



# CITY OF KIRKLAND CITY COUNCIL

Penny Sweet, Mayor • Jay Arnold, Deputy Mayor • Neal Black • Kelli Curtis  
Amy Falcone • 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, November 17, 2020 5:30 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.

**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. 2021-2022 Budget
- b. 2021-2026 Capital Improvement Program

### 4. *HONORS AND PROCLAMATIONS*

- a. Shop Small Saturday Proclamation

### 5. *COMMUNICATIONS*

- a. *Announcements*
- b. *Items from the Audience*
- c. *Petitions*

### 6. *PUBLIC HEARINGS*

- a. 2021-2022 Budget and 2021-2026 Capital Improvement Program Update

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

**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.

**\*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.

b. 2021 Preliminary Property Tax Levies

- (1) Resolution R-5451, Making a Declaration of Substantial Need for Purposes of Setting the Limit Factor for the Property Tax Levy for 2021
- (2) Ordinance O-4742, Establishing the Amount of Property Taxes to be Levied for the Year 2021, the First Year of the City of Kirkland's 2021-2022 Fiscal Biennium
- (3) Ordinance O-4743, Establishing the Amount of Property Taxes to be Levied for the Year 2021, to Pay the Fire District 41 Debt Service Assumed as a Result of Annexation of the North Juanita, Finn Hill, and Kingsgate Neighborhoods on June 1, 2011

7. *SPECIAL PRESENTATIONS*

a. COVID-19 Update

- (1) Kirkland Performance Center

b. Resolution R-5434 Update

8. *CONSENT CALENDAR*

a. *Approval of Minutes*

- (1) October 27, 2020
- (2) November 4, 2020

b. *Audit of Accounts*

c. *General Correspondence*

d. *Claims*

- (1) Claims for Damage

e. *Award of Bids*

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

- (1) Advance Mitigation Project

g. *Approval of Agreements*

h. *Other Items of Business*

- (1) Resolution R-5452, Authorizing the Use and Receipt of Electronic Signatures and Electronic Notarization in Conducting City Business and Authorizing the City Manager to Adopt Electronic Signature Policies and Procedures
- (2) Resolution R-5453, Adopting a Revised Policy for Investment of City Funds
- (3) Resolution R-5454, Adopting the Kirkland Bond Procedure and Post Issuance Compliance Policy Setting Forth the Policy of the City of Kirkland with Respect to Meeting its Obligations Under Federal Tax Law and Securities Law in Connection with its Securities
- (4) Resolution R-5455, Approving the City of Kirkland's Allocation for the North East King County Regional Public Safety Communications Agency (NORCOM) Budget
- (5) Resolution R-5458, Adopting a Revised Policy for the Management of the City's Debt
- (6) 2020 3<sup>rd</sup> Quarter Investment Report
- (7) September 2020 Financial Dashboard
- (8) Declaration of Surplus Vehicles
- (9) Procurement Report

9. *BUSINESS*

a. Executive Leave Draft Ordinance

- (1) Ordinance O-4744, Relating to Personnel, Management Leave for Eligible Employees and City Manager Discretionary Authority to Authorize Additional Management Leave for Eligible Employees Serving in Overtime-Exempt Positions Identified by the City Manager in the City Manager's Discretion for Use in 2021 Only Due to Extraordinary Additional Work Time Required in 2020 Resulting From COVID-19, Social Unrest, Economic Disruptions and Budget Challenges

b. 2021-2022 Budget

c. 2021-2026 Capital Improvement Program Update

- d. I-405/NE 132<sup>nd</sup> Street Interchange Agreements
  - (1) Resolution R-5456, Authorizing the City Manager to Execute Two Cooperative Agreements with the Washington State Department of Transportation for the Design-Build Construction and Project Coordination of the I-405/NE 132<sup>nd</sup> Street Interchange Project
- e. Sustainability Master Plan Final Update
  - (1) Draft Resolution R-5457, Adopting the Sustainability Master Plan
- f. 2020 Comprehensive Plan and Zoning Map Amendments

*10. REPORTS*

- a. *City Council Regional and Committee Reports*
- b. *City Manager Reports*
  - (1) Sound Cities Association Voting Delegates
  - (2) Calendar Update

*11. ITEMS FROM THE AUDIENCE*

*12. EXECUTIVE SESSION*

*13. ADJOURNMENT*

**ITEMS FROM THE AUDIENCE**

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

**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.



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Michael Olson, Director of Finance & Administration  
**Date:** November 12, 2020  
**Subject:** 2021-2022 BUDGET STUDY SESSION #3

### RECOMMENDATION:

City Council review and discuss follow-up items from the October 27<sup>th</sup> and November 4<sup>th</sup> study sessions on the Preliminary 2021-2022 Budget.

### BACKGROUND DISCUSSION:

The November 17<sup>th</sup> study session will be a continuation of the budget deliberations from the October 27<sup>th</sup> and November 4<sup>th</sup> study sessions.

A Council budget study session was held on October 27, 2020, at which time Council requested additional information on a number of topics relating to the 2021-2022 Preliminary Budget. These generally fell into one of the following broad categories:

- Potential Funding Additions
- Requests for Follow-up Information
- Potential 2021-2022 City Work Program Additions

### **Potential Funding Additions and Alternatives**

The Council discussed several potential additional 2021-2022 funding needs at the November 4<sup>th</sup> study session, as shown in the table below:

Item	2021	2022	Total
Human Services Optional Funding	240,306	240,306	480,612
CMO Outreach - retain 0.5 Communications FTE	61,000	61,000	122,000
Revenue Impact Study	-	50,000	50,000
Elimination of Electronic Home Detention Fees <sup>1</sup>	36,100	54,332	90,432
Diversity in Special Events	16,000	16,000	32,000
Diversity in Public Art	9,000	9,000	18,000
Median Maintenance	TBD	TBD	-
Increased Landscaping	TBD	TBD	-
Expanded Access to City Meetings	TBD	TBD	-
Public ROW Tree Maintenance	TBD	TBD	-
<b>TOTAL</b>	<b>362,406</b>	<b>430,638</b>	<b>793,044</b>

<sup>1</sup> At the October 27th study session, City Council inquired about home monitoring and criminal justice fees, expressing concern that the fees may be a deterrent to the use of these jail alternatives by low-income offenders. Electronic home detention fees are currently budgeted for \$36,100 per year in the base budget, with an additional \$18,232 in 2022 as part of service package 21PD02. The elimination of these fees would require an estimated \$90,432 of available General Fund cash to continue to provide the projected level of home detention use.

Staff will provide cost estimates for these TBD initiatives at the November 17<sup>th</sup> meeting.

### **Potential Funding Alternatives**

Per the discussion on November 4<sup>th</sup>, the City Manager and staff identified that the most likely funding for these potential initiatives would be unallocated General Fund cash. This amount is currently estimated to be \$1.07 million. As noted in the October 27<sup>th</sup> Council budget presentation, use of these funds will increase the estimated deficit of \$19.8 million in 2023-2024 by an equivalent amount. Councilmembers were also concerned with increasing the deficit and the need to stay fiscally conservative.

To address both Council goals of further targeted investment and fiscal restraint, staff will be proposing the following alternative funding options for Council consideration.

- **Create a Human Services Reserve (\$424,000):** Use \$424,000 of the revenues budgeted for police body worn cameras to create a human services reserve fund to be allocated by the Council in 2021. A robust community discussion and significant Council deliberation are necessary next year before deciding whether to acquire police body worn cameras. Implementation will not likely be until 2022 at the earliest. The preliminary budget includes \$424,000 in both 2021 and 2022 as well as an additional \$150,000 in start-up costs. Council could reprioritize \$424,000 from 2021 to a reserve that could provide \$212,000 in 2021 and \$212,000 in 2022 for human services. This would retain \$586,000 for body worn cameras in 2022. Council could allocate the funds in the first quarter of 2021 as recommended by the Human Services Commission or in response to other emerging needs such as rental assistance.
- **Eliminate Electronic Home Detention Fees (\$90,000):** Use \$90,000 of the \$250,000 set aside for city-wide R-5434 implementation to provide electronic home detention free of charge. Further analysis would be necessary, but this action should benefit low-income and historically disadvantaged offenders who might otherwise be detained in the jail. Funding alternatives to detention would be a tangible action consistent with the goal of R-5434 to help mitigate poverty-based structural racism in the criminal justice system. Income-based fees could reduce this overall cost.

- **Culturally Inclusive Events and Art (\$50,000):** R-5434 directs the City to evaluate arts and events in Kirkland to reinforce the City's commitment to being a safe, inclusive, and welcoming place for all people, with a focus on increasing awareness of and/or celebrating cultural, ethnic, and/or racial diversity. Staff proposes using \$50,000 of the \$250,000 set aside for city-wide R-5434 implementation to fund culturally inclusive events and art. Staff suggests allocating \$32,000 (\$16,000 in both 2021 and 2022) for events and \$18,000 (\$9,000 in both 2021 and 2022) for art. This action is another defined use of the unallocated funds and accomplishes a specific goal of R-5434.

If the Council concurs with the potential use of some of the R-5434 funds for electronic home detention and culturally inclusive events and art, there would still be \$110,000 for further initiatives defined by the R-5434 process.

<b>R-5434 City-Wide Implementation Uses</b>	
<b>Beginning Balance</b>	<b>250,000</b>
<b>Proposed Uses</b>	
Eliminate Electronic Home Detention Fees	90,000
Culturally Inclusive Events and Art	50,000
<b>Remaining Balance</b>	<b>110,000</b>

In addition, any unused portion of the \$1.07 million of General Fund cash would still be available if new R-5434 initiatives exceeded the remaining \$110,000.

#### *REET 2 for Street Maintenance*

Council has requested options for improving street landscaping and median maintenance. Staff suggests reserving \$250,000 in Real Estate Excise Tax (REET) 2 above projections as a pilot for this purpose. State law provides some flexibility to use REET in this manner, but there are certain restrictions. If Council concurs, staff would budget the REET 2 and then return to the Council in the first quarter of 2021 with specific projects or actions. If this pilot is successful, future budget could include similar proposals.

#### *2020 General Fund Cash*

There will also likely be additional General Fund cash identified when the 2020 fiscal year is closed out. Year-end cash results from revenues above projections and under expenditures for the fiscal year. The amount of available cash will not be known until approximately May of 2021. Staff suggest that the Council could prioritize the use of any 2020 General Fund cash as follows during the mid-biennial budget process in 2021:

- Replenish any of the \$1.07 million allocated by the Council in the final adopted budget;
- Replenish the R-5434 unallocated funds back to \$250,000 or for specific R-5434 actions;
- Reserve enough General Fund cash to keep the 2023 deficit at or below \$19.8 million;
- Invest any remaining 2020 General Fund cash in one-time expenditures only.

### **Request for Follow-up Information**

Follow-up materials requested by the City council at the previous study sessions will be distributed at the November 17<sup>th</sup> meeting. These include:

- Clearer guidelines and clarity on City functions included in the Human Services table.
- A budget comparison of the Kirkland Police Department, as a percentage of the General Fund, to neighboring cities.
- A specific description and definition of events that would be eligible for "Diverse Special Events" funding.
- Research into corporate sponsorship opportunities to fund diverse public art.
- Estimated costs and staff time needed for the first phase (initiation) of the body-worn camera pilot.

Additionally, staff will provide an update on the progress of these items:

- An analysis of regional tax funding that is invested in the City of Kirkland.
- Rough revenue estimates for each of the 2023-2024 revenue issue paper options. Council also discussed funding an equity tax burden study for these revenues in 2022

### **2021-2022 City Work Program - Draft**

The Council discussed both additions and revisions to the 2021-2022 City Work Program presented at the October 27<sup>th</sup> study session. The following list includes new suggested Work Program items from the October 27<sup>th</sup> meeting and amended items shown in track changes from the original proposal:

- Implement R-5434 elements such as non-commissioned emergency responders, Police transparency and accountability measures, and community-wide equity and inclusion programs to create a safer and more equitable Kirkland that increases the safety and respect of Black people and reduces systemic racism and poverty. (Council Goals: Public Safety, Neighborhoods, Human Services).
- Complete construction and open Fire Station 24 in Juanita with a cross-staffed crew of three firefighter/EMTs.
- ~~If Fire Proposition 1 passes,~~ Adopt an Fire and Emergency Medical Services ballot measure implementation plan, stockpile pandemic personal protective equipment, initiate hiring of new firefighter/EMTs, complete the design of new Fire Station 27 in Totem Lake, complete the design the renovation of Fire Station 22 in Houghton, and locate and complete a temporary fire station (Council Goals: Public Safety, Neighborhoods).
- ~~Identify and~~ In partnership with ARCH, initiate a permanent supportive housing project in Kirkland, implement an-significant affordable housing projects at the Kingsgate Park and Ride and other locations in the Totem Lake and Greater Downtown Urban Centers, Affordable Housing Initiatives in Kirkland and adopt and track affordable housing targets for the City (Council Goals: Housing, Neighborhoods).



- Complete actions and investments necessary to keep Kirkland residents, City staff and City facilities safe during the COVID-19 pandemic, support renewed economic activity, and prepare the City organization and the Kirkland community for recovery (Council Goals: Public Safety, Human Services, Neighborhoods, Dependable Infrastructure).
- Complete design and initiate construction of the Juanita Drive and 100<sup>th</sup> Avenue NE multi-modal transportation projects (Council Goals: Balanced Transportation, Dependable Infrastructure).
- Complete the Totem Lake Connector, Totem Lake Park, 132<sup>nd</sup> Square Park and continue capital investments to support growth throughout the City and the Totem Lake Urban Center (Council Goals: Economic Development, Balanced Transportation, Parks, Open Spaces and Recreational Services).
- Continue to Partner with Sound Transit, the State Department of Transportation and King County Metro Transit to ensure that investments along I-405 serve Kirkland's mobility needs (Council Goals: Balanced Transportation, Economic Development).
- Initiate city-wide outreach and planning efforts to update the Comprehensive Plan, the Transportation Master Plan and the Parks, Recreation and Open Space Plan to maintain the quality of life in Kirkland (Council Goals: All Goals).
- Develop an equitable, cost effective 2023-2024 balanced budget that ~~eliminates the structural funding gap while~~ reduces future deficits while investing in community priorities and retaining Kirkland's AAA credit rating (Council Goals: Financial Stability and All Goals).

There were additional suggestions from the Council to consider City Work Program initiatives around energy and the environment and implementing R-5240 to enable Kirkland to become a safe, inclusive and welcoming city. Staff will be seeking more input from the Council on identifying specific, measurable actions around these topics to be potentially included in the City Work Plan.

The 2021-2022 City Work Program will continue to be developed and refined in the upcoming months. A resolution adopting the City Work Program will come before the Council in January. Final adoption will occur in either January or February of 2021.

#### *Human Services and Related Activities Funding*

Human Services and related activities are currently shown in three places and in different amounts in the budget document. Programs totals appear in department budgets, in the Kirkland Quad Chart, and in the "Human Services Funding" table traditionally included with the budget. The Council requested alternatives to the current human services funding table to provide more clarity as the summary includes School Resource Officers and other Police funding. A potential new table with an explanation for Council review follows on the next page.

## CITY OF KIRKLAND HUMAN SERVICES AND RELATED ACTIVITIES FUNDING

Funding for Human Services and related activities is incorporated into a variety of operating and non-operating budgets. The following summary provides an overview of that funding for 2021-2022 by assigned area in the Kirkland Quad.

Program/Funding Source	2019-2020 Budget	2021-2022 Budget	Budgeted Department
Human Services Program grants (including CDBG) <sup>1</sup>	2,497,847	2,577,838	Parks & Comm. Svcs.
Prop 1: Women and Family Shelter Operations	106,634	200,000	Parks & Comm. Svcs.
Prop 1: Mental Health and Human Services Programs	373,219	420,000	Parks & Comm. Svcs.
Human Services Forum and Other Regional Programs	20,000	18,028	Parks & Comm. Svcs.
Human Services Coordination (including CDBG)	505,140	584,664	Parks & Comm. Svcs.
Prop 1: Mental Health and Human Services Program Coordination	-	280,000	Parks & Comm. Svcs.
Senior Center Operations	790,011	578,667	Parks & Comm. Svcs.
<b>People in Need Subtotal</b>	<b>4,292,851</b>	<b>4,659,197</b>	
WA HB 1406: Rental Assistance	-	423,336	Planning & Bldg.
A Regional Coalition for Housing (ARCH) <sup>2</sup>	1,320,574	1,486,561	Planning & Bldg.
Housing Initiative	-	150,000	Non-departmental
<b>Affordable Housing Subtotal</b>	<b>1,320,574</b>	<b>2,059,897</b>	
Community Safety Initiative: 4 Community Safety Responders	-	1,430,494	Non-departmental
Community Safety Initiative: Diversity and Inclusion Position/Initiative/Outreach	-	642,311	Non-departmental/CMO
Community Safety Initiative: Community Court Pilot	-	50,000	Municipal Court
<b>Inclusive &amp; Welcoming Community Subtotal</b>	<b>-</b>	<b>2,122,805</b>	
Community Safety Initiative: MIH-Funded Firefighter/EMT and Social Worker	-	648,376	Fire
<b>Fire &amp; Emergency Medical Services Subtotal</b>	<b>-</b>	<b>648,376</b>	
Domestic Violence Advocacy in the Police Department	904,742	996,089	Police
Prop 1: Mental Health Professional and Neighborhood Resource Officer <sup>3</sup>	180,000	240,000	Police
Police School Resource Program (City-funded portion)	256,718	377,928	Police
Prop 1: 4 SROs in Kirkland Middle Schools (City-funded portion)	672,528	755,856	Police
<b>Police Services Subtotal</b>	<b>2,013,988</b>	<b>2,369,873</b>	
Senior Discounts for Utility and Garbage Services	91,402	97,475	Solid Waste
Kirkland Cares (assistance with utility bills from utilities customer donations)	6,450	6,450	Solid Waste
<b>Recycling &amp; Garbage Collection Subtotal</b>	<b>97,852</b>	<b>103,925</b>	
King County Alcohol Treatment Programs	46,700	48,000	Non-departmental
Community Youth Services Program/Teen Center <sup>4</sup>	577,158	742,666	Parks & Comm. Svcs.
Rent Subsidy for Youth Eastside Services <sup>5</sup>	78,000	78,000	In-kind
Recreation Class Discounts	6,000	14,000	Parks & Comm. Svcs.
<b>Other Program Areas Subtotal</b>	<b>707,858</b>	<b>882,666</b>	
<b>Total Human Services and Related Activities Funding</b>	<b>8,433,123</b>	<b>12,846,739</b>	

**TOTAL SPENDING PER CAPITA 2019-2020: \$ 93.91**  
**TOTAL SPENDING PER CAPITA 2021-2022: \$ 141.70**

<sup>1</sup> Additional Human Services funding approved by the Council is not included in these figures. The Council approved almost \$900,000 of CARES Act funding for Human Services needs, which is expected to be supplemented from additional CARES Act funds of up to \$300,000. All of these funds need to be obligated before the end of 2020.

<sup>2</sup> 2019-20 ARCH funding reflects the base budget amount of \$234,550, ongoing funding of \$256,024 from Community Development Block Grants (CDBG), and one-time service package funding of \$830,000. In addition to these amounts, Affordable Housing in Lieu fees totaling \$3,711,000 are expected to be remitted to ARCH or directly invested in affordable housing in 2019-20 that are not reflected in the table above. The 2021-2022 Preliminary Budget includes the same funding elements with adjusted base budget (\$360,689) and CDBG (\$295,872) amounts.

<sup>3</sup> 2019-20 funding only included one and a half years of proposed mental health response services from Prop 1. Two full years of services are incorporated in 2021-2022 Preliminary Budget.

<sup>4</sup> 2021-22 Budget includes the full expenses of running the Kirkland Teen Union Building after the end of the YMCA contract.

<sup>5</sup> Rent is waived completely; figure represents a conservative market rent equivalent.

The new table subtotals human services and related programs by where they fall in the Kirkland Quad and identifies where the programs are budgeted. If this provides a clearer picture, the revised format can replace the prior summary in the final budget document. If the Council prefers to segregate the funding into new and different categories, staff recommends developing those options for adoption in the 2021 mid-biennial budget process.



**CITY OF KIRKLAND**  
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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance and Administration  
Sandi Hines, Temporary Deputy Director – Budget and Finance

**Date:** November 5, 2020

**Subject:** 2021 to 2026 Capital Improvement Program

RECOMMENDATION:

City Council continues discussion and provides direction for finalizing the 2021-2026 Capital Improvement Program (CIP), which is scheduled to be adopted with the 2021-2022 Biennial Budget at the December 8, 2020, City Council meeting.

BACKGROUND:

The Council was presented with the Preliminary 2021-2026 CIP at the [June 16, 2020 Council Meeting](#). At a follow-up study session on [September 1, 2020](#), changes to the Preliminary 2021-2026 CIP were presented and discussed with Council. The capital program as of the September 1, 2020 study session is included in the Preliminary 2021-2022 Budget. Updated CIP Summary Tables are included as **Attachment A**.

**2021-2026 Updated Preliminary Capital Improvement Program**

The 2021-2026 funded CIP totals \$179,248,500 for the six-year period, an increase of \$1 million from the preliminary CIP presented in September (see Facilities section below for project change details). The updated Preliminary CIP by program, compared with the Preliminary CIP presented in September, is shown in the table below.

Area	2021-2026 Capital Improvement Program					
	Funded CIP			Unfunded CIP		
	Sept. Update	Current	Change	Sept. Update	Current	Change
Transportation	87,889,800	87,889,800	-	386,558,300	386,558,300	-
Parks	17,758,400	17,758,400	-	131,930,000	131,930,000	-
General Government	-	-	-	-	-	-
Facilities	4,194,800	5,194,800	1,000,000	-	-	-
Technology	2,106,700	2,106,700	-	2,432,000	2,432,000	-
Public Safety	3,001,200	3,001,200	-	55,800,000	55,800,000	-
Water/Sewer Utility	45,417,000	45,417,000	-	49,033,000	49,033,000	-
Surface Water	17,880,600	17,880,600	-	21,555,000	21,555,000	-
<b>Total</b>	<b>178,248,500</b>	<b>179,248,500</b>	<b>1,000,000</b>	<b>647,308,300</b>	<b>647,308,300</b>	<b>-</b>

The following review highlights individual projects and programs for each CIP category and, where necessary, lists potential updates that will be incorporated into the final 2021-2026 CIP brought to Council for adoption at the December 8, 2020, Council meeting.

## TRANSPORTATION

### *Project highlights*

There are 37 funded projects in the 2021-2026 CIP totaling \$87,889,800. Eleven new projects are planned to begin during the 2021-2026 CIP cycle totaling \$16,342,000. They have been identified as the next prioritized projects or were added due to another agency's work in the City necessitating the new project.

- **STC 00608 – Local Road Maintenance** (\$300,000)
- **STC 00609 – Totem Lake Boulevard & 120<sup>th</sup> Avenue NE Preservation** (\$555,000)
- **STC 10700 – NE 85<sup>th</sup> Street Ped/Bike Connection 114<sup>th</sup> Avenue NE to 6<sup>th</sup> Street** (\$6,900,000)
- **STC 10800 – NE 85<sup>th</sup> Street and 6<sup>th</sup> Street Westbound Transit Queue Jump** (\$1,300,000)
- **STC 10900 – NE 85<sup>th</sup> Street Eastbound Third Lane 120<sup>th</sup> Ave NE to 122<sup>nd</sup> Ave NE** (\$2,700,000)
- **NMC 08720 – NE 131<sup>st</sup> Way/90<sup>th</sup> Ave NE Nonmotorized Improvements (97<sup>th</sup> Ave NE to NE 134<sup>th</sup> St) Scope and Design** (\$439,000)
- **NMC 12500 – CKC Lighting 120<sup>th</sup> Avenue NE to NE 124<sup>th</sup> Street** (\$680,000)
- **NMC 12600 – School and Transit Connector Sidewalk on 120<sup>th</sup> Avenue NE** (\$130,000)
- **NMC 12700 – Juanita Drive Nonmotorized Improvements 79<sup>th</sup> Way NE to NE 120<sup>th</sup> Street** (\$680,000)
- **NMC 12800 – CKC/Eastrail Crossing Study at 132<sup>nd</sup> Avenue NE** (\$100,000)
- **TRC 13800 – NE 100<sup>th</sup> Street/132<sup>nd</sup> Avenue NE Intersection Improvements** (\$2,558,000)

**Safer Routes to School Action Plans Implementation** – As requested by Council at the [August 4, 2020](#) Council meeting, a funding mechanism to implement the Safer Routes to School Action Plans has been designed and programmed into the 2021-2026 CIP. This was accomplished by encompassing multiple existing CIP projects and creating new projects.

- **NMC 08700 – Citywide School Walk Route Enhancements:** This existing project will be rebranded with the new title of **Safer Routes to School Action Plans Implementation** and funded by multiple sources including Street Levy funds, REET 2 and School Zone Camera revenue.
- **NMC 08720 – NE 131<sup>st</sup> Way/90<sup>th</sup> Ave NE Nonmotorized Improvements (97<sup>th</sup> Ave NE to NE 134<sup>th</sup> St) Scope and Design:** This new CIP project funds design and scope work for a group of improvements including 3,000 feet of extruded curb, guardrail repair, and surface water drainage improvements. The Council inquired at the September 1, 2020 meeting if the project could be extended to NE 137<sup>th</sup> Street for continuity. Scoping for this section can be included in the project within the existing funding. Based on the results of the scoping, staff will be able to clarify final scoping and design needs including ROW, roadway widths and alignment, and sensitive area review. Note that additional funding will be necessary for construction of the identified improvements at a future date.
- **NMC 087xx Unfunded Projects:** Three new unfunded school walk route projects added to the unfunded CIP are candidates for School Walk Route grants through the WA State Department of Transportation. Grant applications have been submitted for all three projects and if the applications are successful before adoption of the CIP in December, the projects will be moved to the funded list.
  - **NMC 087xx – 19th Ave NE/4th St Sidewalks at Crossing of Market Street** (project estimate of \$2,443,500)
  - **NMC 087xx – Reflective Flashing Beacon at 106th Ave NE Crossing NE 68th St** (project estimate of \$134,800)
  - **NMC 087xx – NE 124th Street Sidewalk** (project estimate of \$462,000)

### *Possible project modifications for final CIP adoption*

- **Street Preservation Programs** – There are five separate projects related to preserving City streets, alleys, and parking lots programmed into the 2021-2026 CIP. Annual investment in City roadways is vital to maintaining optimal road conditions, allowing for more cost-effective preventative maintenance treatments to be used, as opposed to costlier rehabilitation treatments required for pavement in poor

condition. The following projects are funded by a combination of gas tax, street levies, REET, business license revenue and funding from the Solid Waste fund.

- STC 00600 – Annual Street Preservation Program
- STC 00603 – Street Levy Street Preservation
- STC 00604 – Central Way Preservation Construction
- STC 00608 – Local Road Maintenance (new project)
- STC 00609 – Totem Lake Boulevard & 120th Ave NE Preservation (new project)

Since September, the design of STC 00604-Central Way Preservation Construction has been progressing and the current estimate from the consultant is \$525,000 above the previous estimate. Staff is currently working on funding options for the increase, to include the close-out of several prior year preservation program projects. A secondary option would be to reduce the annual preservation programs (STC 00600 and STC 00603) in 2021 to fund the increase. Staff will bring the final funding mix as part of the December CIP adoption.

- **100<sup>th</sup> Avenue Roadway Improvements** – This improvement includes a suite of projects including the four projects listed on the following page that are planned in the 2021-26 CIP:
  - STC 08313 – 100th Ave NE Roadway Improvements (North Section)
  - STC 08314 – 100th Ave NE Roadway Improvements (Mid-North Section)
  - TRC 13500 – 100th Ave NE/Simonds Road Intersection Improvements
  - TRC 13600 – 100th Ave NE/NE 145th St Intersection Improvements

The projects are currently on hold pending approval of environmental permits from two federal agencies – Federal Highway Administration (FHWA) and National Marine Fisheries Service (NWFS, or NOAA Fisheries). Without the approval of the environmental permits by these agencies, the projects will not be able to proceed. Additionally, as reported at the September 1 Council meeting, the project was seeking \$4 million in grant funding from the Puget Sound Regional Council (PSRC). The City has since received notice that Kirkland did not receive the grant funding. CIP staff are developing funding and phasing options that will be brought back to Council at the December Council meeting. Potential funding sources could include deferring other projects and reallocating the money to 100<sup>th</sup>, additional REET above projections and/or additional debt issued for the project.

