early input prior to presentation to the City Council.*

*New topics requested by a Councilmember that involve more than four hours of staff time should be reviewed by the City Manager for staff impacts. All topics referred to Council Committees will have final consideration before the full Council after receiving a report from the Council Committee regarding all policy options presented. The chair of each Council Committee is responsible for reporting to the City Council, at a regular meeting, new or significant items discussed at the committee's most recent meeting. Meeting minutes for every Council Committee meeting will be posted to the City's webpage and the Council's internal web page along with a list of current and future topics being discussed by each committee. The topic lists will also indicate when and by whom the topics were initiated. Pending agenda topics for Council Committees will be reviewed at least annually by the full Council when outdated or unnecessary topics may be eliminated unless the City Council decides to carry over a particular topic into the next year.*

The four standing committees reviewed the outstanding topic lists at their January meetings and the lists, and a brief description of the agenda setting process, are included in the attachments as follows:

**Attachment A – Finance and Administration Committee:** There are three Council-referred items identified to carry into 2019; those items are shown in the lower section of the Committee's agenda. Staff includes other items based on established processes (budget, CIP), per the fiscal policies (such review of debt and investment policies) and adds selected items for review and comment that are coming



up for consideration by the full Council. There are also several periodic reports (dashboard, sales tax, investment report, FMR) that are included for information and reviewed periodically.

**Attachment B – Public Safety Committee:** There are 7 Council-referred items and 6 periodic updates recommended to carry forward into 2019 (the list is included on the back of the agenda). The Committee also requests that the Council refer one item for evaluation "Updates to Animal Control Ordinance". Staff establishes the monthly agenda based on when information is available for the items and adds selected items for review and comment that are coming up for consideration by the full Council.

**Attachment C – Planning and Economic Development Committee:** There are 17 outstanding items recommended for carry forward into 2019. Items 2-12 are from the 2018-20 Planning Work Program, items 16-17 are Council-referred, and the remaining four items are staff-initiated. Staff establishes the monthly agenda based on when information is available for the items and adds selected items for review and comment that are coming up for consideration by the full Council.

**Attachment D – Public Works, Parks, and Human Services Committee:** There are 36 outstanding items on the agenda tracking list, including 8 items to monitor or that are deferred. Of these items, 12 were referred by Council, 14 were added by staff, and the Committee is requesting Council refer 10 items (shown in the 4th column on the attachment). Staff meets with the Committee chair to review outstanding items and set the monthly meeting agenda, based on when information is available or when topics are planned for consideration by the full Council.



**Finance & Administration Committee Agenda**  
**January 29, 2019**  
**9:00-10:30am**  
**Norkirk Room**

2019 Budget & CIP Calendar

*Materials provided at the meeting*

Annexation Sales Tax Credit

*Information provided at meeting*

Business License Ordinance Amendments - Phase 2

*Materials provided at meeting*

Tax and License Secrecy Clause Confidentiality Agreement review

*Attachment A*

Review List of Issues Referred to Future Committee Meetings

*Included Below*

October & November Dashboard Reports (10 minutes)

*Attachment B*

**Informational Items:**

December Sales Tax Report – Attachment C

December Investment Report – Attachment D

***Upcoming Finance & Administration Items on Council Agenda:***

**February 19, 2019**

Annexation Sales Tax Credit

***Next Committee Meeting***

**February 26, 2019**

***Upcoming Finance & Administration Committee Items:***

1. Board & Commission Appointment Criteria – Applicant Employment – referred June 19, 2018
2. Debt financing options for 100<sup>th</sup> Avenue Corridor Improvements and Juanita Drive Corridor Improvements – referred December 11, 2018
3. Outstanding Information Technology Issues – referred January 2, 2019



## PUBLIC SAFETY COMMITTEE MEETING

February 21, 2019, 8:30 am

Rose Hill Room

### **Agenda Items**

1. Overnight camping options (Kevin Raymond)
2. Prohibiting gun discharges city-wide (Kevin Raymond)
3. Crime dashboard (Chief Harris)
4. Animal Control annual report (Chief Harris)
5. King County EMS update (Chief Sanford)

**Next Meeting:** March 21, 2019

*Outstanding Items and Periodic Updates on back*



**Outstanding Agenda Items** (date Council referred to Public Safety Committee)

1. Prevention efforts in public safety: crime/fire prevention, SEPTED, permitting, etc. (January 2013)
2. Update on policies and training for Police officers to help deal with cultural differences, language barriers, and disabilities; welcoming inclusive initiative. (March 2015)
3. Fire public education; opportunities for volunteers to restore programs at schools. (April 2016)
4. Alternative sentencing practices (presentation by prosecutors for educational purposes); what are the options and what are we using, best practices, etc. (February 2017)
5. Emergency Management/Disaster Recovery topics (November 2017)
  - a. Formal training for Council and staff related to dealing with disasters (emotionally, appropriate response to citizens, etc.).
  - b. Updates on Map Your Neighborhood, Citizen emergency preparedness, and CERT efforts.
6. Regulating Private Drone Use on City-owned Property (May 2018)

**Potential Item to Request Council Refer**

1. Updates to Animal Control Ordinance (added 1/17/19)

**Periodic Updates**

2. Dashboard reviews
  - a. Police – last review 10/18/18
  - b. Fire – last review 11/15/18
3. Strategic Plan updates
  - a. Police – last review 1/9/18
  - b. Fire – last review 12/20/17
4. North Kirkland fire station siting – last update 11/13/17
5. Fire overtime annual report – last report 11/8/17
6. Emergency Management/Disaster Preparedness – last update 3/15/18
7. Animal Services – last status report 10/18/18
8. Marine Patrol – last update 1/17/19
9. School Zone Cameras – last update 1/15/19 study session





## **PLANNING & ECONOMIC DEVELOPMENT (PED) COMMITTEE**

February 11, 2019

3:00 PM

Norkirk Room

Call in number: 425-587-3023

### Agenda Items

1. Review of 2018-20 Planning Work Program and Draft 2019-21 Work Program

### Informational Items

1. Development Projects
2. Planning Projects
3. Economic Development Issues

### Upcoming PED Items on Council Agenda

1. 2019-21 Planning Work Program Study Session (March 5, 2019)
2. 2019-21 Planning Work Program Adoption (April 2, 2019)

Next Meeting: March 11, 2019

Potential Future Topics *[Note: Will be categorized/prioritized upon adoption of 2019-21 Work Program]*

1. 2019-2021 Planning Work Program
2. Moss Bay Neighborhood Plan and Downtown Urban Growth Center Designation
3. Highlands, Market, and Norkirk Neighborhood Plans
4. Tree Code Update
5. Sign Code Update
6. Building Heights on School Sites
7. Sustainability Master Plan
8. Shoreline Master Program/Critical Areas Update
9. Kingsgate Park and Ride TOD
10. Miscellaneous Zoning Code amendments
11. Housing Strategy tasks: ADUs, Duplexes, Triplexes, and Cottages
12. King Conservation District Storm-water Modeling
13. Regional Economic Development
14. Local Economic Development
15. Totem Lake Urban Center
16. STAR Certification
17. I-405/NE 85<sup>th</sup> Street Station Area Plan







## Lean Academy Charter for Kirkland City Manager's Office

Subject	Name of Project – Decision-making Process Mapping		Date: April 2019
Background	<p><i>Include current condition, why a priority now, cost of current condition and any important details about the specific process/issue.</i></p> <p>As part of an on-going discussion of the roles of Council subcommittees and how they related to the Boards and Commissions and fit into the overall decision-making process, the City is seeking to map the current decision-making processes and highlight key policy questions and identify potential changes that will make the process more efficient and effective, while preserving desired public process and outcomes. The role of the SAO Lean Specialist is to act as an impartial third party who can guide up through a structured mapping process and help provide visibility into the value-added parts of the process and surface any possible redundancy or repetition. The current thinking is to structure the event in four half day sessions dealing with the following committee subject matter areas:</p> <ul style="list-style-type: none"> <li>• Public Works (including Transportation Commission)</li> <li>• Parks (including Park Board and Human Services Commission)</li> <li>• Planning and Economic Development (including Planning Commission and Design Review Board)</li> <li>• Other areas – Public Safety and Finance &amp; Administration (which have no standing Boards &amp; Commissions)</li> </ul> <p>Current thinking is that there will be separate process maps for Plans, Projects, and Policies in each subject matter area.</p>		
Targets (what/how much/by when)	<p><i>Include any metrics and/or subjective trends. Think of your future “ideal state” but target something achievable for the team.</i></p> <p>The current success statement for the effort is: “We know we are being most effective when our steps are value-added in making an informed decision for the community”. Value-added is measured against end customer values (the community) and in terms of carrying out required steps (regulatory requirements).</p>		
Boundaries	<p><i>What is relevant to the subject, but not included at this time? These are usually exceptions to the rule or corner cases that add confusion.</i></p> <p>The purpose of the exercise is to help staff craft a recommendation for Council consideration based on the mapping of the current processes and observations of the facilitator and team. At this stage, Councilmembers input will be based on previously conducted interviews with staff and Board &amp; Commission input will be provided by supporting staff.</p>		
Timeline	Preparation: April/May 2019	Kaizen: June 6-7, 2019	30/60/90 day Check-In TBD
The Team	<p>Sponsor: Tracey Dunlap, CMO</p> <p>Team leader: Ana Campbell, Deputy City Clerk</p> <p>Team members:</p> <p><i>Public Works – Kathy Brown, Joel Pfundt, John Starbard, Rosalie Wessels.</i></p> <p><i>Parks – Lynn Zwaagstra, Heather Lantz-Brazil, John Lloyd, Leslie Miller.</i></p> <p><i>Planning and Economic Development – Adam Weinstein, Prins Cowen, Jeremy McMahon, Jim Lopez, Lorrie McKay.</i></p> <p><i>Public Safety – Chief Harris, Chief Sanford, Amy Bolen, Tracy Jeffries, Tracey Dunlap</i></p> <p><i>Finance &amp; Administration – Michael Olson, Jessica Clem, Brenda Cooper, Kevin Raymond, Tracey Dunlap</i></p>		<p>Stakeholders:</p> <p>Council</p> <p>Board &amp; Commission Members</p> <p>City staff</p>