- **STC 05913 – 124th Ave NE Roadway Improvements (North Section) Construction:** The City applied for a Transportation Improvement Board (TIB) grant in August for \$3.982 million to fund increased cost estimates. The TIB will announce the grant awards mid-November. Should the City's application be unsuccessful, an additional funding source would be needed. REET revenues above budget could be a funding source.
- **TRC 09800 – NE 132nd St/116th Way NE (I-405) Intersection Improvements:** This project was previously approved in the 2017-2022 CIP for a total of \$300,000 in 2017-2018. The City recently was notified of new funding from WSDOT to pay for in-house engineering for an updated project scope. The new funding is up to \$202,125 and begins in 2021. As such, this project is being included in the 2021-2026 CIP with the additional funding of \$202,125 added in 2021. Additional details are available in the Public Works memo related to this new funding and agreement with WSDOT which is also on the November 17, 2020, Council meeting agenda.

## **PARKS**

### *Project highlights*

There are 16 funded projects in the 2021-2026 CIP totaling \$17,758,400. Recurring projects include park and play area enhancements, dock and shoreline infrastructure, park restroom renovations, a City School playfield partnership project, and park land acquisition. Five new projects are planned to begin starting in year 2023 through 2026 totaling \$3,334,600. They have been identified as the next prioritized projects based on the Parks capital project rating scale:

- **PKC 1590000 – Off Leash Dog Areas** (\$1,869,600): Programmed in total from 2024 to 2026.
- **PKC 1610000 – McAuliffe Park Sanitary Sewer** (\$325,000): Programmed in 2025.
- **PKC 1620000 – Wayfinding and Park Signage Program Plan** (\$700,000): Programmed in total from 2023 to 2026.
- **PKC 1630000 – Trail Upgrades** (\$320,000): Programmed in total from 2023 to 2026.
- **PKC 1700000 – ADA Compliance Upgrades** (\$120,000): Programmed in 2024.

*Possible project modifications for final CIP adoption*

There are no project modifications currently for the Parks CIP.

**FACILITIES**

*Project highlights*

The 2021-2026 Facilities CIP consists of recurring projects that provide for the replacement of facility infrastructure systems such as roofing, flooring, mechanical/HVAC systems, electrical and lighting systems, windows, and the painting of facilities. Funding for the CIP projects comes from annual contributions from the operating funds into individual facility sinking funds. The five CIP projects encompassing all the facility infrastructure system replacements and upgrades totals \$4,194,800 for the 6-year period.

- **GGC 03400 – City Hall Development Services Center/Welcoming Hall:** The project was previously titled **City Hall Expansion** and was previously approved with \$1 million funded from the Development Services Reserve in the General Fund. Recent Council action approved an additional \$1 million from the Development Services Reserve for 2021, thus placing the capital project on the 2021-2026 CIP. The total project funding is now \$2 million. Council has authorized schematic design and cost estimates prior to proceeding with implementation. Approving the CIP does not commit the Council to fund this project. If the Council chooses not to proceed in 2021, the revenues will be returned to the Development Services Reserve.

*Possible project modifications for final CIP adoption*

There are no project modifications currently for the Facilities CIP.

**INFORMATION TECHNOLOGY**

*Project highlights*

The 2021-2026 Information Technology CIP consists of recurring projects that provide for the replacement of network technology equipment such as small on-site servers, storage, infrastructure and phone systems as well as citywide copier replacements. Additionally, GIS systems are maintained and improved through capital funding over the course of the 6-year CIP. Funding for the equipment replacement and GIS improvements comes from a combination of General and Utility Fund contributions. The six CIP projects encompassing all the information technology infrastructure system replacements and upgrades totals \$2,106,700 for the 6-year period.

*Possible project modifications for final CIP adoption*

There are no project modifications currently for the Information Technology CIP.

**PUBLIC SAFETY**

*Project highlights*

The 2021-2026 Public Safety CIP consists of recurring equipment replacement projects for both the Fire and Police Departments. The equipment replacements are funded from sinking fund reserves that are funded by annual transfers from the General Fund. The five CIP projects encompassing all the public safety equipment replacements and upgrades totals \$3,001,200 for the 6-year period.

*Possible public safety project modifications for final CIP adoption*

- **PSC 06300 – Air Fill Station Replacement:** The replacement scheduled in 2025 for Fire Station 26 for \$87,900 will be removed. The current equipment has broken down and must be replaced in 2020. Based on a 10-year life-cycle replacement schedule, this moves the next replacement date for the equipment out to 2030, beyond the current 6-year planning cycle.
- **PSC 30040 through PSC 30080 – Fire Station Expansion, Remodel and Replacement projects:** With the passage of Proposition 1, Fire and EMS Levy, on Tuesday November 3, the suite of unfunded Fire station improvement projects become funded projects in future years. Due to the need to establish more detailed timeframes for all the projects, no changes will be made to the final 2021-2026 CIP when brought to Council on December 8 for adoption. Staff will bring amendments to the Council for fire/EMS operations and Public Safety CIP projects during the first quarter of 2021.

**WATER/SEWER**

*Project highlights*

There are 16 funded projects in the 2021-2026 CIP totaling \$45,417,000. Twelve projects are Water-related totaling \$25,056,500 and four projects are Sewer-related totaling \$20,360,500.

- The Water portion of the CIP includes one new project in 2021-2022:
  - **WAC 16900 - NE 85<sup>th</sup> St and I-405 Watermain Relocation** (\$6,510,000): Project tied to WSDOT 405/Kirkland Interchange and Inline Station Project (KIISP).
- The Sewer portion of the CIP includes two new projects in 2022-2023:
  - **SSC 08600 - 8<sup>th</sup> Ave W Sewermain Improvement** (\$1,918,000)
  - **SSC 08700 - West of Market Sewermain Replacement Predesign** (\$500,000)

*Possible project modifications for final CIP adoption*

There are no project modifications currently for the Water/Sewer CIP.

**SURFACE WATER**

*Project highlights*

There are 21 funded projects in the 2021-2026 CIP totaling \$17,880,600. Nine new projects are planned to begin during the 2021-2026 CIP period; they have been identified as the next prioritized projects in the Comprehensive Plan:

- **SDC 12700 - Storm Rehabilitation at Rose Point Lift Station** (\$487,900): Project has been moved out to year 2026.
- **SDC 12800 - NE 85th St/122nd Ave Stormwater Improvements** (\$375,000): Associated with NE 85th St Channelization.
- **SDC 12900 - NE Juanita Drive Storm Failure Near 86th Ave NE** (\$225,000).
- **SDC 13200 - Water Quality treatment and Infiltration at NE 111th PI / 127th PI NE** (\$1,413,500): Tied to Economic Impact Strategy 3 (grant, contractual, or regulatory requirement).
- **SDC 13300 - Bioretention, Water Quality Treatment, and Storage at 126th Ave NE** (\$200,000): Tied to Economic Impact Strategy 3 (grant, contractual, or regulatory requirement).
- **SDC 13900 - 122nd Avenue NE Storm replacement** (\$992,500): Aging and failing infrastructure.
- **SDC 14000 - Holiday Drive Conveyance Improvement Study** (\$350,000): Conveyance system to take the water off Holiday Drive, down the steep slope and into Big Finn Hill Park.
- **SDC 14100 - Storm Line Rehabilitation on NE 136th Street** (\$1,050,000): Aging and failing infrastructure.
- **SDC 14200 - 93rd Avenue NE Hillside Improvements** (\$1,158,000): Kirkland-owned open space property experiencing severe erosion down a steep hillside; project will need to include design options to remedy issue.

*Possible project modifications for final CIP adoption*

There are no project modifications currently for the Surface Water CIP. The following table details the revenue sources for the updated CIP.

**2021-2026 Capital Improvement Program  
Programmed Revenue Sources (in thousands)**

<b>Dedicated Revenue</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>6-Year Total</b>
<b>Transportation</b>							
Gas Tax	660	673	686	700	700	700	<b>4,119</b>
Gas Tax (Transportation Package)	200	200	250	150	200	200	<b>1,200</b>
Business License Fees	270	270	270	270	270	270	<b>1,620</b>
Real Estate Excise Tax (REET) 1	736	766	733	717	550	950	<b>4,452</b>
Real Estate Excise Tax (REET) 2	1,189	1,311	1,251	1,212	965	1,537	<b>7,465</b>
Street & Pedestrian Safety Levy	2,733	2,760	2,788	2,816	2,816	2,816	<b>16,729</b>
Transportation Impact Fees	1,500	1,500	1,320	-	-	-	<b>4,320</b>
Utility Rates	500	541	500	130	30	333	<b>2,034</b>
Solid Waste Street Preservation	386	393	401	409	417	425	<b>2,431</b>
REET 2 Reserve	404	150	2,230	350	-	-	<b>3,134</b>
Carryover/Prior Year Funds	439	-	-	-	-	-	<b>439</b>
Debt	-	-	1,569	-	-	-	<b>1,569</b>
Secured External Sources	2,584	3,842	1,480	1,600	-	-	<b>9,506</b>
Unsecured External - Sound Transit	900	3,800	6,300	-	-	-	<b>11,000</b>
Unsecured External Sources	4,000	3,982	-	4,336	2,569	2,985	<b>17,872</b>
<b>Subtotal Transportation</b>	<b>16,501</b>	<b>20,188</b>	<b>19,778</b>	<b>12,690</b>	<b>8,517</b>	<b>10,216</b>	<b>87,890</b>
<b>Parks</b>							
Real Estate Excise Tax 1	172	62	1,119	859	692	347	<b>3,251</b>
Park Impact Fees	1,200	1,200	1,200	1,210	1,190	1,200	<b>7,200</b>
Parks Levy	250	250	250	250	250	250	<b>1,500</b>
King County Park Levy	353	353	353	353	353	353	<b>2,118</b>
Park Facilities Sinking Fund	162	169	146	160	150	243	<b>1,030</b>
Carryover/Prior Year Funds	100	-	-	-	-	-	<b>100</b>
External Sources	-	160	720	560	560	560	<b>2,560</b>
<b>Subtotal Parks</b>	<b>2,237</b>	<b>2,194</b>	<b>3,788</b>	<b>3,392</b>	<b>3,195</b>	<b>2,953</b>	<b>17,759</b>
<b>General Government: Technology, Facilities &amp; Public Safety</b>							
General Fund Contributions for:							
Public Sfty. Equip. Sinking Fund	173	126	963	1,067	391	281	<b>3,001</b>
Technology Equip. Sinking Fund	170	333	100	461	150	93	<b>1,307</b>
Utility Rates	64	73	64	83	64	72	<b>420</b>
Facilities Life Cycle Reserve	1,244	150	936	922	385	557	<b>4,194</b>
General Fund Reserves	1,000	-	-	-	-	-	<b>1,000</b>
General Fund Cash	49	70	49	95	49	70	<b>382</b>
<b>Subtotal General Government</b>	<b>2,700</b>	<b>752</b>	<b>2,112</b>	<b>2,628</b>	<b>1,039</b>	<b>1,073</b>	<b>10,304</b>
<b>Utilities</b>							
Utility Connection Charges	425	1,325	1,085	945	945	945	<b>5,670</b>
Utility Rates - Surface Water	1,811	1,942	2,800	2,738	2,638	4,506	<b>16,435</b>
Utility Rates - Water/Sewer	4,789	4,861	5,083	5,400	5,770	5,770	<b>31,673</b>
Reserves	1,752	1,259	1,730	420	1,450	50	<b>6,661</b>
External Sources	865	1,994	-	-	-	-	<b>2,859</b>
<b>Subtotal Utilities</b>	<b>9,642</b>	<b>11,381</b>	<b>10,698</b>	<b>9,503</b>	<b>10,803</b>	<b>11,271</b>	<b>63,298</b>
<b>Total Revenues</b>	<b>31,080</b>	<b>34,515</b>	<b>36,376</b>	<b>28,212</b>	<b>23,554</b>	<b>25,513</b>	<b>179,250</b>

\* Totals in table may differ to other written Total Program amounts due to rounding.

**Next Steps**

The final adoption of the 2021-2026 CIP is scheduled for December 8, 2020. Council feedback on proposed changes will be incorporated and brought back at that time.



City of Kirkland  
2021-2026 Capital Improvement Program

**TRANSPORTATION PROJECTS**

Funded Projects:

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total	Funding Sources							
										Current Revenue	Street Levy	Impact Fees	Reserve	Debt	Secured External	Unsecured External	
STC 00600	Annual Street Preservation Program		950,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	9,450,000	9,450,000							
STC 00603	Street Levy Street Preservation		1,683,000	2,460,000	2,488,000	2,516,000	2,516,000	2,516,000	14,179,000		14,179,000						
STC 00604	Central Way Preservation Construction	242,700	1,500,000						1,500,000		750,000	750,000					
STC 00608	Local Road Maintenance		50,000	50,000	50,000	50,000	50,000	50,000	300,000		300,000						
STC 00609	Totem Lake Boulevard & 120th Avenue NE Preservation		555,000						555,000		555,000						
STC 05912	124th Ave NE Roadway Improvements (North Section) ROW	1,414,700	802,000						802,000							802,000	
STC 05913	124th Ave NE Roadway Improvements (North Section) Construction			8,465,000	935,000				9,400,000	541,000		985,000				3,892,000	3,982,000
STC 08000	Annual Striping Program		500,000	500,000	500,000	500,000	500,000	500,000	3,000,000	3,000,000							
STC 08313	100th Avenue NE Roadway Improvements (North Section)		3,730,500	1,527,000	203,900				1,730,900	272,300			203,900	61,000			1,193,700
STC 08314	100th Avenue NE Roadway Improvements (Mid-North Section)		5,569,300	2,584,000					2,584,000	564,100			564,100				2,019,900
STC 08900	Juanita Drive Intersection and Safety Improvements		3,936,700	980,000	1,477,500	2,338,000			4,795,500	981,400		2,225,600	20,000	1,568,500			
STC 10700	NE 85th Street Ped/Bike Connection 114th Ave NE to 6th St		870,000	2,450,000	3,580,000				6,900,000							6,900,000	
STC 10800	NE 85th St and 6th St Westbound Transit Queue Jump			1,300,000					1,300,000							1,300,000	
STC 10900	NE 85th Street Eastbound Third Lane 120th Ave NE to 122nd Ave NE				2,700,000				2,700,000							2,700,000	
STC 99900	Regional Inter-Agency Coordination			82,000	82,000	82,000	82,000	82,000	410,000	410,000							
NMC 00620	Street Levy - Pedestrian Safety		150,000	150,000	150,000	150,000	150,000	150,000	900,000		900,000						
NMC 05700	Annual Sidewalk Maintenance Program		100,000	100,000	100,000	100,000	100,000	100,000	600,000	600,000							
NMC 08700	Safer Routes to School Action Plans Implementation		550,000	550,000	550,000	550,000	550,000	550,000	3,300,000	2,400,000	900,000						
NMC 08720	NE 131st Way/90th Ave NE Nonmotorized Impr. (97th Ave NE to NE 134th St) Scope & Design		439,000						439,000				439,000				
NMC 11010	Citywide Accessibility Improvements			50,000	100,000	50,000	100,000	100,000	300,000	300,000							
NMC 11300	Citywide Greenways Networks			450,000	1,950,000				2,400,000	315,000		135,000	350,000			1,600,000	
NMC 12500	CKC Lighting 120th Avenue NE to NE 124th Street		680,000						680,000				30,000			650,000	
NMC 12600	School & Transit Connector Sidewalk on 120th Avenue NE		130,000						130,000				10,000			120,000	
NMC 12700	Juanita Drive Nonmotorized Improvements 79th Way NE to NE 120th St		680,000						680,000				30,000			650,000	
NMC 12800	CKC/Eastrail Crossing Study at 132nd Ave NE		100,000						100,000							100,000	
TRC 11600	Annual Signal Maintenance Program		100,000	100,000	100,000	100,000	100,000	100,000	600,000	500,000			100,000				
TRC 11700	Citywide Traffic Management Safety Improvements			100,000	100,000	100,000	100,000	100,000	200,000	200,000							
TRC 11702	Vision Zero Safety Improvement			50,000	50,000	50,000	50,000	50,000	250,000	250,000							
TRC 11703	Neighborhood Traffic Control			50,000	50,000	50,000	50,000	50,000	150,000	150,000							
TRC 12000	Kirkland Intelligent Transportation System Phase 3	924,800			244,100	455,900			1,710,000	2,410,000	704,000						1,706,000
TRC 12400	116th Avenue NE/NE 124th Street Intersection Improvements		1,758,000						565,000				273,000			292,000	
TRC 13500	100th Avenue NE/Simonds Road Intersection Improvements		1,254,400	582,000					582,000			127,000					455,000
TRC 13600	100th Avenue NE/NE 145th St Intersection Improvements		1,293,500	424,000	150,000				574,000	13,700		78,900	150,000				331,400
TRC 13800	NE 100th Street/132nd Avenue NE Intersection Improvements							2,558,000	2,558,000	1,279,000							1,279,000
TRC 13900	85th St/132nd Ave NE Dual Left Turn Lanes - Design	1,508,700		350,000					350,000	350,000							
PTC 00400	108th Avenue NE Transit Queue Jump - Phase I				1,717,000	1,898,300	1,260,000		4,875,300				967,000			750,000	3,158,300
PTC 00500	108th Avenue NE Transit Queue Jump - Phase II				1,893,200	2,437,900	1,309,000		5,640,100				1,143,200			750,000	3,746,900
<b>Total Funded Transportation Projects</b>		<b>21,633,300</b>	<b>16,501,000</b>	<b>20,188,400</b>	<b>19,777,300</b>	<b>12,690,100</b>	<b>8,517,000</b>	<b>10,216,000</b>	<b>87,889,800</b>	<b>23,321,400</b>	<b>16,729,000</b>	<b>4,319,500</b>	<b>3,573,200</b>	<b>1,568,500</b>	<b>20,506,000</b>	<b>17,872,200</b>	

Notes:  
Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)  
Bold = New projects  
+ = Moved from unfunded status to funded status

**TRANSPORTATION PROJECTS**

**Unfunded Projects in the Capital Facilities Plan Years 7-20**

Project Number	Project Title	Total
STC 06300	120th Avenue NE Roadway Improvements	4,500,000
STC 07200	NE 120th Street Roadway Improvements (West Section)	15,780,600
STC 07700	NE 132nd St Rdwy Imprv-Phase I (West Section)	1,739,000
STC 07800	NE 132nd St Rdwy Imprv-Phase II (Mid Section)	408,000
STC 07900	NE 132nd St Rdwy Imprv-Phase III (East Section)	1,444,000
STC 08100	Totem Lake Area Development Opportunity Program	500,000
STC 08315	100th Avenue NE Roadway Improvements (Mid-South Section)	5,530,000
STC 08316	100th Avenue NE Roadway Improvements (South Section)	3,619,000
STC 09400	Holmes Point Dr NE Road Embankment Stabilization Location 1	246,000
STC 09500	Holmes Point Dr NE Road Embankment Stabilization Location 2	412,000
STC 09600	Holmes Point Dr NE Road Embankment Stabilization Location 3	503,000
STC 09700	Holmes Point Dr NE Road Embankment Stabilization Location 4	551,000
STC 09800	Holmes Point Dr NE Road Embankment Stabilization Location 5	232,000
STC 09900	Champaign Pt Road NE Embankment Stabilization	563,000
STC 10000	62nd Ave NE Road Embankment Stabilization	823,000
STC 10100	114th Ave NE Road Reconstruction	1,900,000
STC 10200	90th Ave NE Road Surface Water Drainage Repair	420,000
NMC 01299	Crosswalk Upgrade Program	4,100,000
NMC 08630	CKC Roadway Crossings	3,370,100
NMC 09011	Juanita Drive Bicycle and Pedestrian Improvements	10,650,000
NMC 11100	108th Avenue NE Bicycle Lanes Upgrade	845,000
NMC 11399	Citywide Greenway Network	4,450,000
NMC 11700	On-Street Bicycle Network Phase I	1,120,000
NMC 88881	On-street Bicycle Network	3,280,000
NMC 99991	Sidewalk Completion Program	6,096,800
PTC 00200	Public Transit Speed and Reliability Improvements	500,000
PTC 00300	Public Transit Passenger Environment Improvements	500,000
PTC 00400	108th Avenue NE Transit Queue Jump - Phase I	4,875,000
PTC 00500	108th Avenue NE Transit Queue Jump - Phase II	5,640,000
TRC 09500	NE 132nd St/Fire Stn Access Dr Intersect'n Imp	480,000
TRC 09600	NE 132nd St/124th Ave NE Intersect'n Imp	7,400,000
TRC 09700	NE 132nd St/132nd Ave NE Intersect'n Imp	1,150,000
TRC 12500	Kirkland ITS Implementation Phase 4	2,620,000
TRC 12800	6th Street S/5th Place/CKC Transit Signal Priority	2,600,000
TRC 12900	NE 53rd Street Intersection Improvements	4,345,000
TRC 13000	NE 145th Street/Juanita-Woodinville Way Intersection Imps	2,100,000
TRC 13100	NE 80th Street/120th Avenue NE Intersection Improvements	1,700,000
TRC 13200	100th Avenue NE/132nd Street Intersection Improvements	1,647,000
TRC 13300	100th Avenue NE/Juanita-Woodinville Way Intersection Imps	2,161,000
TRC 13400	100th Avenue NE/137th Street Intersection Improvements	1,475,000
TRC 13800	NE 100th Street/132nd Ave NE Intersection Improvements	1,743,000
<b>Capacity Projects Subtotal</b>		<b>114,018,500</b>
STC 00600	Annual Street Preservation Program	22,750,000
STC 00603	Street Levy Street Preservation	31,107,000
STC 08000	Annual Striping Program	500,000
STC 99990	Regional Inter-Agency Coordination	820,000
NMC 00621	Neighborhood Safety Program Improvements	3,000,000
NMC 05700	Annual Sidewalk Maintenance Program	2,600,000
TRC 11600	Annual Signal Maintenance Program	2,600,000
TRC 11700	Citywide Traffic Management Safety Improvements	1,400,000
TRC 11702	Vision Zero Safety Improvement	650,000
TRC 11703	Neighborhood Traffic Control	325,000
<b>Non-Capacity Projects Subtotal</b>		<b>65,752,000</b>
<b>Total Transportation Master Plan Projects Yrs 7-20</b>		<b>179,770,500</b>

**Unfunded Projects in the Capital Facilities Plan Years 7-20 and Transportation Improvement Plan**

NMC 02412	Cross Kirkland Corridor Opportunity Fund	500,000
NMC 03100	Crestwoods Park/CKC Corridor Ped/Bike Facility	2,505,000
NMC08000	Juanita-Kingsgate Pedestrian Bridge at I-405	4,500,000
NMC 10600	Citywide CKC Connection	360,000
NMC10700	CKC to Downtown Surface Connection	2,000,000
<b>Capital Facilities Projects Not in TMP Subtotal</b>		<b>9,865,000</b>
<b>Total Capital Facilities Plan Projects Yrs 7-20</b>		<b>189,635,500</b>

**Unfunded Transportation Improvement Plan/External Funding Candidates**

Project Number	Project Title	Total
STC 05600	132nd Avenue NE Roadway Improvements	25,170,000
STC 06100	119th Avenue NE Roadway Extension	5,640,000
STC 06200	NE 130th Street Roadway Improvements	10,000,000
STC 06400	124th Avenue NE Roadway Extension	30,349,000
STC 07300	120th Avenue NE Roadway Extension	16,392,000
STC 08600	Finn Hill Emergency Vehicle Access Connection	900,000
NMC 03000	NE 90th Street/I-405 Pedestrian/Bicycle Overpass	3,740,700
NMC 03100	Crestwoods Park/CKC Corridor Ped/Bike Facility	2,505,000
NMC 03200	93rd Avenue Sidewalk	1,047,900
NMC 04300	NE 126th St Nonmotorized Facilities	4,277,200
NMC 04600	18th Avenue SW Sidewalk	2,255,000
NMC 05000	NE 80th Street Sidewalk	859,700
NMC 05400	13th Avenue Sidewalk	446,700
NMC 05500	122nd Ave NE Sidewalk	866,700
NMC 05800	111th Avenue Non-Motorized/Emergency Access Connection	2,000,000
NMC 06200	19th Avenue Sidewalk	814,200
NMC 07400	90th Ave NE Sidewalk	353,400
NMC 08000	Juanita-Kingsgate Pedestrian Bridge at I405	4,500,000
NMC 08600	Cross Kirkland Corridor Non-motorized Improvements	65,742,000
<b>NMC 087xx</b>	<b>19th Ave NE/4th St Sidewalks and Crossing of Market Street</b>	<b>2,443,500</b>
<b>NMC 087xx</b>	<b>Reflective Flashing Beacon at 106th Ave NE Crossing NE 68th St</b>	<b>134,800</b>
<b>NMC 087xx</b>	<b>NE 124th Street Sidewalk</b>	<b>462,000</b>
NMC 10600	Citywide CKC Connections	360,000
NMC 10700	CKC to Downtown Surface Connection	2,000,000
TRC 06700	Kirkland Way/CKC Bridge Abutment/Intersection Imprv	6,917,000
TRC 11400	Slater Avenue NE Traffic Calming - Phase I	247,000
TRC 11704	NE 68th Street Intersection Improvements/Access Management	4,375,000
TRC 12300	Slater Avenue NE (132nd Avenue NE)/NE 124th Street	2,124,000
<b>Subtotal Unfunded Transportation Improvement Plan/External Funding Candidates</b>		<b>196,922,800</b>

**Grand Total Unfunded Transportation Projects 386,558,300**

**Notes**

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- Bold = New projects**
- + = Moved from unfunded status to funded status
- " = Moved from funded status to unfunded status
- # = Projects to be funded with development-related revenues
- ^ = Future, unfunded portion of projects funded in years 1-6
- ~ = Annual Programs with Candidate projects

**Potential Non-Motorized Projects Under Placeholders; Not Included in Totals**

Project Number	Project Title	Total
<i>NMC 88881 On-Street Bicycle Network Candidate Projects:</i>		
NMC 00100	116th Ave NE (So. Sect.) Non-Motorz'd Facil-Phase II	3,378,000
NMC 03600	NE 100th Street Bike lane	1,644,300
<i>NMC 99991 Sidewalk Completion Program Candidate Projects:</i>		
NMC 02600	NE 90th Street Sidewalk (Phase II)	706,200
NMC 03700	130th Avenue NE Sidewalk	833,600
NMC 04500	NE 95th Street Sidewalk (Highlands)	571,500
NMC 04700	116th Avenue NE Sidewalk (South Rose Hill)	840,000
NMC 04800	NE 60th Street Sidewalk	500,000
NMC 04900	112th Ave NE Sidewalk	527,600
NMC 06100	NE 104th Street Sidewalk	1,085,000
NMC 06300	Kirkland Way Sidewalk	414,500
NMC 07200	NE 132nd Street Sidewalk at Finn Hill Middle School	840,000
NMC 07500	84th Ave NE Sidewalk	4,052,800
NMC 07600	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 1	1,131,000
NMC 07700	NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - N	1,185,000
NMC 07800	NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - S	747,000
NMC 07900	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 2	648,000
NMC 08800	NE 124th Street Sidewalk	376,000
NMC 09700	132nd NE Sidewalk	732,000
NMC 10100	7th Avenue Sidewalk	208,000
NMC 10300	NE 120th Avenue NE Sidewalk	556,000
NMC 10400	NE 122nd Place/NE 123rd Street Sidewalk	1,294,000
NMC 10500	120th Avenue NE Sidewalk	812,000

City of Kirkland  
2021-2026 Capital Improvement Program

**PARK PROJECTS**

Funded Projects:

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total	Funding Source						
										Current Revenue					External Sources	Reserves
										Real Estate Excise Tax	Kirkland Parks Levy	Parks Fac. Sinking Fund	Impact Fees	King County Parks Levy		
PKC 04900	Open Space, Park Land & Trail Acq Grant Match Program		100,000						100,000							100,000
PKC 06600	Parks, Play Areas & Accessibility Enhancements		150,000	140,000	160,000	150,000	370,000	400,000	1,370,000	270,000	1,100,000					
PKC 13310	Dock & Shoreline Renovations	1,629,400	500,000	525,000	300,000	300,000			1,625,000	109,000	210,000			1,306,000		
PKC 13320	City School Playfield Partnership (Kamiakan)	1,838,600			200,000	100,000		100,000	400,000	400,000						
PKC 13330	Neighborhood Park Land Acquisition		1,050,000	1,200,000	1,200,000	600,000	730,000	400,000	5,180,000			5,180,000				
PKC 15100	Park Facilities Life Cycle Projects		162,000	169,000	146,000	160,400	150,200	243,200	1,030,800		1,030,800					
PKC 15200	O.O. Denny Park Improvements - Picnic Shelter	175,000	275,000						275,000	125,000			150,000			
PKC 15400	Indoor Recreation & Aquatic Facility Study				160,000				160,000						160,000	
PKC 15500	Green Loop Master Plan & Acquisition			160,000	560,000	560,000	560,000	560,000	2,400,000						2,400,000	
PKC 15600	Park Restrooms Renovation/Replacement Program				791,500				1,583,000	1,477,000				106,000		
PKC 15700	Neighborhood Park Development Program						300,000		300,000	300,000						
PKC 15900	Off Leash Dog Areas					609,600	460,000	800,000	1,869,600				1,869,600			
PKC 16100	McAuliffe Park Sanitary Sewer						325,000		325,000	272,000				53,000		
PKC 16200	Wayfinding and Park Signage Program Plan				150,000		300,000	250,000	700,000	150,000				550,000		
PKC 16300	Trail Upgrades				120,000			200,000	320,000	127,000		90,000		103,000		
PKC 17000	ADA Compliance Upgrades					120,000			120,000	20,000	100,000					
<b>Total Funded Park Projects</b>			<b>2,237,000</b>	<b>2,194,000</b>	<b>3,787,500</b>	<b>3,391,500</b>	<b>3,195,200</b>	<b>2,953,200</b>	<b>17,758,400</b>	<b>3,250,000</b>	<b>1,500,000</b>	<b>1,030,800</b>	<b>7,199,600</b>	<b>2,118,000</b>	<b>2,560,000</b>	<b>100,000</b>

Notes  
 Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)  
 Bold = New projects  
 += Moved from unfunded status to funded status

**PARK PROJECTS****Unfunded Projects:**

<b>Project Number</b>	<b>Project Title</b>	<b>Total</b>
PKC 05610	Forbes Lake Park Trail Improvements Phase II	6,000,000
PKC 09510	Heritage Park Development - Phase III & IV	4,000,000
PKC 09700	Reservoir Park Renovation Plan	50,000
PKC 10800	McAuliffe Park Development	7,000,000
PKC 11300	Spinney Homestead Park Renovation Plan	60,000
PKC 11400	Mark Twain Park Renovation Plan	75,000
PKC 11500	Terrace Park Renovation Plan	60,000
PKC 11600	Lee Johnson Field Artificial Turf Installation	5,000,000
PKC 11902	Juanita Beach Park Development Phase II	10,000,000
PKC 12210	Community Recreation Facility Construction	75,000,000
PKC 12400	Snyder's Corner Park Site Master Plan	100,000
PKC 12600	Watershed Park Master Plan	100,000
PKC 12700	Kiwanis Park Master Plan	75,000
PKC 12800	Yarrow Bay Wetlands Master Plan	200,000
PKC 12900	Heronfield Wetlands Master Planning & Development	125,000
PKC 13100	Park & Open Space Acquisition Program	10,000,000
PKC 13510	Juanita Heights Park Master Plan	150,000
PKC 13600	Kingsgate Park Master Planning and Park Development	150,000
PKC 13800	Everest Park Restroom/Storage Building Replacement	1,800,000
PKC 13903	Totem Lake Park Development Phase II	4,000,000
PKC 13904	Totem Lake Park Development Phase III	3,000,000
PKC 14100	South Norway Hill Park Site Master Plan	150,000
PKC 14300	Marsh Park Restroom Replacement	85,000
PKC 14400	Cedar View Park Improvement Plan	50,000
PKC 14500	Environmental Education Center	200,000
PKC 14800	Forbes House Renovation & Historic Preservation Plan	50,000
PKC 14900	Taylor Playfields-Former Houghton Landfill Site Master Plan	300,000
PKC 15000	North Kirkland Community Center Renovation & Expansion Plan	75,000
<b>PKC 16400</b>	<b>Peter Kirk Park - Fencing and Drainage Improvements</b>	<b>250,000</b>
<b>PKC 16500</b>	<b>Skate Park Upgrades</b>	<b>150,000</b>
<b>PKC 16600</b>	<b>Brink Park Gun Mount Renovation</b>	<b>100,000</b>
<b>PKC 16700</b>	<b>O.O. Denny Park Improvements - Sand Volleyball</b>	<b>75,000</b>
<b>PKC 16800</b>	<b>Spray Park</b>	<b>500,000</b>
<b>PKC 16900</b>	<b>Marina Park Dock and Shoreline Renovations</b>	<b>3,000,000</b>
<b>Total Unfunded Parks Projects</b>		<b>131,930,000</b>

Notes*Italics = Modification in timing and/or cost***Bold = New projects**

" = Moved from funded status to unfunded status

~ = Partially funded project

City of Kirkland  
2021-2026 Capital Improvement Program

GENERAL GOVERNMENT PROJECTS - Facilities

Funded Projects:

Facilities Sinking Fund											Funding Source			
Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total	Current Revenue	Reserve	Debt	External Source	
<i>GGC 00800</i>	<i>Electrical, Energy Management &amp; Lighting Systems</i>		27,200	96,400	28,400	152,600	23,400	170,000	498,000		498,000			
<i>GGC 00900</i>	<i>Mechanical/HVAC Systems Replacements</i>		14,600	12,000	406,800	299,400	141,700	51,000	925,500		925,500			
<i>GGC 01000</i>	<i>Painting, Ceilings, Partition &amp; Window Replacements</i>		59,900	13,500	140,800	292,200	57,000	178,900	742,300		742,300			
<i>GGC 01100</i>	<i>Roofing, Gutter, Siding and Deck Replacements</i>		970,100		337,100	20,200	8,000	7,400	1,342,800		1,342,800			
<i>GGC 01200</i>	<i>Flooring Replacements</i>		172,500	28,400	22,700	157,900	154,700	150,000	686,200		686,200			
<b>Total Funded</b>	<b>General Government Projects - Facilities Sinking Fund</b>	-	<b>1,244,300</b>	<b>150,300</b>	<b>935,800</b>	<b>922,300</b>	<b>384,800</b>	<b>557,300</b>	<b>4,194,800</b>	-	<b>4,194,800</b>	-	-	

Other Projects											Funding Source			
Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total	Current Revenue	Reserve	Debt	External Source	
<b>GGC 04400</b>	<b>City Hall Development Services Ctr/Welcoming Hall</b>	<b>1,000,000</b>	<b>1,000,000</b>						<b>1,000,000</b>		<b>1,000,000</b>			
<b>Subtotal Funded</b>	<b>General Government - Other Projects</b>	<b>1,000,000</b>	<b>1,000,000</b>	-	-	-	-	-	<b>1,000,000</b>	-	<b>1,000,000</b>	-	-	

<b>Total Funded</b>	<b>General Government Projects - Facilities</b>	<b>1,000,000</b>	<b>2,244,300</b>	<b>150,300</b>	<b>935,800</b>	<b>922,300</b>	<b>384,800</b>	<b>557,300</b>	<b>5,194,800</b>	-	<b>5,194,800</b>	-	-
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Notes

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**Bold = New projects**

+ = Moved from unfunded status to funded status

" = Moved from funded status to unfunded status

Note: No Unfunded Facilities Projects

**City of Kirkland  
2021-2026 Capital Improvement Program**

Attachment A  
Revised as of 8-20-2020

**GENERAL GOVERNMENT PROJECTS - Technology**

**Funded Projects:**

Project Number	Project Title	Prior Year Funding	2021	2022	2023	2024	2025	2026	2021-2026 Total	Funding Source	
										Reserves	Utility Funds
<i>ITC 10000</i>	<i>Network Server and Storage Replacements</i>					<i>410,900</i>			<i>410,900</i>	<i>380,600</i>	<i>30,300</i>
<i>ITC 11000</i>	<i>Network Infrastructure</i>		<i>40,500</i>	<i>40,500</i>	<i>40,500</i>	<i>40,500</i>	<i>95,400</i>	<i>83,400</i>	<i>340,800</i>	<i>230,000</i>	<i>110,800</i>
<i>ITC 13000</i>	<i>Network Phone Systems</i>		<i>82,000</i>	<i>290,000</i>	<i>12,000</i>	<i>12,000</i>	<i>12,000</i>	<i>12,000</i>	<i>420,000</i>	<i>383,100</i>	<i>36,900</i>
<i>ITC 14000</i>	<i>Network Security</i>		<i>75,000</i>	<i>30,000</i>	<i>75,000</i>	<i>30,000</i>	<i>75,000</i>	<i>30,000</i>	<i>315,000</i>	<i>238,100</i>	<i>76,900</i>
<i>ITC 20000</i>	<i>Geographic Information Systems</i>		<i>70,000</i>	<i>100,000</i>	<i>70,000</i>	<i>135,000</i>	<i>70,000</i>	<i>100,000</i>	<i>545,000</i>	<i>381,500</i>	<i>163,500</i>
<i>ITC 50000</i>	<i>Copier Replacements</i>		<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>75,000</i>	<i>75,000</i>	<i>-</i>
<b>Total Funded General Government Projects - Technology</b>			<b>282,500</b>	<b>475,500</b>	<b>212,500</b>	<b>638,400</b>	<b>262,400</b>	<b>235,400</b>	<b>2,106,700</b>	<b>1,688,300</b>	<b>418,400</b>

Notes

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**Bold = New projects**

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**Technology Unfunded Projects:**

<b>Project Number</b>	<b>Project Title</b>	<b>Total</b>
ITC 00201	GIS Community Information Portal	100,000
ITC 00305	"Explore Kirkland" Redesign	75,000
ITC 00403	Tyler Content Management in EnerGov Implementation	21,000
ITC 00603	Information Technology Internal Process Improvement	251,200
ITC 00701	Fleet Management Systems Replacement	110,000
ITC 00906	Television Media Equipment Upgrade	210,000
ITC 01001	CodeSmart Court Applications Replacement Evaluation	13,600
ITC 01002	License Plate Reader for Patrol Cars	120,000
ITC 01101	WiFi in the Parks Expansion	400,000
ITC 01301	Parking Improvement Solutions Support	75,000
ITC 01401	New Technology Pilot Programs	78,800
ITC 01501	Enterprise Analytics	977,400
<b>Total Unfunded General Government Projects - Technology</b>		<b>2,432,000</b>

Notes*Italics = Modification in timing and/or cost***Bold= New projects**

**City of Kirkland  
2021-2026 Capital Improvement Program**

**PUBLIC SAFETY PROJECTS**

**Funded Projects:**

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total	Funding Source		
										Reserve	Debt	External Source
<b>FIRE</b>												
<i>PSC 06300</i>	<i>Air Fill Station Replacement</i>					86,200	87,900		174,100	174,100		
<i>PSC 07100</i>	<i>Self Contained Breathing Apparatus (SCBA)</i>				767,100	115,100		35,800	918,000	918,000		
<i>PSC 07600</i>	<i>Personal Protective Equipment</i>		6,800	6,900	7,100	678,500	7,300	7,500	714,100	714,100		
<i>PSC 20000</i>	<i>Fire Equipment Replacement</i>		43,000	8,300	28,600	27,000	29,800	77,100	213,800	213,800		
<b>POLICE</b>												
<i>PSC 10000</i>	<i>Police Equipment Replacement</i>		122,700	110,700	160,300	160,300	266,300	160,900	981,200	981,200		
<b>Total Funded Public Safety Projects</b>		-	<b>172,500</b>	<b>125,900</b>	<b>963,100</b>	<b>1,067,100</b>	<b>391,300</b>	<b>281,300</b>	<b>3,001,200</b>	<b>3,001,200</b>	-	-

Notes

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**Public Safety Unfunded Projects:**

Project Number	Project Title	Total	Estimated Construction Start
<b>FIRE</b>			
	No Unfunded Projects		
<b>POLICE</b>			
	No Unfunded Projects		
<b>FACILITIES</b>			
<i>PSC 30040</i>	<i>Fire Station 21 Expansion &amp; Remodel</i>	<i>6,023,000</i>	<i>March 2025</i>
<i>PSC 30050</i>	<i>Fire Station 22 Expansion &amp; Remodel</i>	<i>9,617,300</i>	<i>August 2022</i>
<i>PSC 30060</i>	<i>Fire Station 26 Expansion &amp; Remodel</i>	<i>8,432,000</i>	<i>January 2024</i>
<i>PSC 30070</i>	<i>Fire Station 27 Replacement</i>	<i>28,521,800</i>	<i>June 2022</i>
<b>PSC 30080</b>	<b>Temporary Fire Station</b>	<b>3,205,900</b>	<b>January 2022</b>
<b>Total Unfunded Public Safety Projects</b>		<b>55,800,000</b>	

Notes

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" = Moved from funded status to unfunded status

City of Kirkland  
2021-2026 Capital Improvement Program

WATER/SEWER UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total	Funding Source				
										Current Revenue	Reserve	Debt	Secured External	Unsecured External
WAC 05200	108th Avenue NE Watermain Replacement	2,120,775	809,600						809,600	507,600	302,000			
WAC 05700+	116th Ave NE Watermain Replacement						400,000	2,700,000	3,100,000	3,100,000				
WAC 12900	South Reservoir Seismic & Recoating Construction		1,200,000	2,800,000					4,000,000	2,288,000			1,712,000	
WAC 13400	5th Avenue S / 8th Street S Watermain Replacement		565,400	1,184,600					1,750,000	1,750,000				
WAC 13700+	NE 73rd Street Watermain Replacement				1,440,900	1,659,100			3,100,000	2,450,000	650,000			
WAC 14900+	Lake Washington Blvd Watermain Replacement						500,000	1,317,600	1,817,600	1,817,600				
WAC 15700	8th Avenue W Watermain Improvement	421,800		554,400	571,500				1,125,900	571,500	554,400			
WAC 16000	126th Avenue NE Watermain Improvement			1,500,000					1,500,000	845,000	655,000			
WAC 16400	NE 116th Place Watermain Replacement							233,400	233,400	233,400				
WAC 16700	11th Avenue Watermain Replacement							460,000	460,000	460,000				
WAC 16800	11th Place Watermain Replacement							650,000	650,000	650,000				
WAC 16900	NE 85th St and I-405 Watermain Relocation		4,855,000	1,655,000					6,510,000	5,110,000	1,400,000			
SSC 06200	NE 108th Street Sewermain Replacement					2,243,400	4,145,100	1,354,000	7,742,500	7,742,500				
SSC 07710	West of Market Sewermain Replacement Phase I				4,317,600	2,812,500	3,069,900		10,200,000	7,400,000	2,800,000			
SSC 08600	8th Avenue W Sewermain Improvement			400,000	1,518,000				1,918,000	1,918,000				
SSC 08700	West of Market Sewermain Replacement Predesign			500,000					500,000	500,000				
<b>Total Funded Water/Sewer Utility Projects</b>		<b>2,542,575</b>	<b>7,430,000</b>	<b>8,594,000</b>	<b>7,848,000</b>	<b>6,715,000</b>	<b>8,115,000</b>	<b>6,715,000</b>	<b>45,417,000</b>	<b>37,343,600</b>	<b>6,361,400</b>	<b>0</b>	<b>1,712,000</b>	<b>0</b>

Notes  
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**Bold = New projects**  
 + = Moved from unfunded status to funded status

**WATER/SEWER UTILITY PROJECTS****Unfunded Projects:**

<b>Project Number</b>	<b>Project Title</b>	<b>Total</b>
WAC 06700	North Reservoir Pump Replacement	644,000
WAC 09600	NE 83rd Street Watermain Replacement	477,000
WAC 09800	126th Ave NE/NE 83rd & 84th St/128th Ave NE Watermain Replacement	1,261,000
WAC 10300	NE 113th Place/106th Ave NE Watermain Replacement	885,000
WAC 10400	111th Ave NE/NE 62nd St-NE 64th St Watermain Replacement	1,571,000
WAC 10800	109th Ave NE/NE 58th St Watermain Replacement	532,000
WAC 10900	112th Ave NE Watermain Replacement	1,242,000
WAC 11100	NE 45th St And 110th/111th Ave NE Watermain Replacement	1,371,000
WAC 11300	116th Ave NE/NE 70th-NE 80th St Watermain Replacement	2,336,000
WAC 11800	112th-114th Avenue NE/NE 67th-68th Street Watermain Replacement	3,531,000
WAC 11900	109th Ave NE/111th Way NE Watermain Replacement	2,421,000
WAC 12000	111th Avenue Watermain Replacement	195,000
WAC 12200	116th Avenue NE/NE 100th Street Watermain Replacement	1,584,000
WAC 12300	NE 91st Street Watermain Replacement	479,000
WAC 12400	NE 97th Street Watermain Replacement	722,000
WAC 12600	North Reservoir Outlet Meter Addition	80,000
WAC 12700	650 Booster Pump Station	1,686,000
WAC 12800	106th Ave NE-110th Ave NE/NE 116th St-NE 120th St Watermain Replacement	2,422,000
WAC 13000	11th Place Watermain Replacement	359,000
WAC 13100	Supply Station #1 Improvements	68,000
WAC 13200	7th Avenue/Central Avenue Watermain Replacement	955,000
WAC 13500	NE 75th Street Watermain Replacement	750,000
WAC 13600	NE 74th Street Watermain Replacement	206,000
WAC 13800	NE 72nd St/130th Ave NE Watermain Replacement	1,553,000
WAC 14500	6th Street South Watermain Replacement	618,000
WAC 14600	6th Street/Kirkland Way Watermain Replacement	731,000
WAC 14700	106th Avenue NE Watermain Replacement	697,000
WAC 16500	3rd Street Watermain Replacement - Phase 2	541,000
SSC 06800	124th Avenue NE Sewermain Replacement	1,384,000
SSC 07799	West Of Market Sewermain Replacement Phase 2	10,861,000
SSC 08000	20th Avenue Sewermain Replacement	855,000
SSC 08300	111th Avenue NE Sewer Main Rehabilitation	764,000
SSC 08400	Reclaimed Water (Purple Pipe) Opportunity Fund	5,252,000
<b>Subtotal Unfunded Water/Sewer Utility Projects</b>		<b>49,033,000</b>

**Notes***Italics = Modification in timing and/or cost*

City of Kirkland  
2021-2026 Capital Improvement Program

SURFACE WATER MANAGEMENT UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total	Funding Source				
										Current Revenue	Reserve	Secured External	Unsecured External	
SDC 04700	Annual Replacement of Aging/Failing Infrastructure		500,000	500,000	500,000	500,000	500,000	500,000	3,000,000	3,000,000				
SDC 04900	Forbes Creek/108th Avenue NE Fish Passage Improvements						395,100	1,128,000	1,523,100	1,523,100				
SDC 05300	Forbes Creek/Coors Pond Channel Grade Controls	260,200					200,000	1,040,000	1,240,000	1,240,000				
SDC 06300	Everest Creek - Slater Avenue at Alexander Street				430,000	620,000			1,050,000	1,050,000				
SDC 08100	Neighborhood Drainage Assistance Program (NDA)	177,800	50,000		50,000		50,000		150,000	150,000				
SDC 09000	Goat Hill Drainage Ditch Conveyance & Channel Stabilization		359,000	1,123,100					1,482,100	1,482,100				
SDC 09200	Juanita Creek Culvert at NE 137th Street	685,100	169,500		1,080,000	350,000			1,599,500	1,599,500				
SDC 10000	Brookhaven Pond Modifications						200,000	500,000	700,000	700,000				
SDC 10500	Property Acquisition Opportunity Fund	464,631	50,000	50,000	50,000	50,000	50,000	50,000	300,000		300,000			
SDC 10800	Maintenance Center Storm Water Pollution Prevention	1,040,000	350,000						350,000	350,000				
SDC 10900	Halimes Point Drive Pipe Replacement - Phase 2 Outfall		151,000	169,000					169,000	169,000				
SDC 12500	NE 120th Street Water Quality Treatment		738,000	65,000					65,000	65,000				
SDC 12700	Storm Rehabilitation at Rose Point Lift Station							487,900	487,900	487,900				
SDC 12800	NE 85th Street/122nd Avenue NE Stormwater Improvements				165,000	210,000			375,000	375,000				
SDC 12900	NE Juanita Drive Storm Failure Near 86th Avenue NE				225,000				225,000	225,000				
SDC 13200	Water Quality Treatment and Infiltration at NE 111th PI/127th PI NE		300,000	1,113,500					1,413,500	353,400		1,060,100		
SDC 13300	Bioretention, Water Quality Treatment, and Storage at 126th Ave NE		200,000						200,000	113,500		86,500		
SDC 13900	122nd Avenue NE Storm Replacement					488,500	504,000		992,500	992,500				
SDC 14000	Holiday Drive Conveyance Improvement Study				350,000				350,000	350,000				
SDC 14100	Storm Line Rehabilitation on NE 136th Street					569,500	480,500		1,050,000	1,050,000				
SDC 14200	93rd Avenue NE Hillside Improvements						308,400	849,600	1,158,000	1,158,000				
<b>Total Funded Surface Water Management Utility Projects</b>		<b>3,516,731</b>	<b>2,212,500</b>	<b>2,786,600</b>	<b>2,850,000</b>	<b>2,788,000</b>	<b>2,688,000</b>	<b>4,555,500</b>	<b>17,880,600</b>	<b>16,434,000</b>	<b>300,000</b>	<b>1,146,600</b>	<b>0</b>	

Notes  
Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)  
Bold = New projects

**SURFACE WATER MANAGEMENT UTILITY PROJECTS****Unfunded Projects:**

<b>Project Number</b>	<b>Project Title</b>	<b>Total</b>
SDC 04500	Carillon Woods Erosion Control Measures	600,000
SDC 04610	Regional Detention in Forbes Creek Basin Phase I	2,000,000
SDC 04699	Regional Detention in Forbes and Juanita Creek Basins	8,600,000
SDC 05100	Forbes Creek/King County Metro Access Road Culvert Enhancement	1,400,000
SDC 06100	Everest Park Stream Channel/Riparian Enhancements	1,200,000
SDC 08501	Cross Kirkland Corridor Water Quality Retrofit	1,000,000
SDC 09400	NE 114th Place Stormline Replacement	405,000
SDC 09700	Champagne Creek Stabilization	890,000
SDC 10100	Holmes Point Pipe Replacement at Champagne Creek Basin	260,000
SDC 10200	Juanita Drive Culvert Replacement	750,000
SDC 10300	Lakeview Drive Conveyance Modification	2,800,000
SDC 11200	112th Avenue NE Pipe Repair	60,000
SDC 11300	113th Avenue NE Pipe Repair	120,000
SDC 11400	124th Avenue NE Pipe Repair	160,000
SDC 11500	Weaver's Pond Pipe Replacement	180,000
SDC 11600	NE 140th Street Pipe Replacement	100,000
SDC 11700	111th Avenue NE Pipe Repair	400,000
SDC 11800	Champagne Point Drive NE Pipe Repair	270,000
SDC 11900	NE 58th Street Pipe Repair	280,000
SDC 12000	Kingsgate Park Pipe Outfall Improvements	80,000
<b>Total Unfunded Surface Water Management Utility Projects</b>		<b>21,555,000</b>
<b>Funding Available from Annual Programs for Candidate Projects</b>		<b>3,000,000</b>
<b>Net Unfunded Surface Water Management Utility Projects</b>		<b>18,555,000</b>

**Notes**

*Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)*

**Bold = New projects**

" = Moved from funded status to unfunded status



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** James Lopez, Assistant City Manager  
Martha Chaudhry, Special Projects Coordinator  
David Wolbrecht, Neighborhood Services Outreach Coordinator

**Date:** November 17, 2020

**Subject:** Small Business Saturday Proclamation

### **RECOMMENDATION:**

That the Mayor proclaim Saturday, November 28, 2020 as Small Business Saturday in the City of Kirkland.

### **BACKGROUND DISCUSSION:**

Small Business Saturday was created by American Express during the recession of 2010 to encourage consumers to do more to support small businesses, especially in the holiday season. Small businesses are the backbone of the US economy, contributing about 50 percent of GDP. Most businesses in Kirkland are classified as small businesses.

Now, a decade later, this initiative is more vital than ever. Since the onset of COVID-19 in March 2020, restrictions imposed by local, state and federal governments have presented severe economic hardship for businesses that depend on in-person customer experiences. Small businesses are particularly vulnerable -- the average small business has only enough cash in reserve to remain open for 27 days and have suffered dramatic declines in revenue. Through the Small Business Saturday proclamation, we help amplify the shop local message and shine a spotlight on Kirkland's eclectic, diverse community of small businesses.

Kirkland's Small Business Saturday proclamation also highlights the City's new effort to expand the e-commerce capacity of Kirkland businesses, the Shop Local Kirkland initiative and website [www.ShopLocalKirkland.com](http://www.ShopLocalKirkland.com). The Shop Local Kirkland initiative responds to the economic impacts of COVID-19 on Kirkland's business community and is designed to help local businesses survive and thrive through WA State's Safe Start Plan and beyond. ShopLocalKirkland.com provides a platform to connect Kirkland businesses to consumers and promote the unique goods and services that Kirkland businesses offer. The initiative and website also provide the means for Kirkland businesses to take vital steps toward digital transformation so they can reach and transact with customers in the future.



# A PROCLAMATION OF THE CITY OF KIRKLAND

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## Proclaiming November 28, 2020 as "Small Business Saturday" in Kirkland, Washington

**WHEREAS**, according to the U.S. Small Business Administration, there are currently 30.7 million small businesses in the United States and small businesses have created 64.9 percent of net new jobs over the past two decades; and

**WHEREAS**, the onset of Covid-19 in March 2020 and resulting restrictions imposed by local, state and federal governments have presented severe economic hardship for many small businesses;

**WHEREAS**, the City of Kirkland is dedicated to assisting small businesses recover in the wake of the Covid-19 pandemic, supporting digital, no-contact commerce with the Shop Local Kirkland initiative and web platform [www.shoplocalkirkland.com](http://www.shoplocalkirkland.com); and

**WHEREAS**, the City of Kirkland strives to be a community with a diverse economic base of large and small businesses that provide needed goods and services and jobs for its residents; and

**WHEREAS**, the City of Kirkland believes that small businesses are the cornerstone of our local economy as the majority of businesses located in Kirkland are small businesses with between one to ten employees; and

**WHEREAS**, Kirkland is comprised of a wealth of unique small businesses including boutique shops, restaurants, and galleries, attracting visitors and tourism revenues from around the region, nation and world while catering to the needs of residents; and

**WHEREAS**, to support small businesses by ensuring that people working in retail, restaurant, health and other sectors, have places to live in our city, the City of Kirkland has implemented numerous affordable housing initiatives, including policies that require that 10% of new multifamily residential units meet government affordability standards; and

**WHEREAS**, Kirkland provides free parking to downtown employees to assist them and to help downtown small businesses attract and keep employees; and

**WHEREAS**, Kirkland's residents support shopping locally, patronizing Kirkland small businesses, and thereby helping to build a stronger, more sustainable community;

**NOW, THEREFORE, I**, Penny Sweet, Mayor of Kirkland, do hereby proclaim November 28, 2020 as "Small Business Saturday" in Kirkland, Washington and encourage residents to "shop small for big returns" by patronizing small businesses in the community on one of the busiest shopping days of the season.

Signed this 17<sup>th</sup> day of November, 2020

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Penny Sweet, Mayor



**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:** Michael Olson, Director of Finance and Administration

**Date:** November 5, 2020

**Subject:** PUBLIC HEARING ON PRELIMINARY 2021-2022 BUDGET AND 2021-2026 CAPITAL IMPROVEMENT PROGRAM

RECOMMENDATION:

City Council holds a public hearing on the Preliminary 2021-2022 Budget and the 2021-2026 Capital Improvement Program.

BACKGROUND DISCUSSION:

The purpose of this public hearing is to solicit public comment on the Preliminary 2021-2022 Budget as submitted by the City Manager and available to the public on October 21, 2020 and the 2021-2026 Capital Improvement Program (CIP). The budget document is available at:

<http://www.kirklandwa.gov/budgetdoc>

The Preliminary 2021-2026 CIP as presented to Council on June 16, 2020 is available at:

[https://www.kirklandwa.gov/Assets/City+Council/Council+Packets/061620/3a\\_Study+Session.pdf](https://www.kirklandwa.gov/Assets/City+Council/Council+Packets/061620/3a_Study+Session.pdf)

The changes to the Preliminary 2021-2026 CIP as presented to the Council on September 1, 2020 is available at:

[https://www.kirklandwa.gov/Assets/City+Council/Council+Packets/090120/3b\\_Study+Session.pdf](https://www.kirklandwa.gov/Assets/City+Council/Council+Packets/090120/3b_Study+Session.pdf)

A public hearing on anticipated revenue sources was held on September 15, 2020. RCW 35A.33 requires that a public hearing on the upcoming budget period be held on or before the first Monday in December. A public hearing on the Preliminary 2021-2022 Budget was held on November 4, 2020. Additionally, a Council budget study session was held on October 27<sup>th</sup> and on November 4<sup>th</sup>.