## Office of the Washington State Auditor Pat McCarthy

June 26, 2019

From: Debra Hentz, Lean Specialist, Center for Government Innovation

To: Tracey Dunlap, Deputy City Manager, City of Kirkland

### **Introduction:**

This report is provided by the Center for Government Innovation from the Washington State Auditor's Office to the City of Kirkland as a brief summary of the facilitation done with teams of City employees who are key staff supporting City Council committees. The facilitator was asked to review Council feedback on how committees currently operate gathered by Deputy City Manager Marilynnne Beard, the related SWOT analysis, and Deputy City Clerk Ana Campbell's evaluation of consistency of current committee processes; capture individual and group feedback and perspectives; integrate that information with personal knowledge; and then summarize the key points in writing for the project Sponsor, Tracey Dunlap, Deputy City Manager.

The facilitator, Debra Hentz, is the Lean Specialist for the Center for Government Innovation within the Washington State Auditor's Office specializing in Lean methodology training and process improvement facilitation. Prior to joining the State Auditor's Office in January 2014, Debra spent 5 years with Clark College Student Affairs in Vancouver, WA, and 20 years at the Hewlett Packard Company as an Engineering Manager in the areas of product design, lean manufacturing, and worldwide operations. Her primary areas of concentration included project management, continuous process improvement and leading change initiatives. Debra holds a Master of Public Affairs degree from Washington State University and a Bachelor of Science degree in Mechanical Engineering from The University of Texas at Austin.

The mission of the Office of the Washington State Auditor is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective. The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program. For more information about the Office of the State Auditor, visit [www.sao.wa.gov](http://www.sao.wa.gov).



**Purpose for this work as captured in the Charter Document dated April 2019:**

As part of an on-going discussion of the roles of Council committees and how they relate to the Boards and Commissions and fit into the overall decision-making process, the City is seeking to map the current decision-making processes and highlight key policy questions and identify potential changes that will make the process more efficient and effective, while preserving [Council] desired public process and outcomes. The role of the SAO Lean Specialist is to act as an impartial third party who can guide us through a structured mapping process and help provide visibility into the value-added parts of the process and surface any possible redundancy or repetition. The current success statement for the effort is: “We know we are being most effective when our steps are value-added in making an informed decision for the community.” Value-added is measured against end-customer values (the Council and community) and in terms of carrying out required steps (regulatory requirements). The purpose of the exercise is to help staff craft a recommendation for Council consideration based on the mapping of the current processes and observations of the facilitator and team. At this stage, Council members input will be based on previously conducted interviews with staff and Board & Commission input will be provided by supporting staff.

**Structure of the Facilitation of the 4 City Council subcommittees performed June 6<sup>th</sup> & 7<sup>th</sup>**

Team Planning & Economic Development

Attendees: Jeremy McMahan, Prins Cowin, Tracey Dunlap

Team Public Safety

Attendees: Chief Joe Sanford, Tracey Dunlap (Chief Harris provided feedback after the session)

Team Public Works

Attendees: Kathy Brown, Joel Pfundt, Rosalie Wessels, Tracey Dunlap

Team Finance & Administration

Attendees: Michael Olson, Kevin Raymond, Brenda Cooper, Tracey Dunlap, Kathi Anderson

Team Parks & Human Services

Attendees: Lynn Zwaagstra, Heather Lantz-Brazil, John Lloyd, Leslie Miller, Mary Gardocki, Tracey Dunlap

Note: Public Works, Parks & Human Services Council committee was divided into two teams to create smaller discussion groups and provide departments a more focused conversation structure, given the broad scope of that committee.

Each facilitation session followed the same structured approach:

- Introductions including departmental roles & responsibilities
- Charter review to clarify purpose for this meeting committee
- Committee meeting basics – meeting times, leadership, participants, preparation, support required, public attendance, etc.
- Questions:
  - What is the purpose for the committee meeting?
  - What do you believe is the value for the City Council members?
  - What is the value for you and your department?
  - If this meeting was eliminated, what elements and opportunities would you miss? Is there another forum that covers that same purpose and information?
  - What would your perfect world be regarding Council subcommittees?
- Lean Principles pertaining to the discussion explained for the team to consider going forward
- Thank You and contact information for thoughts that may arise after the meeting



**Executive Summary:**

The City of Kirkland is fortunate to have a skilled and knowledgeable staff who work well together and are dedicated to customer service and process excellence. As the facilitator, I was welcomed with open minds and eagerness to embrace any change that would improve City processes for their departments, their partner departments, and especially for City Council. Focusing on the goals of the Charter document, I had 3 primary take-aways that should serve as the foundation for recommendations that staff crafts for Council consideration:

- Council committee staff members value the opportunity to have informal conversation about important Council topics, but the current structure is not optimized to efficiently achieve the goal. There were several alternative ideas shared that could be considered such as consolidating committees into one allowing multiple departments to join together at the same time providing real time answers to questions and strengthening team alignment OR possibly moving the committee topic discussions to other Council forums, such as retreats, or study sessions/workshops, allowing all the Council members to hear and participate in the detailed discussions that do not happen from the dais in a formal, broadcasted meeting.
- Considering the bullet above, the decision should be based on the role of the Council Members participating in committee work. Is the intended role to help improve communications between staff and Council by being advocates for staff who present at Council meetings and/or guiding staff creating presentations for the full Council (resulting in less information being required by the full Council)? If so, then the structure of separate meetings with representatives from Council meets that need. If committee discussion is primarily a forum for Council Members to gain answers to their individual questions and express their own views, without the extended role of representing other Council Members, then a different structure should be created to better inform all Council Members and streamline overhead currently experienced by support staff.
- Whether the decision is to retain or modify the current structure, it is important to quantify the total cost required, including staff time, to have multiple or even one committee. Once that cost is known, then Council can determine whether the value gained from additional meetings is worth the investment, now and in the future. Prioritizing staff time is a key component to high performing organizations. Along with the cost, the executive team needs to assure that City employees are able to do their job sustainably into the future and that each department considers succession planning by growing the capabilities of their support staff members. Expectations for productivity and leadership will continue to rise; support staff need to be able to step into those higher contribution.



### Commonalities among the teams:

- Everyone is striving to do their best to support the needs and requests from City Council, individual Council Members, and the constituents of Kirkland. Being an employee of the City is not just a job; rather a dedication to service and excellence.
- There is respect for co-workers and a desire to find common ground in all working relationships.
- Individual staff members prioritize responding to Council questions and requests, often to the point of negatively impacting their other departmental priorities.
- Everyone is open to change and appreciates the Lean approach.
- All committees maintain regular meeting times with dedicated leadership requiring established agendas before the meeting and minutes archived after the meeting. Core team members attend regularly and presenters from staff make themselves available when required.
- Support staff are vital to the committee process and provide service at whatever level is requested. Most support work is done routinely and behind the scenes.
- Committee time is valuable for staff when “vetting a report or presentation for Council”. Staff values the “ability to test the winds before we get too far down the road.”
- Staff agrees that big chunks of time are needed for deep dives into complex or important topics.
- “It is hard to have a conversation from the dais;” therefore, a forum is needed to talk with Council Members in a more informal setting where discussion can take place.”