The Council will discuss potential budget and CIP changes at the November 17<sup>th</sup> budget study session and in the regular council meeting. Final changes to the preliminary budget and the 2021-2026 Capital Improvement Program will be approved at the adoption of the 2021-2022 budget and the 2021-2026 Capital Improvement Program on December 8, 2020.





**CITY OF KIRKLAND**  
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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance & Administration  
Sri Krishnan, Deputy Director of Finance & Administration  
Chip Corder, Temporary 2021-2022 Budget Development Staff

**Date:** November 9, 2020

**Subject:** **PRELIMINARY 2021 PROPERTY TAX LEVY PUBLIC HEARING AND ADOPTION**

## **RECOMMENDATION:**

City Council conduct a public hearing and adopt the following legislation levying property taxes for the year 2021:

1. Resolution R-5451 declaring substantial need for purposes of setting the limit factor for the property tax levy in 2021;
2. Ordinance O-4742 establishing the preliminary 2021 regular levy for the City of Kirkland and the excess levy for the pre-annexation City;
3. Ordinance O-4743 establishing the 2021 levy for the area previously served by Fire District 41 to pay debt service on the district's outstanding bonds.

## **BACKGROUND DISCUSSION:**

Washington State law requires a public hearing on revenue sources that must include consideration of possible increases in property tax revenues (RCW 84.55.120). A public hearing on revenues sources for the 2021-2022 Budget, where the property tax levy was discussed, was held on September 15, 2020. A public hearing on the City's 2021 property tax levy is scheduled for November 17, 2020. Following the public hearing, the City Council will be asked to adopt the following ordinances: 1) the City's preliminary 2021 property tax levy (Ordinance O-4742); and 2) the levy to fund the annual debt service for the Fire District's outstanding debt for 2021 (Ordinance O-4743). This is the last year for the Fire District 41 levy, because the debt will be retired in December 2021.

The attached ordinances are required to meet the November 30, 2020 deadline established by the King County Council for submission of 2021 property tax levies. Each year the County prepares a levy limit worksheet for cities and other taxing districts that establishes the maximum levy capacity (within legal limits) and the amount of new construction valuation. The City cannot accurately calculate the amount of the levy until the final worksheet is received.

The County estimates that the final levy worksheets will be available in late November or early December. Since the date of the final levy worksheet is unknown, an ordinance needs to be passed that establishes a maximum amount of property taxes the City expects to levy in 2021. A maximum amount is used since the County will allow cities to submit a final levy amount that is lower than the preliminary amount but not higher. Consequently, the preliminary property tax levy is typically higher than the final levy, which will be calculated when the City receives its final levy worksheet from King County. If possible, the final 2021 property tax levy will be brought forward for adoption at the December 8, 2020 City Council meeting. Otherwise, it will be brought forward for adoption when available.

It should be noted that the property tax levy needs to be established annually. Accordingly, the attached ordinances establish levies for 2021, the first year of the biennium.

The following discussion explains how the preliminary levy numbers were calculated for both the City and the area previously served by Fire District 41.

## **1. REGULAR AND EXCESS LEVY FOR THE CITY OF KIRKLAND**

This section explains how the preliminary levy numbers in Ordinance O-4742 were calculated for each of the variable factors in the City's levy. There are two components to the City's property tax levy: the regular levy, which funds operating costs, and the excess levy, which funds debt service on voter-approved bonds (which only applies within the pre-annexation boundaries).

### Regular Levy for City

There are five components that make up the 2021 regular levy:

1. Base levy
2. Optional levy increase
3. New construction
4. Prior year levy corrections
5. 2020 Fire & Emergency Medical Services levy lid lift (approved by voters on November 3, 2020)

### *Base Levy*

The 2021 base levy equals the 2020 regular levy of \$31,332,962, which consists of the following levies:

- Levy for the General Fund and the Street Fund
- 2002 Parks Maintenance levy lid lift
- 2012 Street Maintenance and Pedestrian Safety levy lid lift
- 2012 Parks Maintenance, Restoration, and Enhancement levy lid lift

The prior year levy correction of \$23,108, which was included in the 2020 regular levy, is excluded from the 2021 base levy.

### *Optional Levy Increase*

For taxing districts with a population of 10,000 or more, the optional levy increase, which must be approved by the governing body, is the lesser of 1% or the rate of inflation as measured by the Implicit Price Deflator. According to the Washington State Department of Revenue, the

Implicit Price Deflator for the 2021 regular levy is 0.602%. Therefore, the 2021 optional levy increase is limited to 0.602%. However, under state law taxing districts with a population of 10,000 or more can adopt a resolution of "substantial need," if the governing body believes a 1% increase is warranted. It should be noted that the resolution must be approved by a "supermajority" vote of the governing body (i.e., a majority plus one).

The 2021-2022 Preliminary Budget assumes a 1.0% optional levy increase in 2021, which equates to \$313,330 and is applied to the following regular levy components noted in the table below.

<b>Regular Levy Component</b>	<b>2020 Amount</b>	<b>1.0% Increase</b>	<b>2021 Amount</b>
General Fund & Street Fund	24,457,657	244,577	24,702,234
2002 Parks Maintenance Levy	1,313,565	13,136	1,326,701
2012 Streets Levy	3,117,019	31,170	3,148,189
2012 Parks Levy	2,444,721	24,447	2,469,168
<b>Total</b>	<b>31,332,962</b>	<b>313,330</b>	<b>31,646,292</b>

The difference between a 0.602% increase and a 1.0% increase is \$124,705, which would have to be bridged with available General Fund cash or expenditure reductions, if the Council does not approve a resolution of "substantial need." The justification for a 1.0% optional increase in 2021 is tied to the following:

- The City has an underlying structural imbalance between revenue growth and the increasing cost of providing services, requiring the use of available one-time cash from prior year General Fund surpluses to balance the General Fund "base" budget in 2021-2022.
- The City faces short and long-term revenue losses as a result of the negative economic impact of COVID-19 in 2020-2021 and the expiration of the Annexation Sales Tax Credit in mid-2021 (\$4.94 million per year).

The City Council is scheduled to act on a "substantial need" resolution at the November 17<sup>th</sup> Council meeting.

### *New Construction*

The construction of new buildings and additions to existing structures generates new property tax revenue for the City, which is paid by the property owners of the new construction. The new construction levy is calculated by dividing the new construction valuation by \$1,000 and multiplying the result by the current year's regular levy tax rate (\$0.99438 per \$1,000 of assessed valuation). The preliminary new construction valuation for the 2021 levy (as of November 5, 2020) is \$605,326,916, which corresponds to a new construction levy of \$601,925 (\$605,326,916/\$1,000 x \$0.99438). Over the past five years, the increase in the new construction levy as a percentage of each year's total base levy has ranged between 1.52 percent and 2.85 percent. The preliminary 2021 new construction levy of \$601,925 (as of November 5, 2020) represents a 1.92% increase relative to the 2020 regular levy of \$31,332,962 (excluding the \$23,108 prior year levy correction).

In the preliminary levy ordinance (O-4742), the preliminary 2021 new construction levy is increased from \$601,925 to \$1,805,775, which is three times the November 5, 2020 amount. This is done to ensure the City receives the final new construction levy amount in 2021, which will not be known until the City receives its final 2021 levy worksheet from the County Assessor in late November or early December. It is expected that the final new construction levy will be closer to the November 5, 2020 estimate of \$601,925. When the final levy worksheet is received, staff will adjust the 2021 property tax levy accordingly and prepare a final ordinance for Council approval.

The preliminary 2021 new construction levy (as of November 5, 2020) is allocated proportionately across the four regular levy components noted in the table below. Also, the additional increment of \$1,203,850 is included to tie to the preliminary ordinance (O-4742).

<b>Regular Levy Component*</b>	<b>Levy with Optional 1.0% Increase</b>	<b>New Construction Allocation</b>	<b>Preliminary 2021 Regular Levy</b>
General Fund & Street Fund**	24,718,664	469,846	25,188,510
2002 Parks Maintenance Levy	1,326,701	25,234	1,351,935
2012 Streets Levy	3,148,189	59,880	3,208,069
2012 Parks Levy	2,469,168	46,965	2,516,133
<b>Subtotal</b>	<b>31,662,722</b>	<b>601,925</b>	<b>32,264,647</b>
Additional New Construction Increment		1,203,850	1,203,850
<b>Total</b>	<b>31,662,722</b>	<b>1,805,775</b>	<b>33,468,497</b>

\* Excludes 2020 Fire & EMS levy, which was approved by voters on November 3, 2020.

\*\* Includes \$16,430 in prior year levy corrections.

### *Prior Year Levy Corrections*

Each year's property tax levy typically includes minor corrections to the prior year's levy, which are made by the County Assessor. They mostly encompass property tax refunds for property valuation errors. These refunds, which reduce the total levy amount remitted to the City, are re-levied by the County Assessor in the following year, because the City is entitled to the total levy amount. This re-levied amount is in addition to the 1.0% optional increase (RCW 84.69.020). In 2021, the County Assessor will be re-levying \$16,430 in prior year corrections.

### *2020 Fire & Emergency Medical Services Levy Lid Lift*

This ballot measure, which was approved by voters on November 3, 2020, will stockpile pandemic personal protection equipment for first responders; add twenty additional firefighter/emergency medical technicians to improve response times; build a new Fire Station 27 in Totem Lake; and provide for the seismic renovation and modernization of Fire Station 21 in Forbes Creek, Fire Station 22 in Houghton, and Fire Station 26 in Rose Hill. The 2021 levy is \$7,529,886, which is determined as follows:

Total assessed valuation (preliminary estimate)	\$32,024,351,374
Multiply by levy lid lift rate per \$1,000 AV (noted in Fire & EMS levy ordinance)	\$0.23513
<b>Fire &amp; EMS levy in 2021</b>	<b>\$7,529,886</b>

There has arisen a difference in interpretation on how the senior property tax exemption applies to the Fire & Emergency Medical Services levy lid lift. The interpretation currently being considered by the King County Department of Assessments may result in lower revenue collection than projected by the City of Kirkland. City staff are working with Bond Counsel and King County Department of Assessments staff to resolve the matter. Details will be provided at the November 17 Council meeting. The preliminary ordinance includes the maximum amount for the levy lid lift (\$7,529,886), which is based on a levy rate of \$0.23513 per \$1,000 assessed valuation.

#### Excess Levy for Pre-Annexation City

The excess levy in 2021, which relates to voted debt incurred by the City prior to the 2011 annexation, is \$565,070, which is \$2,190 less than the 2020 excess levy. The 2021 levy amount is tied to the payment schedule on the outstanding bonds and applies only to the residents within the City's pre-annexation boundaries (annexation voters did not approve the assumption of voted bond indebtedness). The last year of the excess levy will be 2022, which is when the voted debt will be fully paid off.

#### Trends in Assessed Valuation

Assessed valuation encompasses existing properties, which are revalued annually, and new construction. The preliminary 2021 total assessed valuation for Kirkland (as of November 5, 2020) is \$32,024,351,374, which is 1.58% higher than 2020. This includes new construction, which represents a 1.92% increase over the 2020 total assessed valuation. As a result, existing properties experienced an overall decrease in total assessed valuation of 0.34% relative to 2020.

For the preliminary levy only, new construction valuation is shown at double the November 5, 2020 figure to ensure that the final new construction levy amount will be remitted to the City. It should be noted that the preliminary new construction figure from King County does not include the State utility assessed valuation, which has not been finalized yet.

Excluding new construction, an increase in total assessed valuation on existing properties does not generate additional revenue for the City. Only a new voter approved levy, the 1% optional increase, which must be approved by the City Council, and new construction can generate new property tax revenue for the City. When the City's total assessed valuation increases, the City's levy rate correspondingly decreases so that the City does not collect more than the lawfully allowable levy amount. The reverse is also true when the City's total assessed valuation decreases.

#### Preliminary Levy Rates

Based on the City's total assessed valuation from the preliminary 2021 levy limit worksheet (as of November 5, 2020), an intentionally high estimate for new construction (\$1,805,775), the 1.0% optional increase, the 2002 Parks Maintenance levy, the 2012 Streets levy, the 2012 Parks levy, and the 2020 Fire & EMS levy, which was approved by voters on November 3, 2020, the regular levy tax rate for the City would increase from \$0.99438 per \$1,000 of assessed valuation in 2020 to \$1.24263 in 2021 (see table below).

The excess levy rate, which applies to properties within the pre-annexation boundaries, is decreasing from \$0.02483 to \$0.02441 primarily due to the assessed valuation increase to the pre-annexation portion of the City (see table below).

Calculation of Levy Rate	Levy Amount	Applicable AV	Levy Rate
Regular Levy Rate	39,794,533	÷ \$32,024,351,374/1,000	\$1.24263
Excess Levy Rate	565,070	÷ \$23,151,400,947/1,000	\$0.02441

## 2. FIRE DISTRICT 41 DEBT SERVICE LEVY

When the annexation of the Juanita, Finn Hill, and Kingsgate neighborhoods became effective on June 1, 2011, Fire District 41, which served most of that area, was assumed by the City. The District's outstanding debt remains in place until it is retired in December 2021. With the assumption of the District, the City Council serves as the governing body with the authority to levy taxes to pay the debt service on the outstanding bonds, which amounts to \$470,572 in 2021. Since King County has a 98% collection rate on tax levies, the City is levying \$480,176 (\$470,572 / 98%) in 2021 to ensure that enough is collected to pay the debt service.

Ordinance O-4743 establishes a levy of \$480,176 for the areas previously served by Fire District 41. This translates to a levy rate of \$0.07025 per \$1,000 of assessed valuation (see table below).

Calculation of Levy Rate	Levy Amount	Applicable AV	Levy Rate
Fire District 41 Levy Rate	480,176	÷ \$6,835,673,202/1,000	\$0.07025

Annexation area residents previously served by Fire District 41 will be subject to an estimated 2021 total levy rate of \$1.31288, which consists of the City's estimated 2021 regular levy rate of \$1.24263 plus the Fire District's estimated 2021 levy rate of \$0.07025.

## 3. SUMMARY

Since the annexation was approved by less than a 60 percent majority of voters, the residents of the annexation area did not assume the existing City's voted indebtedness and are not subject to the City's excess levy rate. The City has three separate levy rates depending on where one lives within Kirkland as noted in the table below (the levy rates are estimates based on the preliminary assessed valuation provided by the County Assessor on November 5, 2020).

Levy Type	Pre-Annexation City	Neighborhoods Previously Served by FD-41	Neighborhoods Previously Served by Woodinville or Redmond
Regular Levy Rate	\$ 1.24263	\$ 1.24263	\$ 1.24263
Excess Levy Rate	\$ 0.02441	N/A	N/A
Fire District 41 Debt Levy	N/A	\$ 0.07025	N/A
<b>Estimated Preliminary Levy Rate</b>	<b>\$ 1.26704</b>	<b>\$ 1.31288</b>	<b>\$ 1.24263</b>

The preliminary 2021 levies are summarized by ordinance below.

<u>Ordinance O-4742</u>	
2020 Regular Levy	\$ 31,332,962
Optional 1.0% Increase	313,330
New Construction	1,805,775
Prior Year Levy Corrections	16,430
2020 Fire & EMS Levy Lid Lift	7,529,886
<b>Total Regular Levy</b>	<b>\$40,998,383</b>
Excess Levy	565,070
<b>Total 2021 Preliminary Levy</b>	<b>\$41,563,453</b>
 <u>Ordinance O-4743</u>	
Fire District 41 Debt Service Levy	\$ 480,176

Adoption of the preliminary 2021 property tax levy ordinances on November 17, 2020 is required to meet the King County 2021 levy submittal deadline of November 30, 2020. Final 2021 levy ordinances will be prepared for Council approval once the final levy limit worksheet is received from the County Assessor in late November or early December.



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance & Administration  
Sri Krishnan, Deputy Director of Finance & Administration  
Chip Corder, Temporary 2021-2022 Budget Development Staff

**Date:** November 3, 2020

**Subject:** **FINDING OF SUBSTANTIAL NEED FOR 2021 PROPERTY TAX LEVY**

### **RECOMMENDATION:**

City Council adopt the attached resolution (R-5451) making a finding of "substantial need" for setting the limit factor at 101% for the 2021 property tax levy, which is assumed in the financial plan for the 2021-2022 Preliminary Budget.

### **BACKGROUND DISCUSSION:**

For taxing districts with a population of 10,000 or more, the optional levy increase, which must be approved by the governing body, is the lesser of 1% or the rate of inflation as measured by the Implicit Price Deflator. According to the Washington State Department of Revenue, the Implicit Price Deflator for the 2021 regular levy is 0.602% (see Attachment 1). Therefore, the 2021 optional levy increase is limited to 0.602%, which corresponds to a limit factor of 100.602%. However, under state law taxing districts with a population of 10,000 or more can adopt a resolution of "substantial need," if the governing body believes a 1% increase is warranted. It should be noted that the resolution must be approved by a "supermajority" vote of the governing body (i.e., a majority plus one).

The 2021-2022 Preliminary Budget assumes a 1.0% optional levy increase in 2021, which equates to \$313,330. The justification for a 1.0% optional increase in 2021 is tied to the following:

- The City has an underlying structural imbalance between revenue growth and the increasing cost of providing services, requiring the use of available one-time cash from prior year General Fund surpluses to balance the General Fund "base" budget in 2021-2022.
- The City faces short and long-term revenue losses as a result of the negative economic impact of COVID-19 in 2020-2021 and the expiration of the Annexation Sales Tax Credit in mid-2021 (\$4.94 million per year).



If the City Council does not approve a resolution of "substantial need," the property tax levy for 2021 would be reduced by \$124,705, which is the difference between a 0.602% increase and a 1.0% increase. Use of available General Fund cash or expenditure reductions would be required to rebalance the budget.



September 25, 2020

Dear County Assessors:

**What is the rate of inflation (IPD rate) for 2021?**

The rate of inflation (IPD rate) for property taxes due in 2021 is **0.602 percent**.

**What is the limit factor for 2021 provided the taxing district adopts a resolution/ ordinance authorizing an increase over the prior year's levy?**

For the state and taxing districts with populations of 10,000 or greater, the limit factor for property taxes due in 2021 is **100.602 percent**. The limit factor for these districts is defined as 100 percent plus the lesser of the rate of inflation or one percent.

For taxing districts with populations under 10,000, the limit factor for property taxes due in 2021 is **101 percent**.

**How is the rate of inflation (IPD rate) calculated?**

The rate of inflation is the percent change in the implicit price deflator for personal consumption as published by the Bureau of Economic Analysis by September 25<sup>th</sup>.

The most recent publication available on September 25<sup>th</sup> was the August publication. For this reason, we used the quarterly values to calculate the percent change in implicit price deflator for personal consumption for taxes due in 2021.

We calculate the percent change by dividing the Quarter 2 2020 number by the Quarter 2 2019 number, subtracting one, and then multiplying by 100. We used the following values in the calculation this year:

Quarter 2 2019	109.722
Quarter 2 2020	110.382

If you have any questions, please contact me.

Sincerely,

Mark Studer  
 Tax Policy Specialist  
 Research & Fiscal Analysis  
 Department of Revenue

cc: County Treasurers

RESOLUTION R-5451

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND MAKING A DECLARATION OF SUBSTANTIAL NEED FOR PURPOSES OF SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY FOR 2021.

1 WHEREAS, RCW 84.55.010 provides that a taxing  
2 jurisdiction may levy taxes in an amount no more than the limit  
3 factor multiplied by the highest levy of the most recent three years  
4 plus additional amounts resulting from new construction and  
5 improvements to property; and  
6

7 WHEREAS, under RCW 84.55.005(2)(c), the limit factor for  
8 a taxing jurisdiction with a population of 10,000 or over is the  
9 lesser of 101 percent or 100 percent plus inflation; and  
10

11 WHEREAS, RCW 84.55.005(1) defines "inflation" as the  
12 percentage of change in the implicit price deflator for personal  
13 consumption expenditures for the United States as published for  
14 the most recent 12-month period by the Bureau of Economic  
15 Analysis of the federal Department of Commerce in September of  
16 the year before the taxes are payable; and  
17

18 WHEREAS, "inflation" as published on August 27, 2020 is  
19 0.602 percent, and the limit factor is 100.602 percent; and  
20

21 WHEREAS, RCW 84.55.0101 provides for use of a limit  
22 factor of up to 101 percent with a finding of substantial need by  
23 a majority of the Council Members plus one; and  
24

25 WHEREAS, the preliminary 2021 budget assumes that the  
26 City would implement the optional levy increase of one percent;  
27 and  
28

29 WHEREAS, if no finding of substantial need is adopted, the  
30 property tax revenues for 2021 would be reduced by \$124,705;  
31

32 WHEREAS, the City has an underlying structural imbalance  
33 between revenue growth and the increasing cost of providing  
34 services;  
35

36 WHEREAS, the City faces short and long-term revenue  
37 losses as a result of the negative economic impact of COVID-19  
38 in 2020-2021 and the expiration of the Annexation Sales Tax  
39 Credit in 2021.  
40

41 NOW, THEREFORE, be it resolved by the City Council of the  
42 City of Kirkland as follows:  
43

44 Section 1. A finding is made of substantial need under RCW  
45 84.55.0101, which authorizes a limit factor of 101 percent for the  
46 property tax levy for 2021, due to the need to maintain the City's

47 budgeted level of revenues in 2021, recognizing the short-term  
48 revenue loss resulting from COVID-19 and the long-term revenue  
49 loss resulting from the expiration of the Annexation Sales Tax  
50 Credit in 2021.

51  
52 Passed by majority vote of the Kirkland City Council plus  
53 one in open meeting this \_\_\_\_ day of \_\_\_\_\_, 2020.

54  
55 Signed in authentication thereof this \_\_\_\_ day of  
56 \_\_\_\_\_, 2020.  
57

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

Attest:

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

## ORDINANCE O-4742

AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2021, THE FIRST YEAR OF THE CITY OF KIRKLAND'S 2021-2022 FISCAL BIENNIUM.

1 WHEREAS, the City Council held a public hearing on September  
2 15, 2020 to consider revenue sources for the 2021-2022 Biennial  
3 Budget; and

4  
5 WHEREAS, the City Council and the City Manager have considered  
6 the anticipated financial requirements of the City of Kirkland for the  
7 fiscal year 2021; and

8  
9 WHEREAS, pursuant to RCW 35A.33.135, the City Council is  
10 required to determine and fix by ordinance the amount to be raised by  
11 ad valorem taxes; and

12  
13 WHEREAS, RCW 84.55.120 requires that the increase in the levy  
14 over the prior year be stated both as to the dollar increase and  
15 percentage change;

16  
17 NOW, THEREFORE, the City Council of the City of Kirkland do  
18 ordain as follows:

19  
20 Section 1. The regular property tax levy for the year 2021 is  
21 hereby fixed and established in the amount of \$40,998,383. This  
22 property tax levy represents a dollar increase of \$313,330 and a  
23 percentage increase of one percent from the previous year, excluding  
24 the 2020 Fire and Emergency Medical Services levy lid lift, which was  
25 approved by voters on November 3, 2020, new construction, and prior  
26 year levy corrections as shown below:  
27

<b>2021 Regular Levy</b>	<b>\$40,998,383</b>
Less 2020 Regular Levy	\$31,332,962
Less 2020 Fire & EMS Levy Lid Lift	\$7,529,886
Less New Construction	\$1,805,775
Less Prior Year Levy Corrections	\$16,430
<b>Total Increase</b>	<b>\$313,330</b>
<b>Percent Increase</b>	<b>1.00%</b>

28  
29 Section 2. There is hereby levied for 2021 upon all property,  
30 both real and personal, within the City of Kirkland, Washington, and  
31 within the area subject to tax levies for the principal and interest of all

32 general obligation bond issues, a total voted property tax of \$565,070  
33 on the total of assessed valuation for such property.

34  
35 Section 3. This ordinance shall be in force and effect five days  
36 from and after its passage by the Kirkland City Council and publication,  
37 as required by law.

38  
39 Passed by majority vote of the Kirkland City Council in open  
40 meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

41  
42 Signed in authentication thereof this \_\_\_\_\_ day of  
43 \_\_\_\_\_, 2020.

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

Attest:

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

Approved as to Form:

\_\_\_\_\_  
Kevin Raymond, City Attorney

## ORDINANCE O-4743

AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2021, TO PAY THE FIRE DISTRICT 41 DEBT SERVICE ASSUMED AS A RESULT OF ANNEXATION OF THE NORTH JUANITA, FINN HILL, AND KINGSGATE NEIGHBORHOODS ON JUNE 1, 2011.

1           WHEREAS, the City has annexed the territory formerly served by  
2 Fire District 41 which removed all of the territory served by the District  
3 from its jurisdiction by operation of law as of June 1, 2011; and  
4

5           WHEREAS, RCW 35A.14.500 provides that “[w]hen any portion of  
6 a fire protection district is annexed by or incorporated into a code city,  
7 any outstanding indebtedness, bonded or otherwise, shall remain on  
8 obligation of the taxable property annexed or incorporated as if the  
9 annexation or incorporation had not occurred”; and  
10

11           WHEREAS, RCW 35A.14.801(5) provides that “[i]f a code city  
12 annexes property within a fire district or library district while any general  
13 obligation bond secured by the taxing authority of the district is  
14 outstanding, the bonded indebtedness of the fire district or library  
15 district remains on obligation of the taxable property annexed as if the  
16 annexation had not occurred”; and  
17

18           WHEREAS, the outstanding indebtedness obligation of the taxable  
19 property annexed is \$459,515; and  
20

21           WHEREAS, the City Council and the City Manager have considered  
22 the anticipated financial requirements of the City of Kirkland for the  
23 payment of the debt service for the fiscal year 2021; and  
24

25           WHEREAS, pursuant to RCW 35A.33.135, the City Council is  
26 required to determine and fix by ordinance the amount to be raised by  
27 ad valorem taxes;  
28

29           NOW, THEREFORE, the City Council of the City of Kirkland do  
30 ordain as follows:  
31

32           Section 1.     The Fire District 41 debt service property tax levy  
33 for the year 2020 is hereby fixed and established in the amount of  
34 \$480,176.  
35

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

39 Passed by majority vote of the Kirkland City Council in open  
40 meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

41  
42 Signed in authentication thereof this \_\_\_\_\_ day of  
43 \_\_\_\_\_, 2020.

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

Attest:

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

Approved as to Form:

\_\_\_\_\_  
Kevin Raymond, City Attorney





KIRKLAND CITY COUNCIL SPECIAL STUDY SESSION MINUTES  
October 27, 2020

1. CALL TO ORDER

Mayor Sweet called the special meeting to order at 3:00 p.m.

2. ROLL CALL

ROLL CALL:

Members Present: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

Members Absent: None.

3. STUDY SESSION

a. 2021-2022 Budget

(1) Agenda Overview

City Manager Kurt Triplett reviewed the planned schedule for the meeting and extended his thanks to Financial staff and the Council.

(2) Introductory Comments: Equitable, Safe and Resilient

(3) Financial Overview

Director of Finance and Administration Michael Olson opened the presentation with his own thanks to Finance staff, Directors, the City Manager and Council.

(a) Budget Overview

(b) Revenue Trends

Council recessed for a short break.

(c) Expenditure Trends

(d) Budget Priorities

(1) Strategic Anchors

(2) Community Survey

Assistant City Manager James Lopez shared information from the 2020 Community Survey.

(3) Service Package Approach

(4) Major Discussion Topics - Issue Papers

(a) Resolution 5434

City Manager Kurt Triplett provided an overview of proposed initiatives.

(b) Revenue Options 2023-2024

(c) Body Cameras

Chief Cherie Harris reviewed the proposed program.

(d) Contracted Jail Expenditures

(e) Fire Ballot Measure

Chief Joe Sanford reviewed the allocated potential funding of the measure.

(f) Fire Overtime

(g) Credit Card Fee/Usage

(h) Public Disclosure

(i) Health Benefits Update

(j) Human Services Funding

Parks and Community Services Director Lynn Zwaagstra reviewed the proposed funding.

Council recessed for a dinner break.

(k) Outside Agencies

(5) Community Safety Initiative

(6) Review by Goal Area

(a) Major Recommendations

Sharing information on these issues (in addition to Mr. Triplett and Mr. Olson) were Assistant City Manager James Lopez, Information Technology Director Smitha Krishnan, Deputy Public Works Director John Starbard, Public Works Director Julie Underwood, Director of Planning and Building Adam Weinstein, and Parks and Community Services Director Lynn Zwaagstra.

(7) Follow-up for Next Meeting(s)

4. ADJOURNMENT

The Kirkland City Council Special Study Session was adjourned at 7:50 p.m.

---

Kathi Anderson, City Clerk

---

Penny Sweet, Mayor



KIRKLAND CITY COUNCIL MEETING MINUTES  
November 4, 2020

1. CALL TO ORDER

Mayor Sweet called the study session to order at 5:30 p.m. and called the regular meeting to order at 7:30 p.m.

2. ROLL CALL

ROLL CALL:

Members Present: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

Members Absent: None.

3. STUDY SESSION

a. Preliminary 2021-2022 Budget

Finance and Administration Director Michael Olson facilitated Council's review and discussion of remaining budget questions following their October 27 special study session on the preliminary 2021-2022 budget.

b. Executive Session

(1) To Discuss the Qualifications of Public Employees

Mayor Sweet announced that Council would enter into executive session to discuss the qualifications of public employees and would return to regular meeting at 7:30 p.m., which they did. Also attending the session were City Manager Kurt Triplett, Deputy City Manager Tracey Dunlap, City Attorney Kevin Raymond and Director of Finance and Administration Michael Olson.

4. HONORS AND PROCLAMATIONS

None.

5. COMMUNICATIONS

a. Announcements

Mayor Sweet announced that at the time of the meeting King County Elections was reporting the passage of Kirkland's Proposition 1 at with 72% in favor and conveyed the appreciation of the Council for the passage of the proposition.

b. Items from the Audience

Maria Harwell  
Khizer Sheriff  
Lalita Uppala  
Addie Smith

Motion to Accept the comments from Maria Harwell, Khizer Sheriff and Lalita Uppala as testimony provided for the Budget Public Hearing.  
Moved by Councilmember Toby Nixon, seconded by Councilmember Amy Falcone  
Vote: Motion carried 7-0  
Yes: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

c. Petitions

6. PUBLIC HEARINGS

a. Preliminary 2021-2022 Budget

Mayor Sweet reviewed the budget process to date and opened the public hearing. Finance and Administration Director Michael Olson provided an update of the budget process to date and an overview of the 2020-2021 budget. Testimony was provided by Maria Harwell, Khizer Sheriff, Lalita Uppala, Alisa Chatinsky, Loita Hawkinson, Erica Liebelt, Helene Wentink, John Herman, Judy Faast, and MJ Carlson. No further testimony was offered and the Mayor closed the hearing.

7. SPECIAL PRESENTATIONS

a. 2020 Annual Fall Service Awards

Mayor Sweet was joined by Human Resources Director Anh Hoang in presenting twenty year service awards to Firefighter Travis Braddock, Development Engineering Manager John Burkhalter, Family Violence Officer Christa Gilland, Deputy Director Xiaoning Jiang, Utility Craftsperson Gianni Mallamo, Program Coordinator Betsy Maxwell, Transportation Engineer Thang Nguyen, Police Lieutenant Robert Saloum, Management Analyst Van Sheth, and Assistant Court Administrator Erin Wheeler. Twenty-five year service awards were presented to Patrol Corporal Michael DeAguiar, Parks Operations Manager Jason Filan, Police Lieutenant Philip Goguen, Construction Inspector Tim Gunter, Fire Lieutenant James Hughes, Inspection Supervisor Clell Mason, Groundsperson Mark Padgett, Legal Assistant Leta Santangelo, and Police Analyst Kristina Shull. Thirty year service awards were presented to Battalion Chief Gregory Picinich and Deputy Director Jeremy McMahan.

b. COVID-19 Update

City Manager Kurt Triplett provided an update on current events related to the pandemic including a recent outbreak of COVID-19 among the staff and a strengthening of COVID-19 safety protocols.

c. Resolution R-5434 Update

City Manager Kurt Triplett provided an update on recent community outreach efforts. Assistant City Manager Jim Lopez also responded to Council questions.

8. CONSENT CALENDAR

a. Approval of Minutes

October 20, 2020

b. Audit of Accounts

Payroll: \$4,241.816.38  
Bills: \$2,317,447.85  
S1021A Checks #715320 - 715523  
S1021B Check #715524  
S1021C Wire #233  
S1028A Checks #715525 - 715630  
S1028A Wire #231  
S1029A Check #715631  
S1029B Wire #235  
S1029C Wire #232  
ACH

c. General Correspondence

d. Claims

(1) Claims for Damages

Claims received from Michael Tung and Venrata Krishna Vaitla were acknowledged via approval of the consent calendar.

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

(1) 2020 Annual Striping Program

Council accepted the work on the 2020 Annual Striping Program Project as completed by Special Pavement Marking, of Tualatin, Oregon, thereby

establishing the statutory lien period; and approved the fiscal note returning \$2,330.69 to Citywide Traffic Management Safety Improvement Program and \$5,821.26 to Annual Striping Program for a total of \$8,151.95 via approval of the consent calendar.

(2) Parks Maintenance Center

City Council accepted the work performed by Klinge and Associates of Kirkland, Washington, to renovate an existing building into a new Parks Maintenance Center, thereby establishing the statutory lien period; and approved a fiscal note allocating an anticipated budget surplus of \$16,398.42 to the original funding source.

g. Approval of Agreements

h. Other Items of Business

- (1) Resolution R-5450, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A CITY OF KIRKLAND LEGISLATIVE AGENDA TO BE ADDRESSED TO THE 2021 SESSION OF THE STATE LEGISLATURE."

The resolution was pulled from the consent calendar for consideration under Business, item 9.b.

- (2) Third Quarter 2020 Fire Dashboard

The report was acknowledged via approval of the consent calendar.

- (3) Third Quarter 2020 Police Dashboard

The report was acknowledged via approval of the consent calendar.

- (4) September 2020 Sales Tax Report

The report was acknowledged via approval of the consent calendar.

- (5) Procurement Report

The report was acknowledged via approval of the consent calendar.

Motion to Approve the Consent Calendar, with the exception of item 8.h.(1)., which was pulled for consideration under Business, item 9.b.

Moved by Councilmember Toby Nixon, seconded by Councilmember Neal Black

Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

9. BUSINESS

a. Code Amendments - Streamlining Public Projects

Senior Planner Nick Cilluffo presented an overview of proposed amendments to the Kirkland Zoning Code and Municipal Code related to streamlining the review and approval process for public projects.

- (1) Ordinance O-4739, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE AND AMENDING THE KIRKLAND ZONING CODE CHAPTERS 90, 115, AND 142, ORDINANCE 3719 (AS AMENDED), AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM20-00334."

Motion to Approve Ordinance O-4739, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE AND AMENDING THE KIRKLAND ZONING CODE CHAPTERS 90, 115, AND 142, ORDINANCE 3719 (AS AMENDED), AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. CAM20-00334."

Moved by Councilmember Neal Black, seconded by Councilmember Kelli Curtis

Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

- (2) Ordinance O-4740, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND SURFACE MODIFICATION AND AMENDING SECTION 29.12.010 OF THE KIRKLAND MUNICIPAL CODE."

Motion to Approve Ordinance O-4740, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LAND SURFACE MODIFICATION AND AMENDING SECTION 29.12.010 OF THE KIRKLAND MUNICIPAL CODE."

Moved by Councilmember Kelli Curtis, seconded by Councilmember Neal Black

Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

- (3) Ordinance O-4741, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO DEVELOPMENT FEES AND AMENDING SUBSECTION 5.74.070(a) OF THE KIRKLAND MUNICIPAL CODE."

Motion to Approve Ordinance O-4741, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO DEVELOPMENT FEES AND AMENDING SUBSECTION 5.74.070(a) OF THE KIRKLAND MUNICIPAL CODE."



Moved by Councilmember Kelli Curtis, seconded by Deputy Mayor Jay Arnold

Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

- b. Resolution R-5450, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A CITY OF KIRKLAND LEGISLATIVE AGENDA TO BE ADDRESSED TO THE 2021 SESSION OF THE STATE LEGISLATURE."

The resolution was pulled from the consent calendar (item 8.h.(1)) for consideration under Business, item 9.b.

Motion to Approve Resolution R-5450, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A CITY OF KIRKLAND LEGISLATIVE AGENDA TO BE ADDRESSED TO THE 2021 SESSION OF THE STATE LEGISLATURE," as amended.

Moved by Councilmember Toby Nixon, seconded by Councilmember Amy Falcone

Vote: Motion carried 6-1

Yes: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Jon Pascal, and Mayor Penny Sweet.

No: Councilmember Toby Nixon.

Motion to Amend Resolution R-5450, by deleting the City of Kirkland 2021 Priority Coalition Advocacy Agenda portion of the Legislative Agenda in its entirety.

Moved by Councilmember Toby Nixon, seconded by Councilmember Jon Pascal

Vote: Motion failed 1 - 6

Yes: Councilmember Toby Nixon.

No: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Jon Pascal, and Mayor Penny Sweet.

Motion to Amend Resolution R-5450, adjust language by adding "Proposed" to the title of the City of Kirkland 2021 Priority Coalition Advocacy Agenda" and to add a sentence at the beginning of the section that states, "Council will evaluate support for proposed legislative agendas from the following organizations:".

Moved by Councilmember Kelli Curtis, seconded by Councilmember Amy Falcone

Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

Motion to Amend the previous amendment of Resolution R-5450, to delete the phrase "Advocate for the" from each bullet point.

Moved by Councilmember Toby Nixon, seconded by Councilmember Neal Black  
Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

10. REPORTS

a. City Council Regional and Committee Reports

Councilmembers shared information regarding the Greater Kirkland Chamber of Commerce virtual ribbon cutting at Brewing Savage; a King County Regional Transit Committee meeting; a Transportation Work Group meeting; an Eastrail Regional Advisory Council meeting; a Puget Sound Regional Council General Assembly meeting; an Eastside Embrace "Sit Down and Listen" event; an Eastside Human Services Forum meeting; an Eastside for All "Eastside Renters in Crisis" meeting; appreciation for how residents observed Halloween; a partnership between the City of Kirkland and iCERV for food drive on November 21st; the upcoming Sound Cities Association Public Issues Committee meeting; recognition of Councilmember Pascal's birthday; a tour of a Canadian recycling process; and the passage of Proposition 1.

Motion to Authorize Mayor Sweet to sign a letter expressing support for the I-405 improvements needed for Sound Transit's Bus Rapid Transit project on I-405 proposed by Deputy Mayor Arnold.

Moved by Councilmember Toby Nixon, seconded by Councilmember Amy Falcone  
Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Neal Black, Councilmember Kelli Curtis, Councilmember Amy Falcone, Councilmember Toby Nixon, Councilmember Jon Pascal, and Mayor Penny Sweet.

b. City Manager Reports

(1) Calendar Update

City Manager Kurt Triplett confirmed that there would not be a special meeting on November 10th.

11. ITEMS FROM THE AUDIENCE

None.

12. EXECUTIVE SESSION

None.

13. ADJOURNMENT

The Kirkland City Council regular meeting of November 4, 2020 was adjourned at 9:45 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**

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Kathi Anderson, City Clerk  
**Date:** November 17, 2020  
**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) Erick Blandin  
12618 109<sup>th</sup> CT NE, #H105  
Kirkland, WA 98034

**Amount:** Unspecified

**Nature of Claim:** Claimant states water damage occurred to his residential condominium unit resulting from a blocked storm drain.

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



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Rod Steitzer, P.E., Capital Projects Manager  
John Starbard, Deputy Director  
Julie Underwood, Director of Public Works

**Date:** November 5, 2020

**Subject:** ADVANCE MITIGATION PROJECT—ACCEPT WORK

### **RECOMMENDATION:**

Staff recommends that the City Council:

- Accept the work on the Advance Mitigation Project (Project), as completed by OMA Construction, Inc., of Maple Valley, Washington, in the amount of \$732,023.50, thereby establishing the statutory lien period; and
- Return excessive funds \$493,754 to their original funding source: REET 2 Reserves.

By taking action on this staff report during approval of the Consent Calendar, the City Council is accepting the work for the Project and authoring the return of excess funds.

### **BACKGROUND DISCUSSION:**

In late 2016, staff discussed the concept of “advance mitigation” with City Council when the Council was reviewing and adopting amendments to Chapter 90 of the *Kirkland Zoning Code*, “Critical Areas,” (Item 10. g., KZC 90.145.4.c, Ordinance 4551, December 13, 2016). That adopted code provision allows for smaller, scattered mitigation to be centralized into larger mitigation projects, and that this centralization approach is intended for City implemented public projects.

At its August 6, 2018 meeting, staff discussed with the Council a proposed scope of work and budget for an initial advance mitigation project (agenda item 11.a). That Project scope included wetland and buffer mitigation work in certain areas of Juanita Bay Park, identified as “Forbes A” and “Forbes B,” to provide significant opportunity for wetland and wetland/stream buffer restoration through removal of invasive plants then the hand-planting of hundreds of live willow stakes (see Attachment A, Vicinity, Area, and Project Location Maps). The Project scope and funding of \$1,900,000 was authorized at the August 6, 2018 meeting.

The Project was first advertised for contractor’s bid on September 10, 2018 and bids were opened on September 24, 2018. Five bids were received.

At its October 16, 2018 meeting, the Council awarded a construction contract to OMA Construction, Inc., in the amount of \$887,219.30. Work began January 7, 2019 and was physically complete on April 30, 2020. A total of \$732,023.50 was earned by the contractor, with construction costs \$155,195.80 less because material quantities were less than estimated. There were no change orders on this project.

Although the work for this contract is complete, there will still be activity at the Forbes A and Forbes B sites to ensure that the plants remain healthy, invasive species continue to be abated, and that the desired benefits are being realized as designed. Through a separate competitive process, OMA Construction was awarded a five-year maintenance contract at the August 7, 2019 Council Meeting, in the amount of \$236,715. In the event monitoring reveals items that need correction, the maintenance contract will address those needs. The five-year maintenance commitment also requires time for monitoring; that monitoring will be completed using consultants for the first two years and staff for the remaining three years. A summary of the AMP project budget is shown in Table 1, below, and the Project Budget Report (see Attachment B). Specific expense elements for maintenance and monitoring are shown in Table 2, below.



Looking North at Market Street

Looking North Toward NE 110<sup>th</sup> Street**Table 1: Funding vs Expenses for the AMP Project (Forbes A & Forbes B)**

<b>Funding</b>	<b>Amount</b>
NM 7777: Annual Non-Motorized CAO/SWDM Surface Water Support	\$1,400,000
TR 7777: Annual Traffic CAO/SWDM Surface Water Support	\$500,000
<b>Total Funding</b>	<b>\$1,900,000</b>
<b>Expenses</b>	
Construction Contract (this memo to accept work)	(\$732,024)
Design, Soft Cost, and Permitting	(\$252,203)
5-year Maintenance and Monitoring (see Table 2)	(\$422,019)
<b>Total Expense</b>	<b>(\$1,406,246)</b>
Balance	<b>\$493,754</b>

**Table 2: AMP Project Maintenance and Monitoring**

<b>Expenses</b>	<b>Amount</b>
5-year Maintenance Contract (OMA award August 7, 2019)	\$236,715
5-year Monitoring Staff and Consultant	\$125,304
Water Connection for Irrigation	\$30,000
Contingency	\$30,000
<b>Total Expense (shown in Table 1 above)</b>	<b>\$422,019</b>

With construction of the Forbes A and Forbes B sites complete, staff recommends returning the Project's positive balance of \$493,754 (see Table 1, above) to REET 2 Reserves, as described in the Fiscal Note (see Attachment C).

The construction contract was funded originally through the Annual Non-Motorized and Traffic CAO/SWDM Surface Water Support (NMC7777 and TRC7777). However, to align the AMP's expenses with appropriate surface water funds, as intended in the 2019-24 CIP, staff is recommending the transfer of funds from the Kirkland Advance Mitigation Program Project (SDC1210) to the Annual Surface Water Support, as described in the Fiscal Note.

Additionally, staff will track the performance of the five-year monitoring and maintenance period. At the end of five years, staff will return to the Council for the acceptance of that contract.

Attachment A: Vicinity, Area, and Project Location Maps

Attachment B: Project Budget Report

Attachment C: Fiscal Note

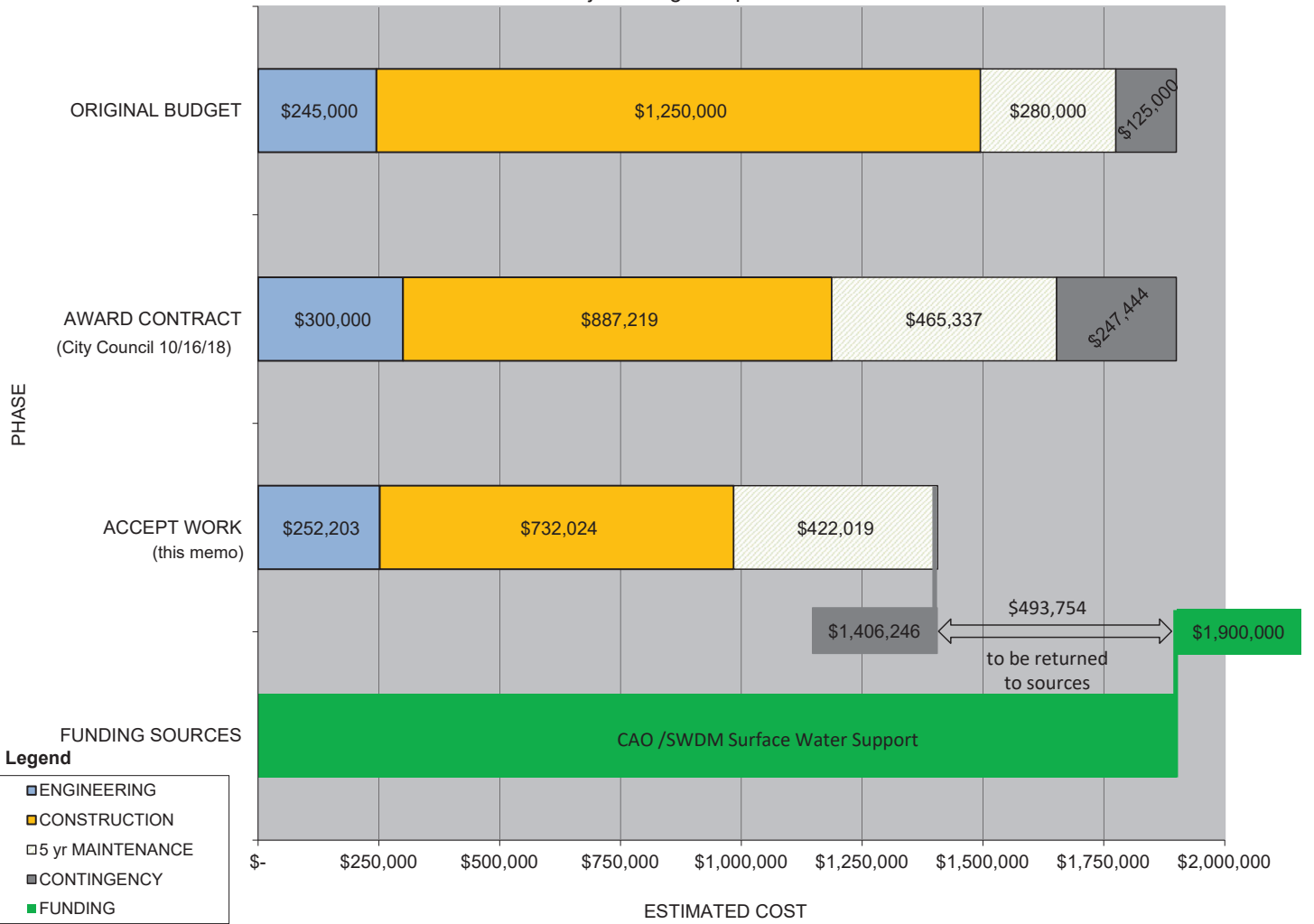




**ADVANCE MITIGATION PROJECT  
(NM7777 and TR 7777)**

**Attachment B**

**Project Budget Report**



**Attachment B**

**FISCAL NOTE**

CITY OF KIRKLAND

Source of Request							
Julie Underwood, Interim Director of Public Works							
Description of Request							
The Surface Water Utility's SDC121000 "Kirkland Advance Mitigation Program" project will transfer funding of \$1,000,000 to the Transportation Capital Fund's NMC7777017 to align this funding with the Advance Mitigation Program's expenses as intended in the 2019-24 CIP. Following this transaction, there will be two one-time transfers returning REET 2 funding to its original source: \$493,754 of available balance from TRC7777017 and \$1,032,232 available funding from NMC7777017. This action will close out TRC7777017. NMC7777017 will remain open with an encumbrance of \$422,019 for 5-year monitoring and maintenance of the site.							
Legality/City Policy Basis							
Fiscal Impact							
<b>One-time revenue of \$1,000,000 from the 423 fund to the 320 fund to correct funding for the Advance Mitigation Program costs (expense from SDC121000 and revenue to NMC7777017). One-time transfer of \$1,032,232 of REET 2 funding from NMC7777017 to REET 2 Reserves. One-time transfer of \$493,754 in REET 2 funding from TRC7777017 to REET 2 Reserves.</b>							
Recommended Funding Source(s)							
<i>Reserve</i>	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 2 Reserves	3,966,193	(6,608,722)	4,080,224	1,525,986	2,963,681	N/A
	Finance processing notes: REET 2 Reserve - 19018305*599012*REET2 - Current balance 10.8.20 = \$1,437,695						
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>							
Other Information							
Project close outs from NMC7777017 and TRC7777017 have been identified as funding sources for the NMC0861000 "Totem Lake Connector" bridge - these are referenced as "pending project close outs" in the 10.20.20 TLC memo and fiscal note.							

Prepared By	Kyle Butler, Financial Planning Supervisor	Date	October 9, 2020
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**CITY OF KIRKLAND**

City Attorney's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3030

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

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Darcey Eilers, Assistant City Attorney

**Date:** November 3, 2020

**Subject:** AUTHORIZING USE AND ACCEPTANCE OF ELECTRONIC SIGNATURES

**RECOMMENDATION:**

It is recommended that the City Council approve the attached resolution authorizing the use and acceptance of electronic signatures and electronic notarization for City business and ratifying prior use and acceptance of electronic signatures. By taking action on the consent agenda, this resolution will be approved.

**BACKGROUND DISCUSSION:**

The legal framework for the use of electronic signatures on electronic records by municipal governments has been in place in Washington for some time. Recently, in June 2020, the state legislature replaced the prior electronic signature legislation and adopted the Uniform Electronic Transactions Act (UETA), chapter 1.80 RCW. The UETA allows cities to determine whether, and to what extent, they will accept, rely on, process, and otherwise use electronic records and electronic signatures.

Authorizing the use and acceptance of electronic signatures and electronic records will promote efficiency and conserve public resources. Reducing the City's reliance on paper-based transactions will also further improve information security and sharing, allow faster approval of and access to documents, and reduce environmental impacts and costs associated with handling physical documents. Proper electronic signature requirements and policies provide reasonable assurance of the integrity, authenticity, and nonrepudiation of electronic documents. In addition, use of electronic signatures and electronic records has become increasingly important to effectively conduct City business as the COVID-19 pandemic continues to limit in-person interactions.

The proposed resolution establishes the City Council's policy determination to authorize the City to use and accept electronic signatures for City records and transactions and establishes minimum criteria for use and acceptance of electronic signatures. The resolution authorizes and directs the City Manager to adopt specific policies and guidelines regarding electronic signatures. Finally, the resolution ratifies electronic signatures that have been used or accepted by the City prior to the effective date of the resolution.

**Attachment:** Resolution Authorizing Use and Acceptance of Electronic Signatures

RESOLUTION R-5452

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE USE AND RECEIPT OF ELECTRONIC SIGNATURES AND ELECTRONIC NOTARIZATION IN CONDUCTING CITY BUSINESS AND AUTHORIZING THE CITY MANAGER TO ADOPT ELECTRONIC SIGNATURE POLICIES AND PROCEDURES.

1 WHEREAS, chapter 1.80 RCW authorizes a city to utilize  
2 electronic signatures in the conduct of governmental affairs and  
3 other transactions and to establish a method and process for such  
4 use; and

5  
6 WHEREAS, an electronic signature is an electronic sound,  
7 symbol, or process attached to or logically associated with a  
8 contract or other record and executed or adopted by a person  
9 with the intent to sign the record as if a signature were affixed by  
10 hand; and

11  
12 WHEREAS, electronic signatures can provide a convenient,  
13 time- saving, and secure way of signing documents and can  
14 reduce environmental impacts associated with handling physical  
15 documents; and

16  
17 WHEREAS, with appropriate criteria and requirements for  
18 using and accepting electronic signatures, the City can have  
19 reasonable assurance of the integrity, authenticity, and  
20 nonrepudiation of electronic documents; and

21  
22 WHEREAS, the value of electronic signatures has been  
23 noticeable during the COVID-19 public health emergency, when  
24 government business has been and continues to be largely  
25 conducted via remote technologies due to the Governor's Stay  
26 Home, Stay Safe Proclamation and subsequent orders and  
27 directives; and

28  
29 WHEREAS, to promote social distancing during the COVID-  
30 19 pandemic and to increase the effectiveness and efficiency of  
31 the City of Kirkland's business processes, the City intends to  
32 leverage technology solutions that comply with the Uniform  
33 Electronic Transactions Act; and

34  
35 WHEREAS, the City Council desires to formally authorize  
36 the use and acceptance of electronic signatures and digital  
37 notarization in conducting City business.

38  
39 NOW, THEREFORE, be it resolved by the City Council of the  
40 City of Kirkland as follows:

41  
42 Section 1. The City Council finds it to be in the public  
43 interest to allow the use and acceptance of electronic records and  
44 electronic signatures for City business to the fullest extent allowed

45 by law. The foregoing recitals are incorporated and fully made a  
46 part of this Resolution.

47  
48 Section 2. The City Manager is hereby authorized and  
49 directed to adopt any administrative policies or processes  
50 necessary to implement the use and acceptance of electronic  
51 signatures by the City consistent with this Resolution and in  
52 compliance with the provisions of chapter 1.80 RCW, the Uniform  
53 Electronic Transactions Act, as presently enacted or hereafter  
54 amended.

55  
56 Section 3. Subject to the limitations in this Resolution, City  
57 policy to be adopted by the City Manager, and state and federal  
58 law, an electronic signature may be used with the same force and  
59 effect as a signature affixed by hand.

60  
61 Section 4. The City Council authorizes any City employee  
62 or elected official who has been granted authority to sign records  
63 on behalf of the City, and their designees, to affix electronic  
64 signatures to conduct City business and further authorizes the City  
65 to accept electronic signature from third parties, provided all of  
66 the following criteria are met:

- 67 A. The individual is authorized to sign the document. Any  
68 individual applying an electronic signature must use their  
69 own name and must not have disclosed their password to  
70 any other individual.
- 71 B. The signature technology has been approved by the City  
72 Manager for use in conducting City business.
- 73 C. The appearance of the electronic signature contains, at  
74 minimum, the following:
- 75 1. The identity of the individual, including all  
76 information required by the administrative policy to  
77 be adopted by the City Manager; and
  - 78 2. A representation of the individual's signature or  
79 acknowledgement of digital signature in-lieu of  
80 physical signature (e.g., using an "I accept" or "I  
81 agree" check box with an affirmation statement); and
  - 82 3. The date and time of the signature, unless the  
83 electronic signature technology is self-auditing.
- 84 D. The individual does not provide information they know to be  
85 untrue.

86 Section 5. The use and acceptance of an electronic  
87 signature affirmed by an electronic record notary public is  
88 permitted if the notarization complies with chapter 42.45 RCW,  
89 the Revised Uniform Law on Notarial Acts, as presently enacted  
90 or hereafter amended.

91

92           Section 6. The use and acceptance of electronic signatures  
 93 by the City of Kirkland prior to the effective date of this Resolution  
 94 is hereby ratified and confirmed, provided such electronic  
 95 signature is consistent with the terms of this Resolution.

96  
 97           Section 7. This Resolution in no way affects the City’s ability  
 98 to conduct a transaction using a physical medium and shall not be  
 99 construed as a prohibition on the use of signatures affixed by  
 100 hand.

101  
 102           Section 8. This Resolution shall take effect and be in force  
 103 immediately upon its passage.

104  
 105           Passed by majority vote of the Kirkland City Council in open  
 106 meeting this \_\_\_\_ day of \_\_\_\_\_, 2020.

107  
 108           Signed in authentication thereof this \_\_\_\_ day of  
 109 \_\_\_\_\_, 2020.