### Differences among the teams:

- Number of Boards & Commissions associated with each committee and their impact:
  - PED has Planning Commission & Design Review Board = no clear connections (more organic in nature) and repetitive check in with committee for staff needs
  - PWPHS has Park Board, Human Services Commission, and Transportation Commission = lack of clarity in roles and decision input level; also appeared to be some outdated documentation on roles that did not align with current working state
  - Various others intersect with Council committees and take staff time with unclear connection (i.e. Utilities Commission, Library Board, Cultural Arts Commission, Tourism Development Committee, Salary Commission)
- There is variation about whether committees rely on what is “written” in code or policy versus following what they “see” happen in their own or other committee’s current state.
- PWPHS Committee seems very different than the rest (more commonality among the other 3)
  - More breadth in topic areas which has resulted in establishing specific agenda sections after which specific attendees & presenters can leave the meeting, and yet duplication is still found with other forums. Committee standing agenda sections include:
    - PW only = which often replicates with other forums such as Transportation<sup>1</sup> Commission
    - PW & Parks = for capital construction & mutual operations topics often discussed with the Parks Board<sup>1</sup>
    - Parks & Community Services = which often replicates with Human Services Commission<sup>1</sup>

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<sup>1</sup> Note that this issue was addressed by the City Council at the March 1, 2019 Retreat, with direction that issues on the Board and Commission work plans should be brought to the full Council for consideration.



- Utilizes a spreadsheet to capture & track their agenda topics, possibly because of the large number of topics. Other committees don't have this extra step.
- Meeting minutes sound more extensive and time consuming than others with unclear purpose after the meeting.
- Each committee had a different perspective on the value of monthly meetings. Current standard timing of all meeting monthly is not important for every committee. Some have calendar-based topics while others are current event driven and another meets monthly to cover what they can, but never completes the list of possible topic items.
- Finance & Administration Council Committee = one assigned topic area is Council Policy & Procedures, yet it seemed unclear about the role they play in this current work. Could be an indicator that it is a good time to review and update all of the committee topic areas (continuous process improvement).

### **Lean Principles important for this workgroup:**

- ✓ Standardization
  - + Provides clarity for employees and consistency for measuring metrics
    - Meeting times and agenda process provides predictable routine for staff. With standard times established, it is important to remember that meetings can be cancelled if not needed. The downfall of standardization is driving activity based on the calendar rather than value added.
  - + Local Government structure provides clarity of roles and responsibilities
    - Organizations gain efficiency when individuals understand and follow the established structure, also called staying in your own "swim lane" (R&R).
- ✓ Value-Add work based on Customer Need that they are willing to pay for (not just ask for)
  - + Efficiency requires clarity between "activity" and "value" = does the City Council know the cost of having 4 committees, especially the cost of the behind the scenes support staff? If not, a simple estimate would determine customer value of the current state. Then, discussion about process improvement can be driven with quantitative information.
  - + Is there a better way for meet what Council has articulated as the need = form should follow function and function is based on the purpose of the work and value for the customer. Once function is defined, then form can be standardized for that function. This is the principle that helps define what should be standardized.
    - An example might be "best approach" = is committee needed or is the topic best addressed in another forum, such as full Council or individual member briefings
  - + Assuming the committee's customer is the City Council
    - Then committee Council members play a specific role between staff and Council = to provide committee staff members with insight (as much as possible) from the Council and to gain information from staff to help communicate back to Council. The role of Council Members on committees should improve Council decision-making efficiency and effectiveness based on the role they play between the two groups.



- + Committee Topics = be clear about the difference between policy and operations
  - If Policy = does it need full Council to hear everything or are Council Members on the committee representatives of full Council (as defined in above bullet)
  - If Operations = is there clarity on decision-making? what level of detail is required by staff to provide to Council? (see Lean principles below on decisions made at the lowest possible level)
  
- ✓ Eliminate Waste
  - + OverProcessing = Assure there is not duplication of committee detail at a Council Meeting. Establish clarity of purpose between committee & full Council meetings.
  - + Overproduction = Committee meeting minutes take time to create, space to archive, and potential for future work as public records. Considering that most participants stated that the informal conversation is the most valuable element of the committee meeting, it is unclear if the minutes have any use after the meeting. Caution to not confuse “activity” with “value.” Are the minutes ever referenced after the meeting? Is it more about capturing decisions rather than minutes?
  - + Defects (aka not getting what I expected) = does the Council receive what it expects from the committees?
  - + Inventory = consider the value of the documentation created from the committees; it is not just the overhead of creating the documents, but rather the need to archive them in storage and correctly locating them for public records requests
  - + Motion = caution to understand the “behind the scenes” support staff work
  - + Non-utilization of talent = waste can multiply if staff members are taken away from other value-added work because they are spending time in wasted activities
  - + Waiting = if the value of committee meetings is to have discussions and get answers at the meeting rather than action items to gain answers after the meeting; therefore consider the value of multiple departments attending one meeting to be able to provide answers at the time rather than waiting for a reply (piece of KNOWN information) after the fact
  
- ✓ System Thinking
  - + Focus first on System Value to provide benefit for the organization as a whole, then determine individual needs if they differ from the organizational plan.
  - + When looking at the detailed level, work may appear to be value. However, it is important to take a system-wide perspective to identify overlaps and redundancies. Individual committee meetings may appear to be valuable when seen in isolation. Important to consider all the committees as well as the Boards & Commissions in the assessment of meeting value. Key Point & Lean Principle = no one wants to do wasted work! The work is always valuable to the individuals at the time. Efficiency is about getting above the individual level to look at the system with organizational eyes.
  - + Systems, not silos – heard several staff members speak to the value of having multiple departments in the room during discussion to improve departmental connection and issue alignment across the City staff. Efficiency is getting the right answers real-time from the experts and effectiveness is creating wholistic, system-based decisions that provide the best outcome the first time.



- ✓ Decisions at the Lowest Possible Level = first is organizational efficiency and just as important is the secondary benefit of building knowledge and leadership within the organization
  - + Evaluate what decisions can be made at the staff level versus which decisions require Council involvement. Assure clarity between information sharing versus involved in decision making. Understand the quantitative cost of staff time and documentation as well as the qualitative cost of job satisfaction and employee development.
- ✓ Learn to See & Gemba Walk<sup>2</sup>
  - + Reference source documents for answers rather than impressions/opinions/memory of what code or policy states regarding Committee purpose, policy & procedures (aka = where do agenda topics originate? Who can originate an agenda topic? Is the committee chartered to create new topics in their specialty area? What topics do committees discuss?) If source documents differ from what is desired, then update the documents. Lean principle = it is not blindly following documentation, it is about having documentation that captures current process to align the team and provide training for new members.

#### **Facilitator Thoughts to Consider:**

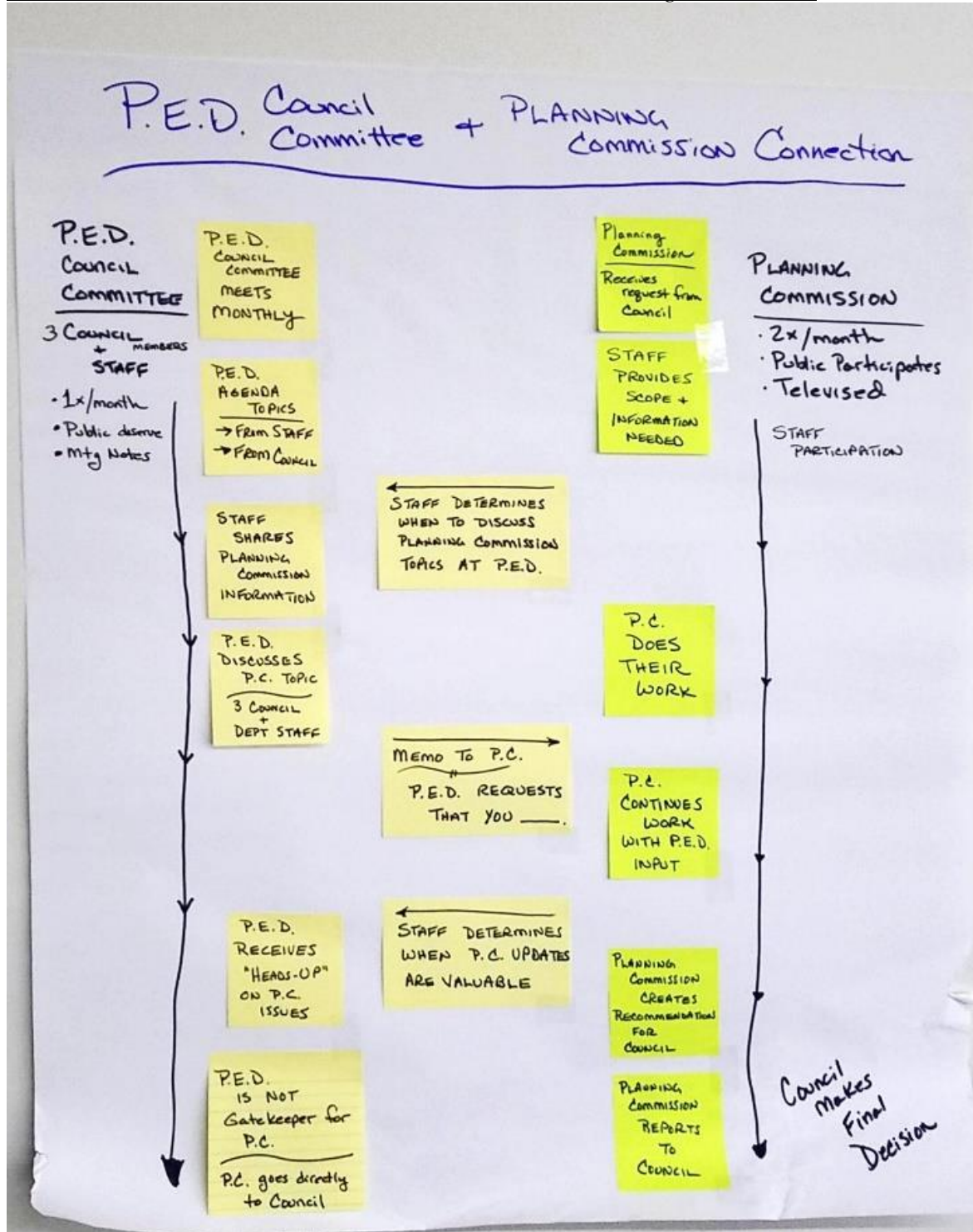
- Assure you are not replicating a Council Meeting or other Council Forums. A strength and benefit to the Kirkland structure is the multiple options provided to their City Council Members for information and discussion. (i.e. Council meetings, retreats, study sessions)
- Lean is about Balance = Go Slow to Go Fast: Consider terms used in Myers-Briggs = there are Judgers (who like to close projects and then move on) and there are Perceivers (who like to have lots of projects open and not close them to keep possibilities open). Balance in the middle is good = Kirkland is the City of new possibilities for improvement and yet it seems that your desire to understand the detailed facts and do lots of things could impact your ability to be efficient and effective in your priorities.
- Major strength is your City Manager's Office = highly skilled, respected managers who know the City's history, core values, and how to implement successful change. Restructuring for efficiency and effectiveness today will serve the City well going into the future.
- Council Members need to be prudent about what they ask = staff is respectful and responsive, therefore will go above and beyond to meet Council requests. Best practice would be for Council to create a method to identify high priority items from simple inquisitive requests.
- City staff appreciates interaction and relationship building opportunities with City Council Members. Finding ways to expand those opportunities will prove beneficial by increasing the "speed of understanding and trust" thereby increasing the efficiency and effectiveness of work.
- Clarify the roles and expectations of Boards & Commissions to eliminate duplication, increase members participation, and reduce frustration.
- Consider structuring future committees or alternative Council forums to encourage system-wide understanding rather than creating silos within the organization.