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

Attest:

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



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

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## MEMORANDUM

**To:** Kurt Triplett, City Manager  
**From:** Michael Olson, Director of Finance and Administration  
**Date:** November 3, 2020  
**Subject:** Investment Policy Update

### RECOMMENDATION:

Council adopts the attached resolution updating the City of Kirkland Investment Policy. By adopting the resolution through approval of the consent agenda, the Council is authorizing this action.

### BACKGROUND DISCUSSION:

The City submitted the Investment Policy for recertification to the Association of Public Treasurer's of the United States and Canada (APT US&C) and the Washington Public Treasurers Association (WPTA) in 2017 and received Certification of Excellence in 2018 from both organizations. Along with the certification, Kirkland was provided with recommendations to update the policy. Additionally, the Kirkland Investment Policy is reviewed annually by the Investment Committee, consisting of the City Manager and the Director of Finance and Administration for any needed updates. The City's Investment Advisor, GPA also reviews and recommends updates to the Investment Policy.

The recommended updates to the Investment Policy are housekeeping in nature and incorporate best practices. The updates to the policy are in the following sections:

- 5.2 Prudence – added section per WPTA recommendation
- 5.3 Ethics – added language regarding disclosure of conflicts of interest
- 8.2 Suitable Investments – added clarification language on Commercial Paper, updated language on Banker's Acceptance
- 9.0 Investment Parameters – updated Banker's Acceptance required ratings (note, the City does not invest in Banker's Acceptances)
- 9.4 Prohibited Investments – "removed negative credit watch" as the US government may get under negative watch again.
- 10.2 Performance Standards – added clarification

Attachment C details the recommended changes from WPTA and Government Portfolio Advisors (GPA), the City's contracted Investment Advisor.

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November 12, 2020

Page 2

A clean final copy of the recommended updated Investment Policy follows as Attachment A, and a red-line copy of the Investment Policies follows this memo as Attachment B.

**RECOMMENDATION:**

The City Council adopt the recommended housekeeping updates to the City of Kirkland Investment Policy with approval of the attached Resolution.



**CITY OF KIRKLAND  
INVESTMENT POLICY  
(ADOPTED NOVEMBER 17, 2020)**

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**Policy Statement**

This Policy establishes standards and guidelines for the direction, management and oversight for all of the City of Kirkland's ("City") investable funds. These funds include cash for liquidity purposes, intermediate investments for ongoing operations and long-term investments for dedicated accounts. Funds must be invested prudently to assure preservation of principal, provide needed liquidity for daily cash requirements, and provide a market rate of return. For purposes of the City's Investment Policy, safety and liquidity are higher priorities than return on investment. All investments must conform to federal, state, and local statutes governing the City of Kirkland public funds investments.

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## 1.0 INTRODUCTION

This Investment Policy defines the parameters within which funds are to be invested by the City of Kirkland (City). This Policy also formalizes the framework to provide the investment authority and constraints for the City to maintain an effective and judicious management of funds within the scope of this Policy.

This Policy is intended to be broad enough to allow the Director of Finance and Administration, or authorized designee, to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

- Sets out guidelines for the prudent management of the City's funds;
- Describes realistic parameters and goals for safely investing those funds;
- Establishes expectations for generally acceptable returns at a suitable level of risk that matches the purpose of the City's funds;
- Provides the framework within which the Director of Finance and Administration will operate by setting out objectives, guidelines, and structure that include details on the universe of permitted investments and any restrictions of their use.

The City Council reserves the right to amend this policy as deemed necessary.

## 2.0 GOVERNING AUTHORITY

The City of Kirkland investment authority is derived from RCW Chapters 35, 39 and 43. The investment program shall be operated in conformance with the Revised Code of Washington and applicable Federal Law. All funds within the scope of this policy are subject to regulations established by the State of Washington.

The City Council has the direct authority to provide for the Director of Finance and Administration or his/her designee, the responsibility for the daily operations of the City's investment program and activities. (Kirkland Municipal Code (KMC) Chapter 5.24)

## 3.0 SCOPE OR IDENTIFICATION OF FUNDS

This policy applies to activities of the City of Kirkland with regard to investing the financial assets of all funds. The amount of funds expected to fall within the scope of this policy is \$90 million to \$120 million, which include, but not limited to, operating, capital improvement, and restricted funds.

This investment policy applies to all investment transactions involving the financial assets and related activity of all City funds.

## 4.0 OBJECTIVES

All funds will be invested in a manner that is in conformance with federal, state and other legal requirements. The objectives, in order of priority, of the investment activities will be as follows:

- **4.1 Safety:** Safety of principal is the primary objective of the City. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this

objective, funds will be diversified, utilizing highly rated securities, by investing in a variety of securities and financial institutions. The investment portfolio will be invested in a manner that meets RCW statutes and all legal requirements of the City.

**4.2 Liquidity:** The investment portfolio will provide liquidity sufficient to enable the City to meet all cash requirements that might reasonably be anticipated. Therefore, the investments shall be managed to maintain a minimum balance to meet daily obligations.

**4.3 Return on Investment:** The investment portfolio will be structured with the objective of attaining a market rate of return throughout economic cycles, commensurate with the investment risk parameters and the cash flow characteristics of the portfolio. Nevertheless, return on investment is a lesser objective than safety or liquidity.

## 5.0 STANDARDS OF CARE

### 5.1 Delegation of Authority:

*Governing Body:* The ultimate responsibility and authority for the investment of City funds resides with the City Council who has the authority to direct the management of the City investment program.

*Authority:* Pursuant to the KMC 5.24 and Resolution 5087, the overall management responsibility for the investment program is hereby delegated to the Director of Finance and Administration, or designee, who shall establish written procedures for the operation of the investment program, consistent with this investment policy. The Director of Finance and Administration shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

*Investment Advisor:* The City may contract with an external non-discretionary investment advisor (Advisor) to assist with the management of the City's investment portfolio in a manner that is consistent with the City's objectives and this policy. Such Advisors shall provide recommendations and advice regarding the City investment program including but not limited to advice related to the purchase and sale of investments by this Investment Policy.

### 5.2 Prudence:

The standard of prudence to be used by the Director of Finance and Administration or any designees in the context of managing the overall portfolio is the prudent person rule which states: *Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital.*

The Director of Finance and Administration and authorized investment officers and employees who act in accordance with the Director of Finance and Administration's written procedures and the City's Investment Policy, and who exercise due diligence, shall be relieved of personal responsibility for the credit risk or market price change of an investment, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### **5.3 Ethics:**

5.3.1 Employees Involved in the City Investment Program Must Avoid Conflicts of Interest. Association with the investment program in any capacity is considered employee involvement. Employees must avoid personal business activity that may:

- Conflict with the proper execution of the investment program.
- Impair their ability to make impartial investment decisions.

5.3.2 Employees Associated with the City Investment Program Must Disclose Certain Personal Information to the Director of Finance and Administration or his/her Designee. All disclosures shall be reported at each Investment Committee meeting.

The disclosure should list:

- Any material interests in financial institutions that conduct business with the City.
- Any personal financial or investment positions that could influence the performance of the City's investment portfolio, particularly with regard to the timing of purchases and sales.
- Any related interest or personal financial positions that could be perceived as conflict of interest.

## **6.0 SAFEKEEPING, CUSTODY, AND CONTROLS**

### **6.1 Delivery vs. Payment:**

All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping institution prior to the release of funds.

### **6.2 Third Party Safekeeping:**

Prudent treasury management requires that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by an independent third-party financial institution or the City's designated depository.

The Director of Finance and Administration shall designate all safekeeping arrangements and an agreement of the terms shall be executed in writing. The third-party custodian shall be required to provide a statement to the City listing at a minimum each specific security, book yield, description, maturity date, market value, par value, purchase date, and CUSIP number.

All collateral securities pledged to the City for certificates of deposit or demand deposits shall be held in accordance with the State of Washington's Public Deposit Protection Commission (PDPC).

### **6.3 Internal Controls:**

The Director of Finance and Administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Specifics for the internal controls shall be documented in an investment procedures manual.

The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed

the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- Control of collusion;
- Separation of transaction authority from accounting and recordkeeping;
- Custodial safekeeping;
- Avoidance of physical delivery of marketable securities;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of transactions for investments and wire transfers;
- Dual authorizations of wire transfers;
- Staff training; and
- Review, maintenance and monitoring of security procedures both manual and automated.

#### **6.4 External Controls**

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

## **7.0 AUTHORIZED FINANCIAL DEALERS**

### **7.1 Broker/Dealers:**

The Director of Finance and Administration shall maintain and review annually a list of all authorized financial institutions and broker/dealers that are approved to transact with the City for investment purposes. The City shall follow GFOA best practices for evaluating and selecting financial institutions and broker/dealers.

The Director of Finance and Administration or designee may utilize the investment advisor's approved broker/dealer list in lieu of the City's own approved list. The Advisor must submit the approved list to the City annually and provide updates throughout the year as they occur. The Advisor must maintain documentation of appropriate license and professional credentials of broker/dealers on the list. The annual investment advisor broker/dealer review procedures include:

- a. FINRA Certification check:
  - i. Firm profile
  - ii. Firm history
  - iii. Firm operations
  - iv. Disclosures of arbitration awards, disciplinary and regulatory events
  - v. State Registration Verification
- b. Financial review of acceptable FINRA capital or letter of credit for clearing settlements.

The Advisor may be authorized through the contracted agreement to open accounts on behalf of the City with the broker/dealers on the approved broker dealer list.

### **7.2 Investment Advisors:**

Advisors must be registered under the Investment Advisers Act of 1940 and must act in a non-discretionary capacity, requiring approval from the City prior to all transactions.

### **7.3 Bank Institutions:**

The City will only place funds, exceeding the current FDIC insurance limits, with banks who are currently participating in the Washington State PDPC program. Compliance/listing with the PDPC will be verified by the Advisor or designated investment officer utilizing the Washington State Treasurer's website.

### **7.4 Competitive Transactions:**

Transactions must be executed on a competitive basis and documented. Competitive prices should be provided from at least three separate brokers, financial institutions or through a national electronic trading platform. If the purchased security is only offered by one broker, then other securities with similar structure may be used for documentation purposes. When an Advisor handles trade executions, they must provide the competitive documentation as requested.

## **8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

### **8.1 Authorized Investments:**

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

Among the authorized investments are U.S. Treasury and Agency securities (i.e., obligations of any government sponsored enterprise eligible for collateral purposes at the Federal Reserve), municipal debt, certificates of deposit with qualified public depositories within statutory limits as promulgated by the Washington State PDPC at the time of investment, foreign and domestic Bankers Acceptances, Commercial Paper and the Washington State Local Government Investment Pool.

The State of Washington Local Government Investment Pool is the only government-sponsored Pool approved for investment of funds.

- This policy recognizes S&P, Moody's and Fitch as the major Nationally Recognized Statistical Ratings Organizations (NRSRO).
- In the case of split ratings, where the major NRSROs issue different ratings, the lower rating shall apply. Minimum credit ratings and percentage limitations apply to the time of purchase.
- All securities must be purchased on the secondary market and may not be purchased directly from the issuer.

### **8.2 Suitable Investments:**

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

**US Treasury Obligations:** Direct obligations of the United States Treasury.

**US Agency Obligations Primary Issuers:** Government Sponsored Enterprises (*GSEs*) – Federal Instrumentality Securities include, but are not limited to Federal National Mortgage Association (*FNMA*), the Federal Home Loan Mortgage Corporation (*FHLMC*), Federal Home Loan Banks (*FHLB*), and the Federal Farm Credit Banks (*FFCB*).

**US Agency Obligations Secondary Issuers:** Other US government sponsored enterprises that are less marketable are considered secondary *GSEs*. They include, but are not limited to: Private Export

Funding Corporation (PEFCO), Tennessee Valley Authority (TVA), Financing Corporation (FICO) and Federal Agricultural Mortgage Corporation, (Farmer Mac).

**Municipal Debt Obligations:** Bonds of the State of Washington, any local government in the State of Washington, General Obligation bonds outside the State of Washington; at the time of investment the bonds must have at a minimum rating of AA- from S&P, Aa3 from Moody's or AA- from Fitch.

**Commercial Paper:** Unsecured debt obligations of corporate issuers that are rated at least A1+ by S&P, P1 by Moody's and F1+ by Fitch. Must be rated by two NRSROs at the time of purchase. If the commercial paper is rated by more than two NRSROs, it must have the highest rating from all of them. Commercial paper holdings may not have maturities exceeding 270 days. Any commercial paper purchased with a maturity longer than 100 days must also have an underlying long-term credit rating at the time of purchase with a minimum rating of AA- by S&P, Aa3 by Moody's or AA- by Fitch.

**Certificates of Deposit:** Non-negotiable Certificates of Deposit of financial institutions that are qualified public depositories as defined in RCW 39.58.010(2) and by the restrictions within.

**Time Deposits and Savings Accounts Issued by Banks:** Deposits in PDPC approved banks.

**Banker's Acceptance:** Banker's Acceptances generally are created based on a letter of credit issued to finance transactions. They are used to finance the shipment of some specific goods within the United States. They are issued by qualified financial institutions.

**Local Government Investment Pool:** Investment Pool managed by the Washington State Treasurer's Office.

### **8.3 Bank Collateralization:**

The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. Under RCW 39.58.240, all public treasurers and other custodians of public funds are relieved of the responsibility of executing tri-party agreements, reviewing pledged securities, and authorizing additions, withdrawals, and exchanges of collateral.



## 9.0 INVESTMENT PARAMETERS

### 9.1 Diversification:

The City will diversify the investment of all funds by adhering to the constraints by issuer type in accordance with the following table:

**Table of Constraints on the Portfolio**

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P	Ratings Moody's	Ratings Fitch
US Treasury Obligations	100%	None	N/A	N/A	N/A
US Agency Primary Securities FHLB, FNMA, FHLMC, FFCB	100%	30%	N/A	N/A	N/A
US Agency Secondary Securities FICO, FARMER MAC etc.	20%	10%	AA-	Aa3	AA-
Municipal Bonds	20%	5%	AA-	Aa3	AA-
Commercial Paper	25%	3%	A1+ Long Term AA-	P1 Long Term Aa3	F1+ Long Term AA-
Certificates of Deposit	10%	5%	Deposits in PDPC approved banks	Deposits in PDPC approved banks	Deposits in PDPC approved banks
Bank Time Deposits/Savings Accounts	50%	None	Deposits in PDPC approved banks	Deposits in PDPC approved banks	Deposits in PDPC approved banks
Banker's Acceptance	5%	5%	A-	A3	A-
Washington LGIP	100%	None	N/A	N/A	N/A

### 9.2 Investment Maturity:

The City will not directly invest in securities maturing more than five (5) years from the date of purchase.

- The maximum weighted maturity of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive price change exposure.
- Liquidity funds will be held in the State Pool, PDPC bank deposits, or cash matched securities.
- Investment funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will be only invested in high quality and liquid securities.

- Total Portfolio Maturity Constraints:

<b>Maturity Constraints</b>	<b>Minimum % of Total Portfolio</b>
Under 30 days	10%
Under 1 year	25%
Under 5 years	100%
<b>Maturity Constraints</b>	<b>Maximum of Total Portfolio in Years</b>
Weighted Average Maturity	3.00
<b>Security Structure Constraint</b>	<b>Maximum % of Total Portfolio</b>
Callable Agency Securities	25%

- Exception to 5 year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

### 9.3 Strategic Allocations:

#### 9.3.1 Funds and their Allocation

- Liquidity funds for the operating account will be allocated to LGIP, CD's, PDPC Bank Deposits, Bankers Acceptances, and Commercial Paper.
- The structure of the Investment Core Fund will be targeted to a selected market benchmark based on the risk and return objectives of the portfolio.
- Longer term restricted funds will have an identified market benchmark to manage risk and return.

9.3.2 Monitoring and Portfolio Adjustment: As a general practice, securities will be purchased with the intent to hold to maturity. However, it is acceptable for securities to be sold under the following circumstances:

- A security with a declining credit may be sold early to protect the principal value of the portfolio.
- The portfolio duration or maturity buckets should be adjusted to reflect better the structure of the underlying benchmark portfolio.
- A security exchange that would improve the quality, yield and target maturity of the portfolio based on market conditions.
- A sale of a security to provide for unforeseen liquidity needs.

### 9.4 Prohibited Investments:

9.4.1 The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

9.4.2 The City shall not invest in:

- a. Mortgage-backed securities
- b. Derivative Products
- c. Securities that leverage the portfolio or are used for speculation of interest rates
- d. Mutual Funds
- e. Repurchase Agreements
- f. Reverse Agreements

## **10.0 REPORTING REQUIREMENTS**

### **10.1 Reporting:**

The Director of Finance and Administration shall be responsible for investment reporting. At a minimum, quarterly reporting shall be made to the City Council including but not limited to securities holdings, cash balances, and market values in the investment portfolio.

Specific Requirements:

- Book Yield
- Holdings Report including mark-to-market and security description
- Transactions Report
- Weighted Average Maturity

### **10.2 Performance Standards:**

The portfolio shall be managed to obtain a fair rate of return and earnings rate that incorporates the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

The investment portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum duration (average maturity) and will have the objective to achieve market rates of returns over long investment horizons. The purpose of a benchmark is to appropriately manage the risk in the portfolio through interest rate cycles. The investment portfolio is expected to provide similar returns to the benchmark over interest rate cycles, but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a US treasury 0-3 year index or US treasury 0-5 year index and comparisons will be calculated monthly and reported quarterly.

The liquidity component yield will be compared quarterly to the LGIP average yield.

### **10.3 Compliance Report**

A compliance report will be generated quarterly comparing the portfolio positions to this investment policy.

#### **10.4 Accounting Method**

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to the Governmental Accounting Standards Board (GASB).

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation in the investment program and in accordance with generally accepted accounting principles.

#### **11.0 INVESTMENT POLICY ADOPTION**

The City's Investment Policy shall be adopted by the City Council.

The Policy shall be reviewed annually by the Investment Committee. Any modifications shall be submitted and approved by City Council.

## 12.0 GLOSSARY OF TERMS

**Accrued Interest:** The interest accumulated on a bond since issue date or the last coupon payment. The buyer of the bond pays the market price and accrued interest, which is payable to the seller.

**Agency:** A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally Sponsored Agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. (Also see FEDERAL AGENCY SECURITIES and GOVERNMENT SECURITY)

**Agency Securities:** Government sponsored enterprises of the US Government.

**Amortization:** In portfolio accounting, periodic charges made against interest income on premium bonds in anticipation of receipt of the call price at call or of par value at maturity.

**Asset:** Available property, as for payment of debts

**Average Maturity:** A weighted average of the expiration dates for a portfolio of debt securities. An income fund's volatility can be managed by shortening or lengthening the average maturity of its portfolio.

**Bankers' Acceptances:** A time draft accepted (endorsed) by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. BAs are short-term non-interest-bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value.

**Bank Wire:** A virtually instantaneous electronic transfer of funds between two financial institutions.

**Basis Point:** A measure of an interest rate, i.e., 1/100 of 1 percent, or .0001.

**Bid:** The indicated price at which a buyer is willing to purchase a security or commodity. When selling a security, a bid is obtained. (See Offer)

**Bond:** An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and specific assets sometimes secure it. Most bonds have a maturity of greater than one year and generally pay interest semiannually.

**Broker:** An intermediary who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.

**Certificates of Deposit:** Instruments issued by a bank specifying that a sum of money has been deposited, payable with interest to the bearer of the certificate on a certain date.

**Collateral:** Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper:** Short-term, unsecured, negotiable promissory notes issued by corporations.

**Current Maturity:** The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

**CUSIP:** A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

**Dealer:** An individual or firm that ordinarily acts as a principal in security transactions. Typically, dealers buy for their account and sell to a customer from their inventory. The dealer's profit is determined by the difference between the price paid and the price received.

**Delivery:** Either of two methods of delivering securities: delivery vs. payment and delivery vs. receipt (also called "free"). Delivery vs. payment is the delivery of securities with an exchange of money for the securities.

**Diversification:** Dividing available funds among a variety of securities and institutions to minimize market risk.

**Duration:** A measure used to calculate the price sensitivity of a bond or portfolio of bonds to changes in interest rates. This equals the sum of the present value of future cash flows.

**Full Faith and Credit:** Indicator that the unconditional guarantee of the United States government backs the repayment of debt.

**General Obligation Bonds (GOs):** Bonds secured by the pledge of the municipal issuer's full faith and credit, which usually includes unlimited taxing power.

**Government Bonds:** Securities issued by the federal government; they are obligations of the U.S. Treasury; also known as "governments."

**Interest:** Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

**Investment Core Funds:** Core funds are defined as operating fund balance and other fund balances that exceeds the City's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

**Investment Securities:** Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

**Liquidity:** The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

**Liquidity Component:** A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

**LGIP:** Local Government Investment Pool run by the State of Washington Treasurer's office established to help cities with short-term investments.

**Mark to Market:** Adjustment of an account or portfolio to reflect actual market value rather than book price, purchase price or some other valuation.

**Market Value:** The market value of a security is the price at which can be sold on that date.

**Maturity:** The date upon which the principal or stated value of an investment becomes due.

**Municipals:** Securities, usually bonds, issued by a state, its agencies, by cities or other municipal entities. The interest on “munis” is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency’s taxation powers.

**Non-Discretionary Investment Advisor:** Non-discretionary investment advisor services may include investment management oversight, investment research, portfolio analysis, portfolio reporting and portfolio recommendations based upon the specific investment policy and investment objectives of each client. Clients must approve any such recommendations before the securities are purchased or sold in their accounts.

**Par Value:** The value of a security expressed as a specific dollar amount marked on the face of the security or the amount of money due at maturity. Par value should not be confused with market value.

**Portfolio:** A collection of securities held by an individual or institution.

**Principal:** The cost of an instrument on which interest is earned.

**Prudent Person Rule:** A long-standing common-law rule that requires a trustee who is investing for another to behave in the same way as a prudent individual of reasonable discretion and intelligence who is seeking a reasonable income and preservation of capital.

**Quotation or Quote:** A bid to buy or the lowest offer to sell a security in any market at a particular time.

**Repurchase Agreement:** Range in maturity from overnight to fixed time to open end. Repos involve a simultaneous sale of securities by a bank or government securities dealer to an investor with an agreement for the bank or government securities dealer to repurchase the securities at a fixed date at a specified rate of interest.

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

**Secondary Market:** A market where certain securities may be bought and sold at prevailing market prices after their initial distribution but before their stated maturity date.

**Treasury Bill (T-Bill):** An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

**Treasury Bonds and Notes:** Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

**Yield:** The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Yield to Maturity:** The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.



**CITY OF KIRKLAND  
INVESTMENT POLICY  
(ADOPTED NOVEMBER ~~21~~17, ~~2017~~2020)**

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**Policy Statement**

This Policy establishes standards and guidelines for the direction, management and oversight for all of the City of Kirkland's ("City") investable funds. These funds include cash for liquidity purposes, intermediate investments for ongoing operations and ~~long term~~long-term investments for dedicated accounts. Funds must be invested prudently to assure preservation of principal, provide needed liquidity for daily cash requirements, and provide a market rate of return. For purposes of the City's Investment Policy, safety and liquidity are higher priorities than return on investment. All investments must conform to federal, state, and local statutes governing the City of Kirkland public funds investments.

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## 1.0 INTRODUCTION

This Investment Policy defines the parameters within which funds are to be invested by the City of Kirkland (City). This Policy also formalizes the framework to provide the investment authority and constraints for the City to maintain an effective and judicious management of funds within the scope of this Policy.

This Policy is intended to be broad enough to allow the Director of Finance and Administration, or authorized designee, to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

- Sets out guidelines for the prudent management of the City's funds;
- Describes realistic parameters and goals for safely investing those funds;
- Establishes expectations for generally acceptable returns at a suitable level of risk that matches the purpose of the City's funds;
- Provides the framework within which the Director of Finance and Administration will operate by setting out objectives, guidelines, and structure that include details on the universe of permitted investments and any restrictions of their use.

The City Council reserves the right to amend this policy as deemed necessary.

## 2.0 GOVERNING AUTHORITY

The City of Kirkland investment authority is derived from RCW Chapters 35, 39 and 43. The investment program shall be operated in conformance with the Revised Code of Washington and applicable Federal Law. All funds within the scope of this policy are subject to regulations established by the State of Washington.

The City Council has the direct authority to provide for the Director of Finance and Administration or his/her designee, the responsibility for the daily operations of the City's investment program and activities. (Kirkland Municipal Code (KMC) Chapter 5.24)

## 3.0 SCOPE OR IDENTIFICATION OF FUNDS

This policy applies to activities of the City of Kirkland with regard to investing the financial assets of all funds. The amount of funds expected to fall within the scope of this policy is \$90 million to \$120 million, which include, but not limited to, operating, capital improvement, and restricted funds.

This investment policy applies to all investment transactions involving the financial assets and related activity of all City funds.

## 4.0 OBJECTIVES

All funds will be invested in a manner that is in conformance with federal, state and other legal requirements. The objectives, in order of priority, of the investment activities will be as follows:

- 4.1 Safety:** Safety of principal is the primary objective of the City. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this

objective, funds will be diversified, utilizing highly rated securities, by investing in a variety of securities and financial institutions. The investment portfolio will be invested in a manner that meets RCW statutes and all legal requirements of the City.

**4.2 Liquidity:** The investment portfolio will provide liquidity sufficient to enable the City to meet all cash requirements that might reasonably be anticipated. Therefore, the investments shall be managed to maintain a minimum balance to meet daily obligations.

**4.3 Return on Investment:** The investment portfolio will be structured with the objective of attaining a market rate of return throughout economic cycles, commensurate with the investment risk parameters and the cash flow characteristics of the portfolio. Nevertheless, return on investment is a lesser objective than safety or liquidity.

## 5.0 STANDARDS OF CARE

### 5.1 Delegation of Authority:

*Governing Body:* The ultimate responsibility and authority for the investment of City funds resides with the City Council who has the authority to direct the management of the City investment program.

*Authority:* Pursuant to the KMC 5.24 and Resolution 5087, the overall management responsibility for the investment program is hereby delegated to the Director of Finance and Administration, or designee, who shall establish written procedures for the operation of the investment program, consistent with this investment policy. The Director of Finance and Administration shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

*Investment Advisor:* The City may contract with an external non-discretionary investment advisor (Advisor) to assist with the management of the City's investment portfolio in a manner that is consistent with the City's objectives and this policy. Such Advisors shall provide recommendations and advice regarding the City investment program including but not limited to advice related to the purchase and sale of investments by this Investment Policy.

### 5.2 Prudence:

The standard of prudence to be used by the Director of Finance and Administration or any designees in the context of managing the overall portfolio is the prudent person rule which states: *Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital.*

[The Director of Finance and Administration and authorized investment officers and employees who act in accordance with the Director of Finance and Administration's written procedures and the City's Investment Policy, and who exercise due diligence, shall be relieved of personal responsibility for the credit risk or market price change of an investment, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.](#)

Commented [WM1]: Added this section per WPTA recommendation.

### 5.3 Ethics:

5.3.1 Employees Involved in the City Investment Program Must Avoid Conflicts of Interest. Association with the investment program in any capacity is considered employee involvement. Employees must avoid personal business activity that may:

- Conflict with the proper execution of the investment program.
- Impair their ability to make impartial investment decisions.

5.3.2 Employees Associated with the City Investment Program Must Disclose Certain Personal Information to the Director of Finance and Administration or his/her Designee. All disclosures shall be reported at each Investment Committee meeting.

The disclosure should list:

- Any material interests in financial institutions that conduct business with the City.
- Any personal financial or investment positions that could influence the performance of the City's investment portfolio, particularly with regard to the timing of purchases and sales.
- Any related interest or personal financial positions that could be perceived as conflict of interest.

## 6.0 SAFEKEEPING, CUSTODY, AND CONTROLS

### 6.1 Delivery vs. Payment:

All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping institution prior to the release of funds.

### 6.2 Third Party Safekeeping:

Prudent treasury management requires that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by an independent third-party financial institution or the City's designated depository.

The Director of Finance and Administration shall designate all safekeeping arrangements and an agreement of the terms shall be executed in writing. The third-party custodian shall be required to provide a statement to the City listing at a minimum each specific security, book yield, description, maturity date, market value, par value, purchase date, and CUSIP number.

All collateral securities pledged to the City for certificates of deposit or demand deposits shall be held in accordance with the State of Washington's Public Deposit Protection Commission (PDPC).

### 6.3 Internal Controls:

The Director of Finance and Administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Specifics for the internal controls shall be documented in an investment procedures manual.

The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- Control of collusion;
- Separation of transaction authority from accounting and recordkeeping;
- Custodial safekeeping;
- Avoidance of physical delivery of marketable securities;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of transactions for investments and wire transfers;
- Dual authorizations of wire transfers;
- Staff training; and
- Review, maintenance and monitoring of security procedures both manual and automated.

#### **6.4 External Controls**

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

### **7.0 AUTHORIZED FINANCIAL DEALERS**

#### **7.1 Broker/Dealers:**

The Director of Finance and Administration shall maintain and review annually a list of all authorized financial institutions and broker/dealers that are approved to transact with the City for investment purposes. The City shall follow GFOA best practices for evaluating and selecting financial institutions and broker/dealers.

The Director of Finance and Administration or designee may utilize the investment advisor's approved broker/dealer list in lieu of the City's own approved list. The Advisor must submit the approved list to the City annually and provide updates throughout the year as they occur. The Advisor must maintain documentation of appropriate license and professional credentials of broker/dealers on the list. The annual investment advisor broker/dealer review procedures include:

- a. FINRA Certification check:
  - i. Firm profile
  - ii. Firm history
  - iii. Firm operations
  - iv. Disclosures of arbitration awards, disciplinary and regulatory events
  - v. State Registration Verification
- b. Financial review of acceptable FINRA capital or letter of credit for clearing settlements.

The Advisor may be authorized through the contracted agreement to open accounts on behalf of the City with the broker/dealers on the approved broker dealer list.

#### **7.2 Investment Advisors:**

Advisors must be registered under the Investment Advisers Act of 1940 and must act in a non-discretionary capacity, requiring approval from the City prior to all transactions.

#### **7.3 Bank Institutions:**

The City will only place funds, exceeding the current FDIC insurance limits, with banks who are currently participating in the Washington State PDPC program. Compliance/listing with the PDPC will be verified by the Advisor or designated investment officer utilizing the Washington State Treasurer's website.

**7.4 Competitive Transactions:**

Transactions must be executed on a competitive basis and documented. Competitive prices should be provided from at least three separate brokers, financial institutions or through a national electronic trading platform. If the purchased security is only offered by one broker, then other securities with similar structure may be used for documentation purposes. When an Advisor handles trade executions, they must provide the competitive documentation as requested.

**8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

**8.1 Authorized Investments:**

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

Among the authorized investments are U.S. Treasury and Agency securities (i.e., obligations of any government sponsored enterprise eligible for collateral purposes at the Federal Reserve), municipal debt, certificates of deposit with qualified public depositories within statutory limits as promulgated by the Washington State PDPC at the time of investment, foreign and domestic Bankers Acceptances, Commercial Paper and the Washington State Local Government Investment Pool.

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Funding Corporation (PEFCO), Tennessee Valley Authority (TVA), Financing Corporation (FICO) and Federal Agricultural Mortgage Corporation, (Farmer Mac).

**Municipal Debt Obligations:** Bonds of the State of Washington, any local government in the State of Washington, General Obligation bonds outside the State of Washington; at the time of investment the bonds must have at a minimum rating of AA- from S&P, Aa3 from Moody's or AA- from Fitch.

**Commercial Paper:** Unsecured debt obligations of corporate issuers that are rated at least A1+ by S&P, P1 by Moody's and F1+ by Fitch. Must be rated by two NRSROs at the time of purchase. If the commercial paper is rated by more than two NRSROs, it must have the highest rating from all of them. Commercial paper holdings may not have maturities exceeding 270 days. Any commercial paper purchased with a maturity longer than 100 days must also have an underlying long-term credit rating at the time of purchase with a minimum rating of AA- by S&P, Aa3 by Moody's or AA- by Fitch.

**Commented [WM2]:** Included additional language from Washington State Investment Board policy to provide further clarification

**Certificates of Deposit:** Non-negotiable Certificates of Deposit of financial institutions that are qualified public depositories as defined in RCW 39.58.010(2) and by the restrictions within.

**Time Deposits and Savings Accounts Issued by Banks:** Deposits in PDPC approved banks.

**Banker's Acceptance:** Banker's Acceptances generally are created based on a letter of credit issued to finance transactions. They are used to finance the shipment of some specific goods within the United States. They are issued by qualified financial institutions ~~eligible for discount by the Federal Reserve System and by a qualified institution whose long term letter of credit rating is rated in the highest category: AA-~~.

**Local Government Investment Pool:** Investment Pool managed by the Washington State Treasurer's Office.

**8.3 Bank Collateralization:**

The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. Under RCW 39.58.240, all public treasurers and other custodians of public funds are relieved of the responsibility of executing tri-party agreements, reviewing pledged securities, and authorizing additions, withdrawals, and exchanges of collateral.



**9.0 INVESTMENT PARAMETERS**

**9.1 Diversification:**

The City will diversify the investment of all funds by adhering to the constraints by issuer type in accordance with the following table:

**Table of Constraints on the Portfolio**

**Commented [WM3]:** Per WPTA, BA's are required to be single-A rated.

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P	Ratings Moody's	Ratings Fitch
US Treasury Obligations	100%	None	N/A	N/A	N/A
US Agency Primary Securities FHLB, FNMA, FHLMC, FFCB	100%	30%	N/A	N/A	N/A
US Agency Secondary Securities FICO, FARMER MAC etc.	20%	10%	AA-	Aa3	AA-
Municipal Bonds	20%	5%	AA-	Aa3	AA-
Commercial Paper	25%	3%	A1+ Long Term AA-	P1 Long Term Aa3	F1+ Long Term AA-
Certificates of Deposit	10%	5%	Deposits in PDPC approved banks	Deposits in PDPC approved banks	Deposits in PDPC approved banks
Bank Time Deposits/Savings Accounts	50%	None	Deposits in PDPC approved banks	Deposits in PDPC approved banks	Deposits in PDPC approved banks
Banker's Acceptance	5%	5%	A-	A3	A-
Washington LGIP	100%	None	N/A	N/A	N/A

**9.2 Investment Maturity:**

The City will not directly invest in securities maturing more than five (5) years from the date of purchase.

- The maximum weighted maturity of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive price change exposure.
- Liquidity funds will be held in the State Pool, PDPC bank deposits, or cash matched securities.
- Investment funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will be only invested in high quality and liquid securities.

- Total Portfolio Maturity Constraints:

<b>Maturity Constraints</b>	<b>Minimum % of Total Portfolio</b>
Under 30 days	10%
Under 1 year	25%
Under 5 years	100%
<b>Maturity Constraints</b>	<b>Maximum of Total Portfolio in Years</b>
Weighted Average Maturity	3.00
<b>Security Structure Constraint</b>	<b>Maximum % of Total Portfolio</b>
Callable Agency Securities	25%

- Exception to 5 year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

**9.3 Strategic Allocations:**

9.3.1 Funds and their Allocation

- Liquidity funds for the operating account will be allocated to LGIP, CD's, PDPC Bank Deposits, Bankers Acceptances, and Commercial Paper.
- The structure of the Investment Core Fund will be targeted to a selected market benchmark based on the risk and return objectives of the portfolio.
- Longer term restricted funds will have an identified market benchmark to manage risk and return.

9.3.2 Monitoring and Portfolio Adjustment: As a general practice, securities will be purchased with the intent to hold to maturity. However, it is acceptable for securities to be sold under the following circumstances:

- A security with a declining credit may be sold early to protect the principal value of the portfolio.
- The portfolio duration or maturity buckets should be adjusted to reflect better the structure of the underlying benchmark portfolio.
- A security exchange that would improve the quality, yield and target maturity of the portfolio based on market conditions.
- A sale of a security to provide for unforeseen liquidity needs.

**9.4 Prohibited Investments:**

9.4.1 The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

9.4.2 The City shall not invest in:

- a. Mortgage-backed securities
- b. Derivative Products
- c. Securities that leverage the portfolio or are used for speculation of interest rates  
~~Any securities on negative credit watch~~
- d. Mutual Funds
- e. Repurchase Agreements
- f. Reverse Agreements

**Commented [WM4]:** Removing "negative credit watch" because there may come a time when the US government gets under negative watch again.

**10.0 REPORTING REQUIREMENTS**

**10.1 Reporting:**

The Director of Finance and Administration shall be responsible for investment reporting. At a minimum, quarterly reporting shall be made to the City Council including but not limited to securities holdings, cash balances, and market values in the investment portfolio.

Specific Requirements:

- Book Yield
- Holdings Report including mark-to-market and security description
- Transactions Report
- Weighted Average Maturity

**10.2 Performance Standards:**

The portfolio shall be managed to obtain a fair rate of return and earnings rate that incorporates the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

~~For purposes of this policy, "earnings rate" will be compared to the LGIP rate. The goal is for the portfolio to generally perform better than the LGIP due to the longer weighted average maturity and the earnings rate is expected to trend in a similar manner as interest rates change.~~

The investment portfolio ~~will be invested into a predetermined structure that will be performance~~ ~~may be tracked-measured~~ against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum duration (average maturity) and will have the objective to achieve market rates of returns over long investment horizons. The purpose of a benchmark is to appropriately manage the risk in the portfolio through interest rate cycles. The investment portfolio is expected to provide similar returns to the benchmark over interest rate cycles, but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used ~~market index such as the~~ will

~~be a US treasury 0-3 year index or US treasury 0-5 year index and comparisons will be calculated monthly and reported quarterly, on a total return basis. This will provide for accountability of price changes in the portfolio and help inform the support the investment strategy related to the duration of the portfolio.~~

**Commented [WM5]:** WPTA suggested "a little more clarification to the sentence or rewording."

The liquidity component yield will be compared quarterly to the LGIP average yield.

### **10.3 Compliance Report**

A compliance report will be generated quarterly comparing the portfolio positions to this investment policy.

### **10.4 Accounting Method**

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to the Governmental Accounting Standards Board (GASB).

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation in the investment program and in accordance with generally accepted accounting principles.

## **11.0 INVESTMENT POLICY ADOPTION**

The City's Investment Policy shall be adopted by the City Council.

The Policy shall be reviewed annually by the Investment Committee. Any modifications shall be submitted and approved by City Council.

## 12.0 GLOSSARY OF TERMS

**Accrued Interest:** The interest accumulated on a bond since issue date or the last coupon payment. The buyer of the bond pays the market price and accrued interest, which is payable to the seller.

**Agency:** A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally Sponsored Agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. (Also see FEDERAL AGENCY SECURITIES and GOVERNMENT SECURITY)

**Agency Securities:** Government sponsored enterprises of the US Government.

**Amortization:** In portfolio accounting, periodic charges made against interest income on premium bonds in anticipation of receipt of the call price at call or of par value at maturity.

**Asset:** Available property, as for payment of debts

**Average Maturity:** A weighted average of the expiration dates for a portfolio of debt securities. An income fund's volatility can be managed by shortening or lengthening the average maturity of its portfolio.

**Bankers' Acceptances:** A time draft accepted (endorsed) by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. BAs are short-term non-interest-bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value.

**Bank Wire:** A virtually instantaneous electronic transfer of funds between two financial institutions.

**Basis Point:** A measure of an interest rate, i.e., 1/100 of 1 percent, or .0001.

**Bid:** The indicated price at which a buyer is willing to purchase a security or commodity. When selling a [security](#), a bid is obtained. (See Offer)

**Bond:** An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and specific assets sometimes secure it. Most bonds have a maturity of greater than one year and generally pay interest semiannually.

**Broker:** An intermediary who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.

**Certificates of Deposit:** Instruments issued by a bank specifying that a sum of money has been deposited, payable with interest to the bearer of the certificate on a certain date.

**Collateral:** Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper:** Short-term, unsecured, negotiable promissory notes issued by corporations.

**Current Maturity:** The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

**CUSIP:** A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

**Dealer:** An individual or firm that ordinarily acts as a principal in security transactions. Typically, dealers buy for their account and sell to a customer from their inventory. The dealer's profit is determined by the difference between the price paid and the price received.

**Delivery:** Either of two methods of delivering securities: delivery vs. payment and delivery vs. receipt (also called "free"). Delivery vs. payment is the delivery of securities with an exchange of money for the securities.

**Diversification:** Dividing available funds among a variety of securities and institutions [see as to](#) minimize market risk.

**Duration:** A measure used to calculate the price sensitivity of a bond or portfolio of bonds to changes in interest rates. This equals the sum of the present value of future cash flows.

**Full Faith and Credit:** Indicator that the unconditional guarantee of the United States government backs the repayment of debt.

**General Obligation Bonds (GOs):** Bonds secured by the pledge of the municipal issuer's full faith and credit, which usually includes unlimited taxing power.

**Government Bonds:** Securities issued by the federal government; they are obligations of the U.S. Treasury; also known as "governments."

**Interest:** Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

**Investment Core Funds:** Core funds are defined as operating fund balance and other fund balances that exceeds the City's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

**Investment Securities:** Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

**Liquidity:** The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

**Liquidity Component:** A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

**LGIP:** Local Government Investment Pool run by the State of Washington Treasurer's office established to help cities with short-term investments.

**Mark to Market:** Adjustment of an account or portfolio to reflect actual market value rather than book price, purchase price or some other valuation.

**Market Value:** The market value of a security is the price at which can be sold on that date.

**Maturity:** The date upon which the principal or stated value of an investment becomes due.

**Municipals:** Securities, usually bonds, issued by a state, its agencies, by cities or other municipal entities. The interest on "munis" is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency's taxation powers.

**Non-Discretionary Investment Advisor:** Non-discretionary investment advisor services may include investment management oversight, investment research, portfolio analysis, portfolio reporting and portfolio recommendations based upon the specific investment policy and investment objectives of each client. Clients must approve any such recommendations before the securities are purchased or sold in their accounts.

**Par Value:** The value of a security expressed as a specific dollar amount marked on the face of the security or the amount of money due at maturity. Par value should not be confused with market value.

**Portfolio:** A collection of securities held by an individual or institution.

**Principal:** The cost of an instrument on which interest is earned.

**Prudent Person Rule:** A long-standing common-law rule that requires a trustee who is investing for another to behave in the same way as a prudent individual of reasonable discretion and intelligence who is seeking a reasonable income and preservation of capital.

**Quotation or Quote:** A bid to buy or the lowest offer to sell a security in any market at a particular time.

**Repurchase Agreement:** Range in maturity from overnight to fixed time to open end. Repos involve a simultaneous sale of securities by a bank or government securities dealer to an investor with an agreement for the bank or government securities dealer to repurchase the securities at a fixed date at a specified rate of interest.

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

**Secondary Market:** A market where certain securities may be bought and sold at prevailing market prices after their initial distribution but before their stated maturity date.

**Treasury Bill (T-Bill):** An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

**Treasury Bonds and Notes:** Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

**Yield:** The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Yield to Maturity:** The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.



# MEMO

To: Michael Olson, City of Kirkland  
From: Deanne Woodring and Whitney Maher  
Date: January 7, 2020  
Re: Investment Policy Update 2020

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It is a best practice to periodically review and update the City's Investment Policy. In January 2018, WPTA approved the City of Kirkland's investment policy for certification and made comments for improvements. The comments were reviewed by the City and by GPA and the changes made are outlined below. GPA also has reviewed the policy for any other updates necessary and the following changes are recommended:

## 1) Update the policy with WPTA recommendations:

**Section 5.2 Prudence:** Add suggested WPTA language:

*The Director of Finance and Administration and authorized investment officers and employees who act in accordance with the Director of Finance and Administration's written procedures and the City's Investment Policy, and who exercise due diligence, shall be relieved of personal responsibility for the credit risk or market price change of an investment, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.*

**Section 9.1:** Per WPTA, Bankers Acceptances are not required to be AAA rated. Remove language from definition in section 8.1 and update table of constraints.

**Section 10.2 Performance Standards:** WPTA suggested adding "a little more clarification" or "rewording":

**Original Language:**

### 10.2 Performance Standards:

The portfolio shall be managed to obtain a fair rate of return and earnings rate that incorporates the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, "earnings rate" will be compared to the LGIP rate. The goal is for the portfolio to generally perform better than the LGIP due to the longer weighted average maturity and the earnings rate is expected to trend in a similar manner as interest rates change.

The investment portfolio performance may be tracked against a market index such as the US treasury 0-3 year index or US treasury 0-5 year index on a total return basis. This will provide for accountability of price changes in the portfolio and help inform the strategy related to the duration of the portfolio.

**New Language:**

*The portfolio shall be managed to obtain a fair rate of return and earnings rate that incorporates the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.*

*The investment portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum duration (average maturity) and will have the objective to achieve market rates of returns over long investment horizons. The purpose of a benchmark is to appropriately manage the risk in the portfolio through interest rate cycles. The investment portfolio is expected to provide similar returns to the benchmark over interest rate cycles, but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a US treasury 0-3 year index or US treasury 0-5 year index and comparisons will be calculated monthly and reported quarterly.*

*The liquidity component yield will be compared quarterly to the LGIP average yield.*

**2) Update Commercial Paper definition to provide further clarification and follow Washington State Investment Board policy (added language is shown in *italics* below):**

**Commercial Paper:** Unsecured debt obligations of corporate issuers that are rated at least A1+ by S&P, P1 by Moody's and F1+ by Fitch. *Must be rated by two NRSROs at the time of purchase. If the commercial paper is rated by more than two NRSROs, it must have the highest rating from all of them.* Commercial paper holdings may not have maturities exceeding 270 days. Any commercial paper purchased with a maturity longer than 100 days must also have an underlying long-term credit rating at the time of purchase with a minimum rating of AA- by S&P, Aa3 by Moody's or AA- by Fitch.

**3) Update Table of Constraints:** Update table to show minimum ratings requirement on BA’s, per WPTA recommendation.

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P	Ratings Moody’s	Ratings Fitch
US Treasury Obligations	100%	None	N/A	N/A	N/A
US Agency Primary Securities FHLB, FNMA, FHLMC, FCCB	100%	30%	N/A	N/A	N/A
US Agency Secondary Securities FICO, FARMER MAC etc.	20%	10%	AA-	Aa3	AA-
Municipal Bonds	20%	5%	AA-	Aa3	AA-
Commercial Paper	25%	3%	A1+ Long Term AA-	P1 Long Term Aa3	F1+ Long Term AA-
Certificates of Deposit	10%	5%	Deposits in PDPC approved banks	Deposits in PDPC approved banks	Deposits in PDPC approved banks
Bank Time Deposits/Savings Accounts	50%	None	Deposits in PDPC approved banks	Deposits in PDPC approved banks	Deposits in PDPC approved banks
Banker’s Acceptance	5%	5%	A-	A3	A-
Washington LGIP	100%	None	N/A	N/A	N/A

**4) Prohibited Investments** - remove “any securities on negative credit watch.” There may come a time where the US government gets under negative watch again.

**9.4 Prohibited Investments:**

9.4.1 The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

9.4.2 The City shall not invest in:

- a. Mortgage-backed securities
- b. Derivative Products
- c. Securities that leverage the portfolio or are used for speculation of interest rates
- ~~d. Any securities on negative credit watch~~
- e. Mutual Funds
- f. Repurchase Agreements
- g. Reverse Agreements

RESOLUTION R-5453

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

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

4  
5 WHEREAS, the City Council of the City of Kirkland desires  
6 to develop an investment policy to guide the investment of City  
7 funds to meet these objectives; and

8  
9 WHEREAS, the Kirkland City Treasurer (Director of Finance  
10 and Administration) has recommended revisions to the policy for  
11 investment of City funds; and

12  
13 WHEREAS, the City of Kirkland investment policy has been  
14 written in accordance with the Washington Public Treasurers  
15 Association Model Investment Policy;

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

19  
20 Section 1. The policy for investment of City funds set forth  
21 in the document entitled "City of Kirkland Investment Policy  
22 November 17, 2020" which is attached as Exhibit A and  
23 incorporated by this reference is adopted as the official policy for  
24 investment of City funds.

25  
26 Section 2. That the document entitled City of Kirkland  
27 Investment Policy November 17, 2020, replaces all previous City  
28 of Kirkland Investment Policies.

29  
30 Passed by majority vote of the Kirkland City Council in open  
31 meeting this \_\_\_\_ day of \_\_\_\_\_, 2020.

32  
33 Signed in authentication thereof this \_\_\_\_ day of  
34 \_\_\_\_\_, 2020.

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Michael Olson, Director of Finance and Administration  
**Date:** November 5, 2020  
**Subject:** Update Post Issuance Compliance Policy for Issuance of City Bonds

### **Recommendation**

Council approve the attached resolution updating the City of Kirkland Bond Procedure and Post Issuance Compliance Policy. Approval of the resolution on the consent calendar adopts the updated Bond Procedure and Post Issuance Compliance Policy.

### **Background**

Kirkland's Post Issuance Compliance Policy was originally adopted by City Council in October 2013 to support compliance with Federal tax law requirements for a governmental issuer in connection with its tax-exempt bonds. While there is no penalty for not having written procedures, written pronouncements in the Internal Revenue Manual suggest that when dealing with the IRS in the future in the event of unanticipated changes, the IRS may be more favorably disposed on the outcome (maintenance of tax-exempt status) if the issuer has written policies that monitor post issuance compliance. Similarly, the Securities and Exchange Commission has recommended that issuers of municipal bonds adopt disclosure procedures in order to address an issuer's responsibilities under federal securities laws, including compliance with the anti-fraud requirements.

The Kirkland Bond Procedure and Post Issuance Compliance Policy, included as Attachment A, was updated by the City's bond council, Pacifica Law Group. A track changes copy is also included as Attachment B. The updates expand the policy to include more of the federal tax and securities laws applicable to the City's debt issuances. The updates also reflect recent amendments to federal securities laws related to the City's ongoing disclosure requirements for its recently issued 2020 limited tax general obligation refunding bonds.

The policy is organized in 5 main sections, A through E noted in the following paragraph. Each portion of the policy has been edited for clarity, understanding, statutory compliance and industry best practice.

City of Kirkland Bond Procedure and Post Issuance Compliance Policy outline

- A Transcripts
- B Federal Tax Law Requirements

1. Use of Proceeds
  2. Arbitrage Rebate
  3. Use of Facilities Financed with Proceeds
  4. Refundings
  5. Reissuance
  6. Records Retention
- C Federal Securities Law Requirements
1. Guidelines for Preparing Disclosure Documents
  2. Preliminary and Final Official Statements
  3. Ongoing Disclosure
  4. Other Investor Communications
  5. Document Retention
- D Training
- E Other Notice Requirements

The City's Debt Management Policy also addresses issues related to post issuance compliance in Section 6 at a summary level. As a matter of practice, these additional policy guidelines prepared in consultation with Bond Counsel are comprehensive and directly address the issues recommended by the IRS and the SEC and are complimentary to the Debt Management Policy.

## Governmental Bonds

**CITY OF KIRKLAND****BOND PROCEDURE AND POST ISSUANCE COMPLIANCE POLICY**

This policy is intended to guide the City of Kirkland (the “City”) in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities of the City. The City maintains a separate Debt Policy with respect to matters related to the issuance of security obligations, including compliance with the City’s disclosure obligations related to securities issuance. These obligations may arise as a result of federal tax law (with respect to tax-exempt securities) and securities laws (with respect to ongoing disclosure) or as a result of contractual commitments made by the City. This policy outlines obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance.

In the City, the Director of Finance and Administration (the “Responsible Officer”) will be responsible for ensuring that the policy is followed and compliance checklist and records maintained. The Responsible Officer may delegate responsibility to employees and outside agents for developing records, maintaining records and compliance checklist. As detailed below, the City will support educational opportunities provided by the Government Finance Officers Association (GFOA), Washington Finance Officers Association (WFOA) and Washington Public Treasurers Association (WPTA) for the parties identified in this policy with responsibilities related to the City’s bonds in order to facilitate their performance of these obligations.

**A. Transcripts.**

1. The City shall receive a full transcript related to the issuance of securities (for each issue). It is expected that the transcript will include a full record of the proceedings related to the issuance of securities, including proof of filing an 8038-G or 8038-GC, if applicable.

2. Bond transcripts will be retained by the following parties and in the following locations within the City: City Clerk’s Office and Department of Finance and Administration.

**B. Federal Tax Law Requirements.** This section applies to all of the City’s tax-exempt and tax-advantaged governmental bonds, and other bonds subject to comparable requirements. As used in this policy, references to “bonds” include bonds, lines of credit, bond anticipation notes, and equipment and other financing leases. This section is intended to improve the City’s ability to: prevent violations in bond requirements from occurring; timely identify potential violations; and correct identified violations through appropriate remedial steps.

1. *Use of Proceeds.* Monitoring the expenditure of bond proceeds is necessary to assure that the required amount of bond proceeds are expended for capital expenditures and that not more than 10% of the bond proceeds are expended for projects that will be used for in a private trade or business (including by the federal government and nonprofit entities).

a. If the project(s) to be financed with the proceeds of the bonds will be funded with multiple sources of funds, the City will adopt an accounting methodology that:

- ◆ maintains each source of funding separately and monitors the actual expenditure of proceeds of the securities;
- ◆ commingles the proceeds and monitors the expenditures on a first in, first out basis; or
- ◆ provides for the expenditure of funds received from multiple sources on a proportionate basis.

b. Records of expenditures (timing of expenditure and object code) of the proceeds of bonds will be maintained by the Department of Finance and Administration.

c. If the project involves bond proceeds and other sources of funds and included both governmental and nongovernmental use of the financed facilities, the Responsible Officer in consultation with the project manager or other authorized City official will undertake a final reconciliation of bond proceeds expenditures and expenditures of other funds with project costs no later than 18 months after the later of the date of expenditure or the date that the project is placed in service (but in no event more than five years after the date of issue).

d. Any change in the scope of the project financed with bond proceeds should be reviewed and documented.

e. Any delay in the project and the expected spending of bond proceeds should be discussed with bond counsel and documented.

f. Records of investments and interest earnings on the proceeds of securities will be maintained by Department of Finance and Administration. Such records should include the amount of each investment, the date each investment is made, the date each investment matures and if sold prior to maturity, its sale date, and its interest rate and/or yield. Interest earnings on bonds are considered proceeds of the issue. Interest earnings on proceeds will be deposited in the fund in which the proceeds of the securities were deposited (if not, then the plan for use of interest earnings will be discussed with the City's bond counsel).

g. Records of interest earnings on reserve funds maintained for the securities.

h. If, at the completion of the project, there are unspent bond proceeds the Responsible Officer, conferring with bond counsel, will direct application of the excess proceeds for permitted uses under federal tax law, state law, and bond authorization documents.



2. *Arbitrage Rebate.* In general, bond proceeds and certain other funds can only be invested at a rate that exceeds the yield on the bonds under limited circumstances. Furthermore, amounts earned by investing above the bond yield must be rebated to the IRS, unless the City qualifies as a small issuer or a spending exception is met. The arbitrage and rebate requirements for each bond issue are detailed in the federal tax certificate executed in connection with the applicable bond issue. The Responsible Officer or designee of the City (“Rebate Monitor”) will monitor compliance with the arbitrage rebate obligations of the City for each bond issue.

a. *Funds to Monitor.* The Rebate Monitor will monitor the following funds in connection with each bond issue: bond or debt service funds/accounts; project or construction funds/accounts; any refunding accounts; debt service funds/accounts; any other accounts with bond proceeds; and any other accounts holding amounts pledged to pay bonds.

b. *Review.* The Rebate Monitor will monitor rebate compliance for each issue of tax-exempt governmental obligations issued during that calendar year.

i. During construction, the Responsible Officer is to monitor expenditures to confirm satisfaction of expected exceptions to rebate (described below).

ii. The first rebate payment is due five years after date of issue of the bonds plus 60 days,

iii. Rebate is due every succeeding five years, if there are unspent gross proceeds of the bonds.

iv. Final rebate payment is due 60 days after early redemption or retirement of the bonds.

c. *Rebate Exceptions.* The Rebate Monitor will review the tax certificate, if any, in the transcript in order to determine whether the City is expected to comply with a spending exception that would permit the City to avoid having to pay arbitrage rebate. If the tax certificate identifies this spending exception (referred to as the six-month exception, the 18 month exception or the 2-year exception), then the Rebate Monitor will monitor the records of expenditures to determine whether the City met the spending exception (and thereby avoid having to pay any arbitrage rebate to the federal government). If the City did not execute a tax certificate in connection with an issue, the Rebate Monitor should consult with bond counsel regarding the potential applicability of spending exceptions.

d. *Rebate Consultant.* The Rebate Monitor shall be responsible for retaining the services of an arbitrage rebate consultant in order to calculate any potential arbitrage rebate liability. The rebate consultant shall be selected no later than the completion of the project to be financed with the proceeds of the issue. A rebate consultant may be selected on an issue by issue basis or for all bonds issued by the City. The selected rebate consultant shall provide a written report to the City with respect to the issue and with respect to any arbitrage rebate owed if any.