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<sup>2</sup> Gemba means to go-to-the-source or go-to-the-work. This in-person observation allows leaders to see the difference between what they assumed is happening and what is actually happening. It also gives them a chance to interact with the people doing the job and see exactly where it is done, as opposed to imagining it from a far-away conference room.



## Key Maps Created:

Connection between PED Council committee and the Planning Commission



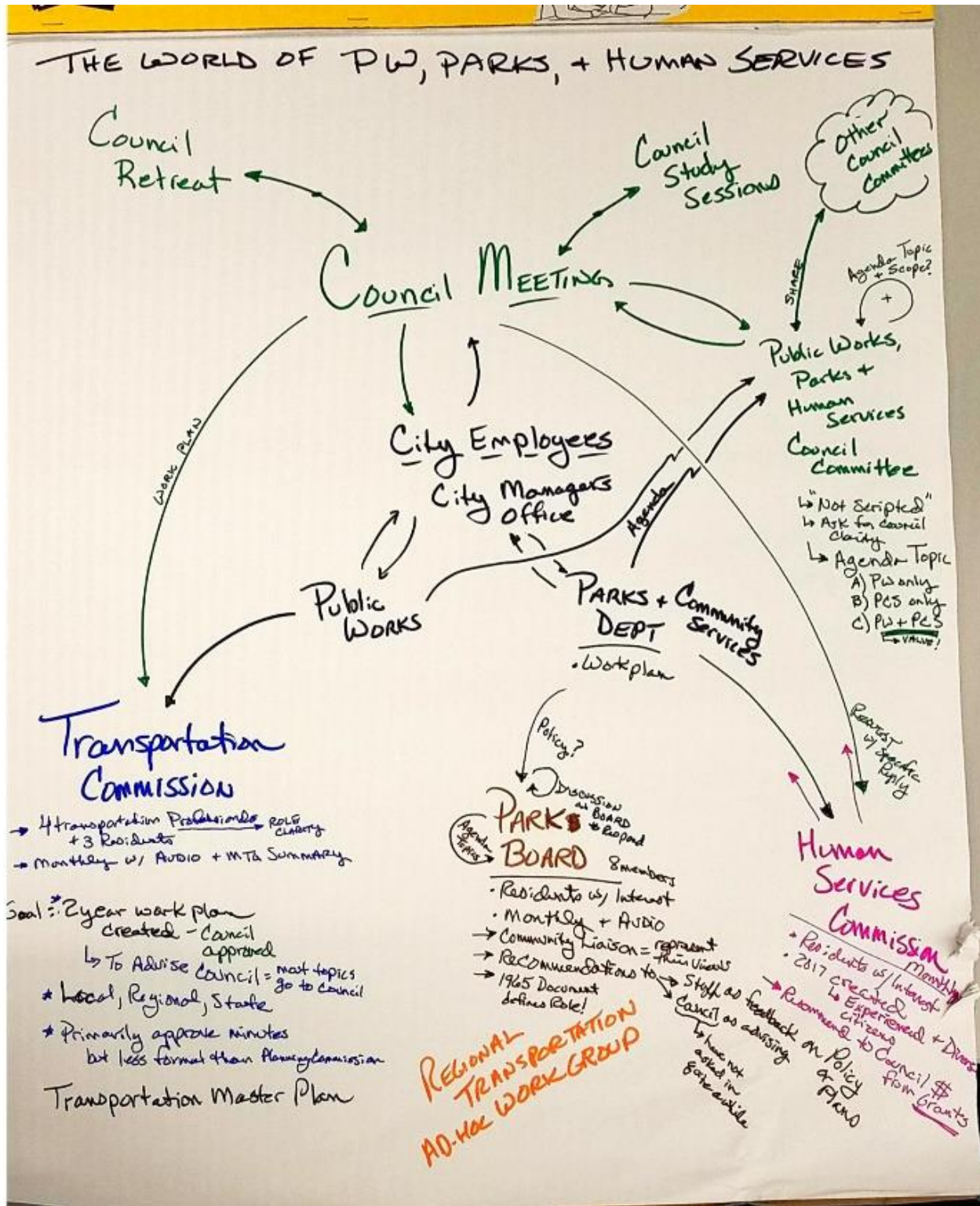
**Council Meeting** (7 members)

- Council Retreats** 2x/year (7 members)
- Council Study Session** (7 members)
  - 1hr + Before Council Mtg + 1 topic w/ Experts to Present (24/year)
- OTHER COUNCIL COMMITTEES** (SHARE)
- P.E.D. Council Committee** (MONTHLY)
  - \*Support Staff Required
  - Formal Agenda
  - Facilitated Discussion
  - Minutes Captured
- City Employees**
  - City Mgmt
  - City Depts
- Planning Commission**
  - 2x/month (1st & 3rd Wed)
  - Televised
  - Public Invited + Participatory
  - \*Support Staff Required
  - Legislative Role
  - Code Development, Rezoning, Etc.
  - Policy + Rule Focused
  - Future Looking (?change Needed?)
- Design Review Board**
  - 7 Council Appointed Professionals
  - 2x/month (1st & 3rd Monday)
  - Audio Recorded
  - Public Invited + can comment
  - REVIEW PROJECTS FOR COMPLIANCE TO DESIGN RULES + GUIDELINES
  - Current Focus (X=Y)
  - \*Support Staff Required
- Hearings Examiner**
  - 3rd party vendor
  - Audio Recording
  - Appeals
  - Master Plan Hearing for Council to make recommendations
  - \*Support Staff Required
- Node** (options for more work, R. Piles)
- VALUE:**
  - Educate 3 Council Member w/ details
  - Get insights from 3 Council Members
  - Home message for Council Presentation to + Mtg efficiency
  - "Sounding board" for judgment call

- Educate 3 Council Member w/ details
- Get insights from 3 Council Members
- Home message for Council Presentation to ↑ Mtg efficiency
- "Sounding board" for judgement call



How Public Works, Parks & Human Services connects to the City structure (mind mapping)



Other maps were captured but were not meaningful enough to add value to this document.





**CITY OF KIRKLAND**  
**City Manager's Office**  
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**[www.kirklandwa.gov](http://www.kirklandwa.gov)**

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## **MEMORANDUM**

**To:** Tracey Dunlap, Deputy City Manager  
**From:** Andreana Campbell, Management Analyst  
**Date:** August 6, 2019  
**Subject:** COUNCIL COMMITTEE STANDARDIZATION

### **RECOMMENDATION:**

Review practices of the four Council Committees for opportunities to standardize. Staff evaluated how agendas and minutes are composed, how minutes are reviewed and disseminated, and how staff leverages the City's website to provide this information to the public.

### **BACKGROUND DISCUSSION:**

One observation from the SWOT analysis discussed at the March 1, 2019 Council Retreat was a general need for consistency in committee business practices. Over time, as new committees were added, and new senior staff were hired, the support for each committee changed. To leverage the opportunity of these changes, staff reviewed the current committee processes by attending a series of committee meetings and worked with staff members that support the committees to discuss areas of suggested improvement.

Among the four committees, three major themes presented areas with room for standardization: how agendas and minutes are composed, how minutes are reviewed and disseminated, and how staff leverages the City's website to provide this information to the public.

**Agenda Composition:** Attachment 1 summarizes practices of the committees. All committees' agendas show consistency in their informational content such as location, time, and date. However, staff recommends a templated agenda (Attachment 2) that all committees use to improve standardization among the following: outstanding items, items to monitor, future potential topics, emerging topics, and future agenda items. Committees can reduce future deviation, inconsistency, and redundancy by using the suggested agenda. Staff also recommends all committees meet in the Rose Hill Room as it allows easy access for the public, and adequate space for many people to attend. It is noteworthy that there have been very few occasions where the public has attended committee meetings and it has been limited to a few individuals.



**Minutes Composition:** Similar to the agendas, committees' minutes show standardization in their informational content such as: name, location, time, date, attendees, agenda items, and action items. Areas to improve upon are: listing informational items and upcoming items, appending packet items to the minutes, to the agenda, or entirely separate, and action versus detailed minute taking.

The Planning and Economic Development Committee is a good example of capturing action minutes as they do not use the agenda items column to take notes or capture discussions that took place during meetings, as the other three committees do. Staff recommends using the templated agenda (Attachment 3) to avoid differences in minutes composition, and that the minute taker only record what action is to be taken when composing the minutes. If notes must be captured, a separate document should be used.

**Minutes Review:** Follow up meetings with committee staff shed light on the differences in what committees do with their minutes once drafted. The Planning and Economic Development Committee, and the Public Works, Parks, and Human Services Committee have their respective presenters review the minutes before the final draft is reviewed by each committee's applicable Director. The Public Safety Committee and the Finance Committee only have the applicable Director/Deputy City Manager review the minutes. Staff recommends only sending out the minutes to the applicable Director/Deputy City Manager for review, rather than sending them to the presenters as well. If action minutes are being taken, there should not be a need for the critique of the presenters. This will reduce the time between drafting and reviewing minutes, and posting minutes to the City's website.

**Minutes Dissemination:** After the minutes are approved, staff sends a copy to all attendees of the meeting (including Councilmembers). However, the Planning and Economic Development Committee, the Finance and Administration Committee, and the Public Safety Committee disseminate their minutes to the full Council. Instead of recommending that committee staff send minutes to each Councilmember, staff recommends that all Councilmembers are simply made aware when a committee posts their finalized minutes to the City's website.

Staff also recommends attaching packet items to the minutes instead of the agenda as it allows for more flexibility in last minute changes or additions to materials presented. This is the practice currently employed by the Public Safety Committee, and the Public Works, Parks, and Human Services Committee. The Finance and Administration Committee append theirs to the agenda, and the Planning and Economic Development Committee post theirs entirely separate of their agenda and minutes.

**Website:** Staff efficiently leverages the City's council committees' webpage to provide the public with applicable information. However, among the four committees' webpages there is a need for standardization among the following:

- Listing which Councilmembers are members of which committee
- Chronologically organizing past meetings in order of oldest to newest
- Listing potential future topics
- Signifying when a past meeting was cancelled, and no agenda was posted



As part of the review of current committee practices, a rough estimate of staff time spent preparing for and attending committee meetings was prepared and is included as Attachment 4. In an attempt to reflect an average monthly cost of each committee, an attendance factor was applied to normalize cost for staff that only attended occasionally across one year.



	Planning & Economic Development	Finance and Administration	Public Works, Parks & Human Services	Public Safety
Location	Norkirk	Norkirk	Rose Hill	Rose Hill
Time	3:00pm	9:00am	9:30am	8:30am
Day	Monday	Tuesday	Friday	Thursday
<b>1. Agenda</b>	<b>PED</b>	<b>F&amp;A</b>	<b>PWPKHS</b>	<b>PS</b>
COK Header	Yes	No	No	No
Committee Name	Yes	Yes	Yes	Yes
Date	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes
Location	Yes	Yes	Yes	Yes
Call in Number	Yes	N/A	N/A	N/A
Presenters Listed	Yes	No	Yes	No
Time Allotment	No	Yes	Yes	Inconsistent
Next Meeting Date	Yes	Yes	Yes	N/A
Informational Items	Yes	Yes	Yes	N/A
Outstanding Items	N/A	N/A	Yes	Yes
Upcoming Items - Committee	Yes	Yes	Yes	N/A
Upcoming Items - Council	Yes	Yes	N/A	N/A
Periodic Updates	N/A	N/A	N/A	Yes
Tabled Items	N/A	N/A	Yes	Yes
Potential Future Topics	Yes	N/A	Yes	N/A
Items to Monitor	N/A	N/A	Yes	N/A
Emerging Issues	N/A	N/A	Yes	N/A
Separate Agenda Item Tracking	Yes	Yes - Dashboard	Yes	Yes - Dashboard
Future Agenda Items	Yes	Yes	N/A	N/A
<b>2. Minutes</b>	<b>PED</b>	<b>F&amp;A</b>	<b>PWPKHS</b>	<b>PS</b>
Type	Action	Action	Detailed	Action
COK Header	Yes	No	No	No
Committee Name	Yes	Yes	Yes	Yes
Date	Yes	Yes	Yes	Yes
Time	No	No	No	No
Location	No	No	No	No
Attendees	Yes	Yes	Yes	Yes
Agenda Items	Yes	Yes	Yes	Yes
Action Items	Yes	Yes	Yes	Yes
Informational Items	Yes	N/A	N/A	N/A
Upcoming Items - Council	Yes	Yes	N/A	N/A
Upcoming Items - Committee	N/A	N/A	Yes	N/A
Next Meeting	Yes	Yes	N/A	Yes
Potential Future Topics	Yes	Yes	N/A	N/A
Attachments Included	No	No	No	Yes
Other Items	N/A	Yes	N/A	N/A
Review	Director/Presenters	Director/Deputy City Mgr.	Director/Presenters	Director/Deputy City Mgr.
Dissemination to Full Council	Yes	Yes	No	Yes
<b>3. Website</b>	<b>PED</b>	<b>F&amp;A</b>	<b>PWPKHS</b>	<b>PS</b>
Description	Yes	Yes	Yes	Yes
Members	Yes	Yes	Yes	N/A
Meeting Info	Yes	Yes	Yes	Yes
Dashboard	No	Yes	No	Yes
Potential Future Topics	Yes	N/A	N/A	N/A
Grid	Yes	Yes	Yes	Yes
Chronological	New to Old	Old to New	Old to New	Old to New
Link to Past Years' Packets	Yes	Yes	Yes	Yes



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**Agenda****Committee Name****Date****Start and End Time****Location****Meeting Room Call-in Number****Agenda Item****Staff****Time**

1. Topic A

Staff A

X mins

2. Topic B

Staff B

X mins

3. Topic C

Staff C

X mins

**Next Meeting Date:** MM/DD/YYYY**Upcoming Agenda Items:**



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**Minutes****Committee Name****Date****Start and End Time****Location****Meeting Room Call-in Number****Attendance:**

<b>Topic</b>	<b>Action</b>
Topic A	
Topic B	
Topic C	

**Next Meeting Date:** MM/DD/YYYY



<b>Public Safety Council Committee</b>					
These were the attendees of the last 10 meetings held (May 2018-June 2019).					
Core attendee = attended at least 1/2 of the meetings.					
Cost = (loaded rate of each employee x length of the meeting) x average meeting attendance.					
Example: The City Attorney attended 6/10 meetings, so (\$172 x 1.5) x .6					
Attendance Factor = Cost Est./loaded rate of each employee/length of meeting					
Item	Time (hours)	Position	Hourly Loaded Rate	Attendance Factor	Cost Est.
<b>Meeting Prep/Post</b>					
Draft Agenda Items	0.25	Deputy City Manager	\$ 182.27		\$ 45.57
Post Final Agenda Online	0.50	Executive Assistant	\$ 81.64		\$ 40.82
Draft Minutes	1.00	Executive Assistant	\$ 72.44		\$ 72.44
Prepare Presentation(s)	1.00	Presenters*	\$ 377.43		\$ 377.43
Review Draft Minutes	0.50	Deputy City Manager	\$ 182.27		\$ 91.14
Post Final Packet Online	0.50	Executive Assistant	\$ 72.44		\$ 36.22
<b>Total:</b>	<b>3.75</b>				<b>\$ 663.62</b>
<b>Public Safety Meeting</b>					
<b>Core Attendees</b>	1.50	City Manager	\$ 222.24	100%	\$ 333.36
	1.50	Deputy City Mgr.	\$ 182.27	100%	\$ 273.41
	1.50	Fire Chief	\$ 171.75	80%	\$ 206.10
	1.50	Deputy Fire Chief**	\$ 150.31	150%	\$ 338.19
	1.50	Executive Assistant	\$ 72.44	100%	\$ 108.66
	1.50	Chief of Police	\$ 172.99	90%	\$ 233.54
	1.50	Police Captain***	\$ 157.51	120%	\$ 283.52
	1.50	Sr. Financial Analyst	\$ 94.62	70%	\$ 99.35
	1.50	City Attorney	\$ 172.99	60%	\$ 155.69
	1.50	Emergency Mgmt. Supervisor	\$ 126.52	70%	\$ 132.85
	1.50	Animal Control Officer	\$ 68.73	50%	\$ 51.55
<b>Total:</b>	<b>16.50</b>				<b>\$ 2,216.20</b>
<b>Occasional Attendees</b>	1.50	Director Finance	\$ 168.32	40%	\$ 100.99
	1.50	Sr. Asst. City Attorney	\$ 140.05	10%	\$ 21.01
	1.50	Sr. Project Engineer	\$ 115.26	10%	\$ 17.29
	1.50	Capital Projects Supervisor	\$ 120.09	10%	\$ 18.01
	1.50	Capital Projects Mgr.	\$ 138.35	20%	\$ 41.51
	1.50	Emergency Preparedness Coord.	\$ 86.66	10%	\$ 13.00
	1.50	Deputy Director PW	\$ 147.61	10%	\$ 22.14
	1.50	Lieutenant	\$ 93.84	20%	\$ 28.15
	1.50	Fire Marshall	\$ 142.80	30%	\$ 64.26
	1.50	EMS Captain	\$ 128.52	40%	\$ 77.11
	1.50	Director Human Resources	\$ 165.40	10%	\$ 24.81
	1.50	Human Resource Analyst	\$ 87.21	10%	\$ 13.08
	1.50	Neigh. Svcs. Outreach Coord.	\$ 96.90	10%	\$ 14.54
	1.50	Director PKCS	\$ 172.99	10%	\$ 25.95
	1.50	Corrections Mgr.	\$ 73.24	10%	\$ 10.99
	1.50	Muni. Court Judge	\$ 153.10	20%	\$ 45.93
	1.50	Court Administrator	\$ 122.62	20%	\$ 36.79
	1.50	Police Officer	\$ 88.62	10%	\$ 13.29
	1.50	Sr. Planner	\$ 100.12	20%	\$ 30.04
	1.50	Director PW	\$ 167.81	10%	\$ 25.17
<b>Total:</b>	<b>30.00</b>				<b>\$ 644.05</b>
Meeting Total	46.50				\$ 2,216.20
<b>Totals</b>	<b>50.25</b>				<b>\$ 3,523.87</b>
*As presenters vary for each meeting: (average number of presenters for the last 10 meetings x average loaded rate of occasional attendees) x average amount spent preparing materials. (3)/(\$125.81)(1)					
**There were two Deputy Fire Chiefs at 6/10 meetings, and at least one attended 9/10 meetings, so attendance factor is 150%					
***There were two Police Captains at 6/10 of the meetings, so attendance factor is 120%					



<b>Public Works, Parks &amp; Human Services Council Committee</b>					
These were the attendees of the last 10 meetings held (June 2018-May 2019).					
Core attendee = attended at least 1/2 of the meetings.					
Cost = (loaded rate of each employee x length of the meeting) x average meeting attendance.					
Example: The City Attorney attended 2/10 meetings, so (\$172 x 1.5) x .2					
Attendance Factor = Cost Est./loaded rate of each employee/length of meeting					
Item	Time (hours)	Position	Hourly Loaded Rate	Attendance Factor	Cost Est.
<b>Meeting Prep/Post</b>					
Draft Agenda Items	0.75	Admin Assistant	\$ 72.44		\$ 54.33
Review Agenda Items	0.50	Director PW	\$ 167.81		\$ 83.91
	0.50	Director PKCS	\$ 172.99		\$ 86.50
	0.50	Committee Chair			
Send Agenda to Staff	0.58	Admin Assistant	\$ 72.44		\$ 42.02
Send Agenda to CCMs	0.58	Admin Assistant	\$ 72.44		\$ 42.02
Post Final Agenda Online	0.58	Admin Assistant	\$ 72.44		\$ 42.02
Meeting Room Setup	0.58	Admin Assistant	\$ 72.44		\$ 42.02
Prepare Presentation(s)	1.00	Presenters*	\$ 376.88		\$ 376.88
Compile Attachments	1.00	Admin Assistant	\$ 72.44		\$ 72.44
Draft Minutes	1.25	Admin Assistant	\$ 72.44		\$ 90.55
Review Draft Minutes	0.75	Director P&B	\$ 162.67		\$ 122.00
Post Final Packet Online	0.58	Admin Assistant	\$ 72.44		\$ 42.02
<b>Total:</b>	<b>9.15</b>				<b>\$ 871.94</b>
<b>PWPKHS Meeting</b>					
<b>Core Attendees</b>	1.50	Deputy Director PW	\$ 147.61	80%	\$ 177.13
	1.50	Deputy Director PKCS	\$ 132.46	100%	\$ 198.69
	1.50	Director PW	\$ 167.81	91%	\$ 228.81
	1.50	Director PKCS	\$ 172.99	100%	\$ 259.49
	1.50	Admin Assistant	\$ 72.44	100%	\$ 108.66
	1.50	City Manager	\$ 222.24	70%	\$ 233.35
	1.50	Park Planning & Dev. Mgr.	\$ 109.53	50%	\$ 82.15
	1.50	Sr. Financial Analyst	\$ 94.62	50%	\$ 70.96
<b>Total:</b>	<b>12.00</b>				<b>\$ 1,359.24</b>
<b>Occasional Attendees</b>	1.50	Dev. Engineer. Mgr.	\$ 112.53	30%	\$ 50.64
	1.50	Capital Projects Supervisor	\$ 120.09	30%	\$ 54.04
	1.50	Human Services Supervisor	\$ 102.04	10%	\$ 15.31
	1.50	Transportation Manager	\$ 128.11	20%	\$ 38.43
	1.50	Sr. Project Engineer	\$ 115.26	10%	\$ 17.29
	1.50	Chief of Police	\$ 172.99	10%	\$ 25.95
	1.50	Sr. Neigh. Svcs. Outreach Coord.	\$ 96.90	40%	\$ 58.14
	1.50	Water Quality Program Coord.	\$ 98.61	10%	\$ 14.79
	1.50	Surface Water Program Sup.	\$ 121.26	40%	\$ 72.75
	1.50	PW Office Specialist	\$ 58.96	20%	\$ 17.69
	1.50	Solid Waste Program Supervisor	\$ 96.84	30%	\$ 43.58
	1.50	Bld. Official	\$ 133.17	10%	\$ 19.98
	1.50	Capital Projects Mgr.	\$ 138.35	20%	\$ 41.51
	1.50	Sr. Asst. City Attorney	\$ 140.05	10%	\$ 21.01
	1.50	Director IT	\$ 168.32	10%	\$ 25.25
	1.50	Deputy City Mgr.	\$ 182.27	30%	\$ 82.02
	1.50	City Attorney	\$ 172.99	20%	\$ 51.90
	1.50	Parks Ops. Mgr.	\$ 116.46	10%	\$ 17.47
	1.50	Deputy Director Planning	\$ 130.21	10%	\$ 19.53
	1.50	Asst. City Mgr.	\$ 172.99	30%	\$ 77.85
	1.50	Recycling Program Coord.	\$ 85.21	10%	\$ 12.78
	1.50	Sr. Planner	\$ 100.12	20%	\$ 30.04
<b>Total:</b>	<b>33.00</b>				<b>\$ 807.93</b>
Meeting Total	45.00				\$ 2,167.17
<b>Totals</b>	<b>54.15</b>				<b>\$ 3,039.11</b>
*As presenters vary for each meeting: (average number of presenters for the last 10 meetings x average loaded rate of occasional attendees) x average amount spent preparing materials. (3)(\$125.63)(1)					



<b>Finance &amp; Administration Council Committee</b>					
These were the attendees of the last 10 meetings held (July 2018-June 2019).					
Core attendee = attended at least 1/2 of the meetings.					
Cost = (loaded rate of each employee x length of the meeting) x average meeting attendance.					
Example: The City Attorney attended 4/10 meetings, so (\$172 x 1.5) x .4					
Attendance Factor = Cost Est./loaded rate of each employee/length of meeting					
Item	Time (hours)	Position	Hourly Loaded Rate	Attendance Factor	Cost Est.
<b>Meeting Prep/Post</b>					
Draft Agenda Items	0.50	Admin Assistant	\$ 72.44		\$ 36.22
	0.50	Director Finance	\$ 168.32		\$ 84.16
Post Final Agenda Online	0.25	Admin Assistant	\$ 72.44		\$ 18.11
Prepare Presentation(s)	1.00	Presenters*	\$ 394.62		\$ 394.62
Gather Attachments	0.50	Admin Assistant	\$ 72.44		\$ 36.22
	0.50	Director Finance	\$ 168.32		\$ 84.16
Compile Attachments	0.25	Admin Assistant	\$ 72.44		\$ 18.11
Attachment Changes	0.25	Admin Assistant	\$ 72.44		\$ 18.11
	0.25	Director Finance	\$ 168.32		\$ 42.08
Re-Compile Attachments	0.50	Admin Assistant	\$ 72.44		\$ 36.22
Draft Minutes	1.00	Admin Assistant	\$ 72.44		\$ 72.44
Review Draft Minutes	0.25	Director Finance	\$ 168.32		\$ 42.08
	0.25	Deputy City Mgr.	\$ 182.27		\$ 45.57
Post Final Packet Online	0.50	Admin Assistant	\$ 72.44		\$ 36.22
Print/Distribute packets/Email Committee	0.30	Admin Assistant	\$ 72.44		\$ 21.73
Prepare/Review Routine Reports	1.00	Director Finance	\$ 168.32		\$ 168.32
<b>Total</b>	<b>7.80</b>				<b>\$ 1,154.37</b>
<b>Finance &amp; Administration Meeting</b>					
<b>Core Attendees</b>	1.50	City Manager	\$ 222.24	100%	\$ 333.36
	1.50	Deputy City Mgr.	\$ 200.50	100%	\$ 300.75
	1.50	Director Finance	\$ 168.32	80%	\$ 201.98
	1.50	Admin Assistant	\$ 72.44	100%	\$ 108.66
<b>Total:</b>	<b>6.00</b>				<b>\$ 944.76</b>
<b>Occasional Attendees</b>	1.50	Capital Projects Supervisor	\$ 120.09	10%	\$ 18.01
	1.50	Sr. Financial Analyst	\$ 94.62	20%	\$ 28.38
	1.50	Chief of Police	\$ 172.99	10%	\$ 25.95
	1.50	Director IT	\$ 168.32	10%	\$ 25.25
	1.50	Deputy Director PW	\$ 147.61	20%	\$ 44.28
	1.50	City Attorney	\$ 172.99	40%	\$ 103.80
	1.50	Director PKCS	\$ 172.99	10%	\$ 25.95
	1.50	Director PW	\$ 167.81	40%	\$ 100.69
	1.50	Solid Waste Program Supervisor	\$ 96.84	10%	\$ 14.53
	1.50	City Clerk	\$ 110.73	30%	\$ 49.83
	1.50	Financial Planning Mgr.	\$ 122.52	30%	\$ 55.14
	1.50	Police Captain	\$ 157.51	10%	\$ 23.63
	1.50	Customer Service Program Lead	\$ 82.64	20%	\$ 24.79
	1.50	Deputy Director IT	\$ 144.82	10%	\$ 21.72
	1.50	Executive Assistant	\$ 81.64	30%	\$ 36.74
	1.50	Deputy Director Finance	\$ 140.92	10%	\$ 21.14
	1.50	Accounting Mgr.	\$ 117.48	10%	\$ 17.62
<b>Total:</b>	<b>25.50</b>				<b>\$ 637.44</b>
Meeting Total:	31.50				\$ 1,582.20
<b>Total:</b>	<b>39.30</b>				<b>\$ 2,736.57</b>
*As presenters vary for each meeting: (average number of presenters for the last 10 meetings x average loaded rate of occasional attendees) x average amount spent preparing materials. (3)(\$131.54)(1)					



<b>Planning &amp; Economic Development Council Committee</b>					
These were the attendees of the last 10 meetings held (June 2018-June 2019).					
Core attendee = attended at least 1/2 of the meetings.					
Cost = (loaded rate of each employee x length of the meeting) x average meeting attendance.					
Example: The City Attorney attended 2/10 meetings, so (\$172 x 1.5) x .2					
Attendance Factor = Cost Est./loaded rate of each employee/length of meeting					
Item	Time (hours)	Position	Hourly Loaded Rate	Attendance Factor	Cost Est.
<b>Meeting Prep/Post</b>					
Draft Agenda Items	0.50	Office Specialist	\$ 58.96		\$ 29.48
Post Final Agenda Online	0.50	Office Specialist	\$ 58.96		\$ 29.48
Gather Attachments	0.25	Office Specialist	\$ 58.96		\$ 14.74
Prepare Presentation(s)	1.00	Presenters*	\$ 133.36		\$ 133.36
Attachment Changes	0.25	Office Specialist	\$ 58.96		\$ 14.74
Re-Compile Attachments	0.50	Office Specialist	\$ 58.96		\$ 29.48
Draft Minutes	1.00	Office Specialist	\$ 58.96		\$ 58.96
Review Draft Minutes	1.00	Director P&B	\$ 162.67		\$ 162.67
Post Final Packet Online	0.50	Office Specialist	\$ 58.96		\$ 29.48
<b>Total:</b>	<b>5.50</b>				<b>\$ 502.39</b>
<b>PED Meeting</b>					
<b>Core Attendees</b>	1.50	Deputy Planning Director	\$ 130.21	70%	\$ 136.72
	1.50	Intergovt./Econ. Dev. Mgr.	\$ 131.58	60%	\$ 118.42
	1.50	City Manager	\$ 222.24	90%	\$ 300.02
	1.50	Senior Planner	\$ 100.12	140%	\$ 210.25
	1.50	Office Specialist	\$ 58.96	100%	\$ 88.44
<b>Total:</b>	<b>7.50</b>				<b>\$ 853.86</b>
<b>Occasional Attendees</b>	1.50	Asst. City Manager	\$ 172.99	20%	\$ 51.90
	1.50	Planner	\$ 84.54	10%	\$ 12.68
	1.50	Director P&B	\$ 162.67	30%	\$ 73.20
	1.50	City Attorney	\$ 172.99	20%	\$ 51.90
	1.50	Deputy Public Works Director	\$ 147.61	10%	\$ 22.14
	1.50	Finance Director	\$ 168.32	20%	\$ 50.50
	1.50	Senior Assistant City Attorney	\$ 140.05	20%	\$ 42.01
	1.50	Transportation Manager	\$ 128.11	10%	\$ 19.22
	1.50	Water Quality Programs Coordinator	\$ 98.61	10%	\$ 14.79
	1.50	Transportation Strategic Advisor	\$ 120.85	10%	\$ 18.13
	1.50	Building Official	\$ 133.17	10%	\$ 19.98
	1.50	Planning Manager	\$ 123.89	10%	\$ 18.58
	1.50	Special Projects Coordinator	\$ 91.90	10%	\$ 13.79
	1.50	Surface Water Supervisor	\$ 121.26	30%	\$ 54.57
<b>Total:</b>	<b>21.00</b>				<b>\$ 463.38</b>
Meeting Total	28.50				\$ 1,317.24
<b>Totals</b>	<b>34.00</b>				<b>\$ 1,819.62</b>
*As presenters vary for each meeting: (average number of presenters for the last 10 meetings x average loaded rate of occasional attendees) x average amount spent preparing materials. (3)(\$133.36)(1)					





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RE:  
Council Meeting: 01/02/2013  
Agenda: New Business Item  
#:11. a.

## MEMORANDUM

To: Kirkland City Council

From: Mayor Joan McBride, Deputy Mayor Doreen Marchione, Councilmember Dave Asher

Date: December 11, 2012

Subject: COUNCIL COMMITTEES

### RECOMMENDATION:

City Council considers a new Council Committee structure and recommended updates to the City Council Policies and Procedures.

### BACKGROUND DISCUSSION:

In order to provide broader policy review of City services by Council Committees, Deputy Mayor Marchione suggested that a committee that addressed public works matters be formed or added to an existing committee's responsibility. The Deputy Mayor raised this issue at the full Council and requested that the Housing Committee consisting of Mayor McBride, Deputy Mayor Marchione and Councilmember Dave Asher be authorized to explore the role and scope of Council committees and to make recommendations for potential changes to the full Council. The Council concurred with the suggestion and the Housing Committee had several discussions regarding responsibilities of all Council Committees. The Deputy City Manager was asked to assist in reviewing the current configuration and related policies and to draft a proposal for new Council Committee assignments and policies. The Housing Committee reviewed several options at the December 11, 2012 committee meeting and made a preferred recommendation to the Council. This memo presents the current configuration and policy and also provides the recommendation from the Housing Committee for realignment and clarification.

### CURRENT COMMITTEES AND POLICIES

There are currently five standing Council Committees:

- Finance
- Public Safety
- Housing
- Economic Development
- Legislative



From time to time, the City Council forms ad hoc committees to address special or time-limited subjects (e.g. Ethics, Community Survey). Ad hoc committees are disbanded when they complete their task.

The following excerpt from the City Council Policies and Procedures describes the appointment process for Council Committees:

### *3.8 City Council Committee Appointments*

#### *Committee Appointments Procedure*

*Prior to the end of each year, City Council member should let the Mayor know about their interests in serving on the various City Council and regional committees. The Mayor and Deputy Mayor will then meet to consider committee appointments and they will develop a recommended list of committee appointments. This list of recommended appointments will then be presented at the first City Council meeting in January for Council's consideration at which time the committee appointments will be made.*

*If a vacancy should occur during the year, this appointment opportunity should be announced at a Council meeting. Those Council members that are interested in filling this position should let the Mayor know before the next City Council Meeting. The Mayor and Deputy Mayor will make a recommendation for City Council's consideration to fill this vacancy at that following Council meeting.*

A current roster of Council Committee and regional appointments is included as Attachment A to this memo.

### Recommended Changes to Committees and Policies

The purpose of the Council Committee realignment is to assure that all City functions have a committee available to review policy issues and provide initial feedback to staff prior to presentation to the full Council. The Housing Committee is recommending that the full Council consider the Council Committees presented below. The recommended structure keeps the same total number of committees that exists now, but changes the scope of responsibilities:

- Adds responsibilities to Finance to include other administrative functions
- Changes the Economic Development Committee to include Planning, Housing and Economic Development
- Changes the Housing Committee to Public Works, Parks and Human Services.

The following table compares the current committee configuration to the recommended configuration.

<b>Current Standing Committees</b>	<b>Recommended Standing Committees</b>
Finance	Finance and Administration
Public Safety	Public Safety
Legislative	Legislative
Economic Development	Economic Development, Planning and Housing
Housing	Public Works, Parks and Human Services



Details of the proposed structure are shown in the table below.

### RECOMMENDED COUNCIL COMMITTEES

<b>Committee/Topic Areas</b>	<b>Primary Staff</b>	<b>Council Members and <i>Chair</i></b>
<b>Finance and Administration</b> -Finance and budget -Utility rates -Human Resources and Performance Management -Technology -Public Records -Council Policies and Procedures	<i>Tracey Dunlap</i>	<i>Amy Walen, Joan McBride, Doreen Marchione</i>
<b>Public Safety</b> -Police -Fire and Emergency Medical Services -Municipal Court -Emergency Management -Code Enforcement	<i>Marilynne Beard</i>	<i>Penny Sweet, Dave Asher, Toby Nixon</i>
<b>Legislative</b> -State and federal legislative agenda and monitoring -Liaison with state and federal elected officials	<i>Lorrie McKay</i>	<i>Joan McBride, Dave Asher, Doreen Marchione</i>
<b>Economic Development, Planning and Housing (formerly Economic Development)</b> -Business retention and recruitment -Business Roundtable -Tourism -Events -Development services (permitting) -Long range planning -Housing	<i>Eric Shields/Ellen Miller-Wolfe</i>	<i>Bob Sternoff, Amy Walen, Doreen Marchione</i>
<b>Public Works and Parks (formerly Housing)</b> -Public Works operations and CIP -Parks Operations and CIP -Parks planning -Environment -Utilities -Facilities and fleet -Human Services	<i>Ray Steiger/Jenny Schroder</i>	<i>Doreen Marchione, Joan McBride, Dave Asher</i>



### Council Policies and Procedures

The current policy describes the appointment process for Council Committees. The description in the policy is somewhat at odds with current practice and inconsistent in its authorizing process.

Current language calls for the City Council to advise the Mayor of their respective interests prior to the end of each year. The Mayor and Deputy Mayor then develop a recommended list of appointments which is presented to Council at the first meeting in January for consideration ". . . at which time the committee appointments will be made."

This language infers that committee appointments are made every year (for one year). As a matter of practice, committee appointments have been considered two-year appointments unless a vacancy occurs on a committee. Committee appointments are generally made at the second meeting of the year. In years when a Mayor is selected, it would be difficult to select a Mayor (scheduled to take place the first meeting in January) and to make committee appointments the same night.

The Housing Committee recommends that the Council Policies and Procedures be updated to clarify that committee appointments are made for two years and occur in the same year that the Mayor is chosen at the second Council meeting of the year. Given the proposed change in the Council Committees, the Housing Committee recommends that Council members that wish to change their committee assignments for 2013 notify the Mayor of their preferred assignment for 2013.

### Council Liaisons

In a recent email, Councilmember Sternoff suggested that Council liaisons be appointed for the City's boards and commissions. The purpose would be to provide a more efficient communication link between the Council and the Boards and Commissions.

Currently, The Mayor and Deputy Mayor meet quarterly with the Chair and Vice-Chair of the Planning Commission, an arrangement initiated by the Planning Commission. There are thirteen total boards and commissions in Kirkland (including the Youth Council and Senior Council). To limit the additional time commitment for Councilmembers, the Council may want to consider liaisons only for boards and commissions whose role is to make policy recommendations to the City Council (i.e. Planning Commission, Parks Board, Human Services Advisory Committee, and Transportation Commission). Another option is to align boards and commissions within the new Council committee structure (e.g. the Parks Board would align with the Public Works and Parks Committee) with the chair of the committee would act as the liaison. As a final option, the Council can continue to coordinate through staff on an as-needed basis, with joint meetings held as needed.

The Housing Committee recommends that the City Council not appoint liaisons at this time, but discuss this idea at a later time such as the City Council retreat. They did suggest that another joint meeting between the City Council and the Chairs of all of the City boards and commissions might be beneficial.



### Other Recommendations

The Housing Committee agreed that the role of Council Committees should be clarified as to their purpose and relationship to the full Council process. They also discussed the importance of following through on items referred from the full Council to a committee. Staff should keep track of items referred to a committee and work with the Committee Chair on a report back to the full Council under Council Reports.

### Summary of Recommendations and Next Steps

The Housing Committee recommends that the Council takes the following actions and follow-up:

1. Update the City Council Policies and Procedures to:
  - a. Adopt the recommended Council Committees contained in this memorandum.
  - b. Clarify the role of the Council Committees.
  - c. Clarify that committee appointments will be made for two year terms in the same year that a Mayor is appointed and at the second meeting in January.
2. Allow Councilmembers to request changes to committee assignments for 2013 given the change in committee structure.
3. Discuss the topic of Council liaisons and a joint meeting between the City Council and board and commission chairs at a later time such as the Council retreat.
4. Monitor issues referred to the committees from the full Council to assure that the committee chair reports back on the committee's discussion and recommendation at a regular meeting to allow further Council discussion.

With Council's concurrence, staff will prepare a resolution for consideration by Council making the desired changes to the Council Policies and Procedures.



## COUNCIL COMMITTEE ASSIGNMENTS 2012

City Standing Committees:

Finance	Doreen, Joan, Amy (last Tues, 9:00 am)
Public Safety	Dave, Toby, Penny (3 <sup>rd</sup> Thursday, 7:30 am)
Legislative	Dave, Doreen, Joan (wkly in session; as needed after)
Tourism Development	Penny (as needed)
Disability Board	Joan, Penny (3 <sup>rd</sup> Tuesday, 4:30 pm)
City/School District Coordinating Committee	Joan, Amy (Quarterly)
Economic Development	Doreen, Bob, Amy (2 <sup>nd</sup> Mon, 4:00 pm)
Housing Committee	Doreen (chair), Joan (1 <sup>st</sup> Tues, 4:30 pm)
Ethics Committee	Dave, Doreen, Toby (as needed)
Community Survey Committee	(as needed)

City Task Forces:

I-405 Advisory	(inactive)
Solid Waste/HTS	(inactive)
Active Living	(inactive)

Liaison Positions:

Bridle Trails Park Foundation	Dave (possibly inactive)
Senior Council	(inactive)

Regional Committees:

AWC Legislative	Dave, Doreen
Law & Justice	Dave
WRIA 8	Joan
Cascade Water Alliance	Penny, Doreen (A)
enterpriseSeattle Board	Bob
Sound Transit Board	
ST Finance Committee	
ETP	Dave, Amy (Joan A)
Eastside Human Services Forum Board	Joan
Jail Oversight Assembly:	Bob
MWSMAC	Joan
MIDD	Dave
King Co Conservation Dist. Adv.	Joan
King Co Flood Control Advisory Bd.	Joan
King Co Committee of End Homelessness	Doreen
King Co School Siting Task Force	Bob
King Co Regional Transit Committee	Bob, vice chair
ICLEI	Joan

Suburban Cities Regional Committees:

SCA Board of Directors	Bob, vice president
SCA Public Issues Committee	Amy
Growth Management Planning Council	Bob
Puget Sound Regional Council	
Executive Board	Bob
Economic Development Dist. Bd.	Dave
Regional Transit	Bob
Growth Mgmt Policy Bd	Bob, SCA caucus chair
Transportation Policy Bd	Amy (A)
EMAC	Penny