Based on the report of the rebate consultant, file reports with and make any required payments to the Internal Revenue Service, no later than the fifth anniversary of the date of each issue (plus 60 days), and every five years thereafter, with the final installment due no later than 60 days following the retirement of the last obligation of the issue.

e. *Yield Reduction Payments.* If the City fails to expend all amounts required to be spent as of the close of any temporary period specified in the Tax Certificate (generally 3 years for proceeds of a new money issue and 13 months for amounts held in a debt service fund), the City will consult with bond counsel to determine and pay any required yield reduction payment.

3. *Use of the Facilities Financed with Proceeds.* In order to maintain tax-exemption of bonds issued on a tax-exempt or tax-advantaged basis, the financed facilities (projects) are required to be used for governmental purposes during the life of the issue. The Responsible Officer or designee of the City will monitor and maintain records regarding any private use of the projects financed with such bond proceeds. The IRS Treasury Regulations prohibit private business use (use by private parties (including nonprofit organizations and the federal government)) of tax-exempt financed facilities beyond permitted *de minimus* amounts unless cured by a prescribed remedial action. Private use may arise as a result of:

- a. Sale of all or a portion of the facilities;
- b. Lease of all or a portion of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers);
- c. Management contracts (in which the City authorizes a third party to operate a facility (e.g., cafeteria), except for qualified management contracts under IRS Rev. Proc. 97-13;
- d. Preference arrangements (in which the City grants a third party preference of the facilities, e.g., preference parking in a public parking lot);
- e. Entering into contracts giving “special legal entitlement” to the facility (for example, selling advertising space or naming rights).

All leases and other contracts involving bond-financed property will be sent prior to execution to the Responsible Officer for review. The Responsible Officer will confer with personnel responsible for bond financed projects at least annually to discuss any existing or planned use of bond-financed or refinanced facilities. Private use for each bond-financed project will be calculated annually.

If the Responsible Officer or designee identifies private use of tax-exempt debt financed facilities, the Responsible Officer or designee will consult with the City’s bond counsel to determine whether private use will adversely affect the tax-exempt status of the issue and if so, what remedial action is appropriate. The private use may be allocated to those facilities (or portions of facilities) that were funded from sources other than bond proceeds. If noncompliance will be remediated under existing remedial action provisions or tax-exempt bond closing agreement programs contained in the regulations or other published guidance from the IRS,

determine the deadline for taking action and proceed with diligence to take the required remedial actions. If remedial actions are unavailable, determine whether to make a submission to the Tax-Exempt Bonds Voluntary Closing Agreement Program (“VCAP”) under Internal Revenue Manual 7.2.3.

The City will verify at least once annually that the financed projects do not have impermissible private use. The verification will be noted on the Post Issuance Compliance Policy Checklist.

4. *Refundings.* For refunding escrows, confirm that any scheduled purchases of State and Local Government Series (“SLGS”) or open market securities are made as scheduled. On the redemption date, the Responsible Officer will confirm that the refunded bonds have been redeemed and cancelled. Promptly following the redemption date, the Responsible Officer will confirm that all proceeds of the bonds and all proceeds of the refunded bonds have been spent. Verify that excess proceeds, if any, of the bonds do not exceed an amount permitted by the Regulations.

Any final rebate payment is due 60 days after early redemption or retirement of the refunded bonds.

5. *Reissuance.* A significant modification of the bond documents may result in bonds being deemed refunded or “reissued.” Such an event will require, among other things, the filing of new information returns with the federal government and the execution of a new arbitrage certificate. The City shall consult with bond counsel in the event of modification of the bond documents.

6. *Records Retention.*

a. Records with respect to matters described in this Subsection B will be retained by the City for the life of the securities issue (and any issue that refunds the securities issue) and for a period of three years thereafter.

b. Records to be retained:

(i) The transcript;

(ii) Arbitrage rebate reports prepared by outside consultants;

(iii) Work papers that were provided to the rebate consultants;

(iv) Records necessary to document the allocation of bond proceeds and other sources of funds to particular projects or portions of projects.

(v) Records of expenditures and investment receipts (showing timing of expenditure and the object code of the expenditure and in the case of investment, timing of receipt of interest earnings). (Maintenance of underlying invoices should not be required provided the

records include the date of the expenditure, payee name, payment amount and object code; however, if those documents are maintained as a matter of policy in electronic form, then the City should continue to maintain those records in accordance with this policy);

(vi) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate);

(vii) Records documenting the final allocation of bond proceeds to projects, including any reallocations of bond proceeds, in a format showing the timing and substance of the reallocation, if applicable;

(viii) Copies of all contracts relating to the use of the bond-financed facility including leases, concession agreements, management agreements and other agreements that give usage rights or legal entitlements with respect to the facility to nongovernmental persons (e.g., advertising displays, cell tower leases, and naming rights agreements; and

(ix) Post Issuance Compliance Checklist documented annual review.

C. Federal Securities Law Requirements. This section is intended to establish a framework for compliance by City with its disclosure and/or contractual obligations with respect to bonds, notes, and other securities it issues or that are issued on its behalf (as defined herein, the “Securities”), pursuant to the requirements of federal and state securities laws and other applicable rules, regulations, and orders. This section applies generally to all of the City’s tax-exempt and tax advantage bonds and other debt issued on the City’s behalf subject to comparable requirements. The purpose of this policy is to: facilitate compliance with applicable law and existing ongoing disclosure undertakings when preparing and distributing initial and ongoing disclosure documents, to reduce exposure (of the City and its officials and employees) to liability for damages and enforcement actions based on material misstatements and omissions in such documents, and to promote good investor relations.

It is the policy of the City to comply fully with applicable securities laws regarding disclosure in connection with the issuance of Securities and with the terms of its continuing disclosure agreements, including the Anti-Fraud Rules. The “Anti-Fraud Rules” refer to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934, particularly Rule 10b-5 under the Securities Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts.<sup>1</sup>

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<sup>1</sup> For example, the Anti-Fraud Rules provide that “It shall be unlawful for any person, directly or indirectly, ...  
(a) To employ any device, scheme, or artifice to defraud,  
(b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or  
(c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,  
in connection with the purchase or sale of any security.”

The Anti-Fraud Rules require all material information relating to the offered Securities to be provided to potential investors in connection with the sale or issuance of Securities. The information provided to investors must not contain any material misstatements, and the City must not omit material information which would be necessary to provide to investors a materially complete description of the Securities and the City's financial condition. In the context of the sale of Securities, a fact is considered to be material if there is a substantial likelihood that a reasonable investor would consider it to be important, in the total mix of information made available to investors, in determining whether or not to purchase the Securities being offered.

The Anti-Fraud Rules apply to all statements and other communication that are intended (or reasonably can be expected) to be accessible to and relied upon by investors of the City's Securities. Investor Communications include: Preliminary and final Official Statements (the offering documents used in connection with the sale of Securities), filings made on EMMA (including filings made pursuant to continuing disclosure undertakings and voluntary postings), and may include, depending on the context, information uploaded or linked or posted to the website of the City, and press releases and other formal and/or public statements of the City.

1. Guidelines for Preparing Disclosure Documents.

a. All City staff members and officials involved in the preparation or review of disclosure documents or other investor communications are responsible for being familiar with the Anti-Fraud Rules. Violations of the Anti-Fraud Rules may be punishable by civil or criminal penalties against the City and the individual staff members and officials responsible for the violations.

b. Staff members and officials involved in the preparation or review of disclosure documents and other investor communications are instructed to err on the side of raising issues when preparing or reviewing such documents and communications. Officials and staff are encouraged to consult with the City Attorney, bond counsel and/or disclosure counsel, if any, and/or the City's municipal advisor, if any, if there are questions regarding whether an issue is material. Any concerns regarding the accuracy of a disclosure document or other investor communication should be immediately reported to the City Attorney, bond counsel and/or disclosure counsel, if any.

c. The officers and employees charged by this policy with performing or refraining from any action may depart from this policy when they and the Responsible Officer in good faith determine that such departure is in the best interests of the City and consistent with the duties of the City under the Anti-Fraud Rules. The Responsible Officer is encouraged to first consult with bond counsel, disclosure counsel and/or other legal counsel to the City prior to any such departure.

d. Prior to the public release of any disclosure document or communication to be posted on EMMA, the Responsible Officer or designee shall complete a final review of the material, consisting of comparing and resolving any material discrepancies between the City's audited (and unaudited, if needed) financial statements and other source materials, and cover-to-cover review of the communication. The review and any source materials shall be documented.

2. Preliminary and Final Official Statements. For the purpose of satisfying the underwriter's compliance with the SEC Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), the Responsible Officer (and/or any other official designated by the City Council, if any) shall be responsible for "deeming final" the Preliminary Official Statement as of its date, except for the omission of information as to offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, maturity dates, delivery dates, and other terms of the Securities dependent on such matters or permitted under the Rule to be omitted.

Prior to release of a Final Official Statement, the Responsible Officer or designee shall be responsible for reviewing and approving the document. The Responsible Officer's approval may be documented in the form of the signed closing certificate. In connection with the closing of the transaction, the Responsible Officer (and any other official designated by the City Council, if any) will execute a certificate under the Anti-Fraud Rules stating that the Preliminary and final Official Statements, as of their respective dates and as of the dates of pricing and closing, as applicable, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made.

3. Ongoing Disclosure. Under the provisions of the Rule, underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities. The transcript for each issue subject to the Rule (e.g. all publicly sold Securities) will include an undertaking by the City to comply with the Rule. The Responsible Officer or designee will be responsible for and monitor compliance by the City with its undertakings. These undertakings may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of certain "listed events."

a. Annual Filings. The City shall file, on a timely basis, its audited financial statements and any operating data as required under its continuing disclosure agreements. If audited financial information is not available by the filing date, unaudited information must be filed, and the audited information must be filed as soon as it is available. Further, the Responsible Officer is responsible for providing, in a timely manner, notice of any failure to provide required annual financial information, on or before the date specified in the applicable continuing disclosure agreement.

Prior to posting an annual filing, the Responsible Officer will complete a final review, consisting of comparing and noting material discrepancies with source materials and compliance with the Anti-Fraud Rules. Each continuing disclosure filing shall be sent to the Responsible Officer or other authorized officer for approval prior to posting on EMMA. The Responsible Officer must exercise reasonable care to file the annual filings in word-searchable PDF format and with the identifying information required by the Continuing Disclosure Agreements, including applicable CUSIP numbers for the Securities. The Responsible Officer shall enroll on the EMMA website to receive annual email reminders of annual filing deadlines.

b. Listed Events. Notice of certain listed events must be filed in a timely manner not more than *ten (10) business days* after the occurrence of the event. As of the date of this policy, the listed events include the following:

- (1) Principal and interest payment delinquencies
- (2) Non-payment related defaults, if material
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties
- (5) Substitution of credit or liquidity providers, or their failure to perform
- (6) Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds
- (7) Modifications to the rights of bondholders, if material
- (8) Bond calls, if material, and tender offers
- (9) Defeasances
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material
- (11) Rating changes (both upgrades and downgrades)
- (12) Bankruptcy, insolvency, receivership or similar event of the City
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Disclosure of events 15 and 16 is required by continuing disclosure agreements executed after February 27, 2019. "Financial Obligation" is defined in the Rule to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of clause (A) or (B) of this definition. The term financial obligation does not include municipal securities as to which a final Official Statement has been provided to consistent with the Rule.

To facilitate compliance with these listed events, the Responsible Officer will maintain an inventory of all Financial Obligations of the City. The Responsible Officer will review each Financial Obligation (with the assistance of disclosure counsel and/or bond counsel as needed) to

determine whether it is material and subject to reporting under the City's continuing disclosure agreements. The Responsible Officer will periodically review the definition of Financial Obligations and the inventory of existing Financial Obligations with the appropriate City officers and employees. If there is a foreseeable possibility of any default, event of acceleration, termination event, modification of terms or other similar event is reasonably possible occur, the Responsible Officer will be informed.

4. Other Investor Communications. The Anti-Fraud Rules apply to all investor communications. Such investor communications may include, but are not limited to, voluntary filings made on EMMA, information on the City's website (such as on an investor relations webpage), communications with investors (or potential investors), press releases and other formal statements of the City that are intended to reach investors. The Responsible Officer and other officers of the City shall exercise reasonable care to make sure that the information in investor communications is materially accurate and complete and otherwise in compliance with this policy.

5. Document Retention. The following documents are to be maintained in connection with each Security. The goal is to retain adequate records to substantiate compliance with the Anti-Fraud Rules. Unless otherwise specified, the following records are to be maintained.

- Complete bond transcript in electronic format or hard copy, including (if applicable) copies of the continuing disclosure agreements.
- A written record of any Financial Obligation or the occurrence of other notice event that is determined to be immaterial or not reflecting financial difficulty and thus not requiring disclosure, and the facts and circumstances used to reach such conclusion.
- Documentation of the actions taken to prepare, check, review and approve each Investor Communication made pursuant to these procedures, including the sources of the information included.
- Electronic copies of confirmations from EMMA of all continuing disclosure filings.
- Copies of any filings or correspondence with the SEC or other regulatory body.

D. Training. The City will provide opportunities for training to the Responsible Officer, legal counsel, department managers/directors, elected officials and other individuals responsible for complying with this policy, as needed, specifically including the following training opportunities: at or after bond closing, a conference call or meeting with bond counsel to review the requirements applicable to a new bond issue; participation in in-house training sessions, CPE seminars, or seminars/webinars conducted by professional organizations (e.g., GFOA, WPTA, WFOA, PSFOA); and training will be provided as necessary to address any changes in Federal Tax or Federal Securities Laws or this policy.

E. Other Notice Requirements. In some instances, the proceedings authorizing the issuance of bonds will require the City to file information periodically with other parties, e.g., bond insurers, banks, rating agencies. The types of information required to be filed may include (1) budgets,



(2) annual financial reports, (3) issuance of additional debt obligations, and (4) amendments to financing documents. The Department of Finance and Administration of the City will maintain a listing of those requirements and monitor compliance by the City.

## Governmental Bonds

**CITY OF KIRKLAND**  
**BOND PROCEDURE AND POST ISSUANCE COMPLIANCE POLICY**

This policy is intended to guide the City of Kirkland ~~(the “City”)~~ in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities of the ~~City of Kirkland~~City. ~~This policy addresses obligations of the City of Kirkland that arise and will continue following the issuance of securities.~~—The ~~City of Kirkland~~City maintains a separate Debt Policy with respect to matters related to the issuance of security obligations, including compliance with the ~~City of Kirkland~~City’s disclosure obligations related to securities issuance. These obligations may arise as a result of federal tax law (with respect to tax-exempt securities) and securities laws (with respect to ongoing disclosure) or as a result of contractual commitments made by the ~~City of Kirkland~~City. This policy outlines obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance.

In the ~~City of Kirkland~~City, the Director of Finance and Administration ~~(the “Responsible Officer”)~~ will be responsible for ensuring that the policy is followed and compliance checklist and records maintained. The ~~Director of Finance and Administration~~Responsible Officer may delegate responsibility to employees and outside agents for developing records, maintaining records and compliance checklist. ~~The As detailed below, the City of Kirkland~~City will support educational opportunities provided by the Government Finance Officers Association (GFOA), Washington Finance Officers Association (WFOA) and Washington Municipal Public Treasurers Association (~~WMTAWPTA~~) for the parties identified in this policy with responsibilities related to the City’s bonds for post-issuance compliance in order to facilitate their performance of these obligations.

A. Transcripts.

1. The City ~~of Kirkland’s bond counsel shall provide the City of Kirkland with two~~shall receive a ~~full-copies of a full~~ transcript related to the issuance of securities (for each issue). ~~The transcript shall be delivered in the following form: one hardcopy (paper) and one electronic on a CD; and transcripts shall be delivered to the City of Kirkland within three month[s] following the date of issuance of securities.~~—It is expected that the transcript will include a full record of the proceedings related to the issuance of securities, including proof of filing an 8038-G or 8038-GC, if applicable.

2. Bond transcripts will be retained by the following parties and in the following locations within the ~~City of Kirkland~~City: City Clerk’s Office and Department of Finance and Administration.

B. Federal Tax Law Requirements. ~~This section applies to all of the City’s tax-exempt and tax-advantaged governmental bonds, and other bonds subject to comparable requirements. As used in this policy, references to “bonds” include bonds, lines of credit, bond anticipation notes, and equipment and other financing leases. This section is intended to improve the City’s ability to: prevent violations in bond requirements from occurring; timely identify potential violations;~~

and correct identified violations through appropriate remedial steps. (Applicable only if the securities are issued as “tax exempt” securities).

1. Use of Proceeds. Monitoring the expenditure of bond proceeds is necessary to assure that the required amount of bond proceeds are expended for capital expenditures and that not more than 10% of the bond proceeds are expended for projects that will be used for in a private trade or business (including by the federal government and nonprofit entities).

a. If the project(s) to be financed with the proceeds of the ~~securities~~bonds will be funded with multiple sources of funds, the ~~City of Kirkland~~City will adopt an accounting methodology that:

- ◆ maintains each source of funding separately and monitors the actual expenditure of proceeds of the securities;
- ◆ commingles the proceeds and monitors the expenditures on a first in, first out basis; or
- ◆ provides for the expenditure of funds received from multiple sources on a proportionate basis.

b. Records of expenditures (timing of expenditure and object code) of the proceeds of ~~securities~~bonds will be maintained by the Department of Finance and Administration.

~~c. \_\_\_\_\_~~ e. — If the project involves bond proceeds and other sources of funds and included both governmental and nongovernmental use of the financed facilities, the Responsible Officer in consultation with the project manager or other authorized City official will undertake a final reconciliation of bond proceeds expenditures and expenditures of other funds with project costs no later than 18 months after the later of the date of expenditure or the date that the project is placed in service (but in no event more than five years after the date of issue).

d. Any change in the scope of the project financed with bond proceeds should be reviewed and documented.

e. Any delay in the project and the expected spending of bond proceeds should be discussed with bond counsel and documented.

f. Records of investments and interest earnings on the proceeds of securities will be maintained by Department of Finance and Administration. Such records should include the amount of each investment, the date each investment is made, the date each investment matures and if sold prior to maturity, its sale date, and its interest rate and/or yield. Interest earnings on bonds are considered proceeds of the issue. Interest earnings on proceeds will be deposited in the fund in which the proceeds of the securities were deposited (if not, then the plan for use of interest earnings will be discussed with the ~~City of Kirkland~~City's bond counsel).

~~d~~g. Records of interest earnings on reserve funds maintained for the securities.

h. If, at the completion of the project, there are unspent bond proceeds the Responsible Officer, conferring with bond counsel, will direct application of the excess proceeds for permitted uses under federal tax law, state law, and bond authorization documents.

2. Arbitrage Rebate. In general, bond proceeds and certain other funds can only be invested at a rate that exceeds the yield on the bonds under limited circumstances. Furthermore, amounts earned by investing above the bond yield must be rebated to the IRS, unless the City qualifies as a small issuer or a spending exception is met. The arbitrage and rebate requirements for each bond issue are detailed in the federal tax certificate executed in connection with the applicable bond issue. The ~~Director of Finance and Administration~~ Responsible Officer or designee of the ~~City of Kirkland~~ City (“Rebate Monitor”) will monitor compliance with the arbitrage rebate obligations of the ~~City of Kirkland~~ City for each issue (“issue”) of securities ~~bond~~ issue.

~~which are described in further detail in the tax certificate if any, executed by the City of Kirkland for each issue and included in the transcript for the issue. If the City of Kirkland did not execute a tax certificate in connection with an issue, the Rebate Monitor should consult with the City of Kirkland’s bond counsel regarding arbitrage rebate requirements.~~

a. Funds to Monitor. ~~The~~ the Rebate Monitor will monitor the following funds in connection with each bond issue: bond or debt service funds/accounts; project or construction funds/accounts; any refunding accounts; debt service funds/accounts; any other accounts with bond proceeds; and any other accounts holding amounts pledged to pay bonds.

~~b. Review. The determines that the total principal amount of tax-exempt governmental obligations (including all tax-exempt leases, etc.) of the City of Kirkland issued by or on behalf of the City of Kirkland and subordinate entities during the calendar year, including the issue, will not be greater than \$5,000,000, the Rebate Monitor will not be required to monitor arbitrage rebate compliance for the issue, except to monitor expenditures and the use of proceeds after completion of the project (see #3 below). For purposes of this paragraph, tax-exempt governmental obligations issued to currently refund a prior tax-exempt governmental obligation will only be taken into account to the extent they exceed the outstanding amount of the refunded bonds.~~

~~b. If the Rebate Monitor determines that the total principal amount of tax-exempt governmental obligations (including all tax-exempt leases, etc.) of the City of Kirkland issued or incurred any calendar year is greater than \$5,000,000, the Rebate Monitor will monitor rebate compliance for each issue of tax-exempt governmental obligations issued during that calendar year.~~

i. During construction, the Responsible Officer is to monitor expenditures to confirm satisfaction of expected exceptions to rebate (described below).

ii. The first rebate payment is due five years after date of issue of the bonds plus 60 days.

iii. Rebate is due every succeeding five years, if there are unspent gross proceeds of the bonds.

iv. Final rebate payment is due 60 days after early redemption or retirement of the bonds.

c. *Rebate Exceptions.* The Rebate Monitor will review the tax certificate, if any, in the transcript in order to determine whether the City is expected to comply with a spending exception that would permit the City to avoid having to pay arbitrage rebate. If the tax certificate identifies this spending exception (referred to as the six-month exception, the 18 month exception or the 2-year exception), then the Rebate Monitor will monitor the records of expenditures to determine whether the City met the spending exception (and thereby avoid having to pay any arbitrage rebate to the federal government). If the City did not execute a tax certificate in connection with an issue, the Rebate Monitor should consult with bond counsel regarding the potential applicability of spending exceptions.

d

~~i. *Rebate Exceptions.* The Rebate Monitor will review the tax certificate, if any, in the transcript in order to determine whether the City of Kirkland is expected to comply with a spending exception that would permit the City of Kirkland to avoid having to pay arbitrage rebate. If the tax certificate identifies this spending exception (referred to as the six-month exception, the 18-month exception or the 2-year exception), then the Rebate Monitor will monitor the records of expenditures (see B.1 above) to determine whether the City of Kirkland met the spending exception (and thereby avoid having to pay any arbitrage rebate to the federal government). If the City of Kirkland did not execute a tax certificate in connection with an issue, the Rebate Monitor should consult with bond counsel regarding the potential applicability of spending exceptions.~~

~~ii. *Rebate Compliance.* If the City of Kirkland does not meet or does not expect to meet any of the spending exceptions described in (i) above, the City of Kirkland will:~~

~~x. review the investment earnings records retained as described in B.1 above. If the investment earnings records clearly and definitively demonstrate that the rate of return on investments of all proceeds of the issue were lower than the yield on the issue (see the tax certificate in the transcript), then the City of Kirkland may opt not to follow the steps described in the following paragraph.~~

y. *Rebate Consultant.* The Rebate Monitor shall be responsible for ~~retaining~~retain the services of an arbitrage rebate consultant in order to calculate any potential arbitrage rebate liability. The rebate consultant shall be selected no later than the completion of the project to be financed with the proceeds of the issue. A rebate consultant may be selected on an issue by issue basis or for all ~~securities-bonds issues-issued by~~of the City of Kirkland. ~~The Rebate Monitor will obtain the names of at least three qualified consultants and request that the consultants submit proposals for consideration prior to being selected as the City of Kirkland~~

~~rebate consultant.~~ The selected rebate consultant shall provide a written report to the City of ~~Kirkland~~ with respect to the issue and with respect to any arbitrage rebate owed if any.

~~z.~~ ~~b~~ Based on the report of the rebate consultant, file reports with and make any required payments to the Internal Revenue Service, no later than the fifth anniversary of the date of each issue (plus 60 days), and every five years thereafter, with the final installment due no later than 60 days following the retirement of the last obligation of the issue.

~~ee.~~ *Yield Reduction Payments.* If the ~~City of Kirkland~~City fails to expend all amounts required to be spent as of the close of any temporary period specified in the Tax Certificate (generally 3 years for proceeds of a new money issue and 13 months for amounts held in a debt service fund), the ~~City of Kirkland~~City will ~~follow the procedures described in B.2.b.ii above~~consult with bond counsel to determine and pay any required yield reduction payment.

~~3.~~ ~~Unused Proceeds Following Completion of the Project.~~ Following completion of the project(s) financed with the issue proceeds, the ~~Director of Finance and Administration or designee will:~~

~~a.~~ ~~review the expenditure records to determine whether the proceeds have been allocated to the project(s) intended (and if any questions arise, consult with bond counsel in order to determine the method of re-allocation of proceeds); and~~

~~b.~~ ~~direct the use of remaining unspent proceeds (in accordance with the limitations set forth in the authorizing proceedings (i.e., bond ordinance) and if no provision is otherwise made for the use of unspent proceeds, to the redemption or defeasance of outstanding securities of the issue.~~

~~43.~~ *Use of the Facilities Financed with Proceeds.* In order to maintain tax-exemption of ~~securities~~bonds issued on a tax-exempt ~~or tax-advantaged~~ basis, the financed facilities (projects) are required to be used for governmental purposes during the life of the issue. The ~~Director of Finance and Administration~~Responsible Officer or designee of the ~~City of Kirkland~~City will monitor and maintain records regarding any private use of the projects financed with ~~tax-exempt~~such bond proceeds. The IRS Treasury Regulations prohibit private business use (use by private parties (including nonprofit organizations and the federal government)) of tax-exempt financed facilities beyond permitted *de minimus* amounts unless cured by a prescribed remedial action. Private use may arise as a result of:

- a. Sale of all or a portion of the facilities;
- b. Lease of all or a portion of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers);

c. Management contracts (in which the ~~City of Kirkland~~City authorizes a third party to operate a facility (e.g., cafeteria), except for qualified management contracts under IRS Rev. Proc. 97-13;

d. Preference arrangements (in which the ~~City of Kirkland~~City grants a third party preference of the facilities, e.g., preference parking in a public parking lot);

e. Entering into contracts giving “special legal entitlement” to the facility (for example, selling advertising space or naming rights).-

All leases and other contracts involving bond-financed property will be sent prior to execution to the Responsible Officer for review. The Responsible Officer will confer with personnel responsible for bond financed projects at least annually to discuss any existing or planned use of bond-financed or refinanced facilities. Private use for each bond-financed project will be calculated annually.

If the ~~Director of Finance and Administration~~Responsible Officer or designee identifies private use of tax-exempt debt financed facilities, the ~~Director of Finance and Administration~~Responsible Officer or designee will consult with the ~~City of Kirkland~~City’s bond counsel to determine whether private use will adversely affect the tax-exempt status of the issue and if so, what remedial action is appropriate. The private use may be allocated to those facilities (or portions of facilities) that were funded from sources other than bond proceeds. If noncompliance will be remediated under existing remedial action provisions or tax-exempt bond closing agreement programs contained in the regulations or other published guidance from the IRS, determine the deadline for taking action and proceed with diligence to take the required remedial actions~~If the City of Kirkland determines that it is appropriate to complete a final allocation and accounting certification with respect to the expenditure of bond proceeds, pursuant to Treasury Regulation §1.148-6(d), the City of Kirkland will complete the allocation certification not later than the Final Allocation Date. The City of Kirkland may also elect to follow available remedial action procedures available under Treasury Regulations, e.g., allocate sales proceeds to other qualifying capital expenditures. If remedial actions are unavailable, determine whether to make a submission to the Tax-Exempt Bonds Voluntary Closing Agreement Program (“VCAP”) under Internal Revenue Manual 7.2.3.~~

The ~~City of Kirkland~~City will verify at least once annually that the financed projects do not have impermissible private use. The verification will be noted on the Post Issuance Compliance Policy Checklist.

54. Refundings. For refunding escrows, confirm that any scheduled purchases of State and Local Government Series (“SLGS”) or open market securities are made as scheduled. On the redemption date, the Responsible Officer will confirm that the refunded bonds have been redeemed and cancelled. Promptly following the redemption date, the Responsible Officer will confirm that all proceeds of the bonds and all proceeds of the refunded bonds have been spent. Verify that excess proceeds, if any, of the bonds do not exceed an amount permitted by the Regulations.

Any final rebate payment is due 60 days after early redemption or retirement of the refunded bonds.

65. Reissuance. A significant modification of the bond documents may result in bonds being deemed refunded or “reissued.” Such an event will require, among other things, the filing of new information returns with the federal government and the execution of a new arbitrage certificate. The City shall consult with bond counsel in the event of modification of the bond documents.

576. Records Retention.

a. Records with respect to matters described in this Subsection B will be retained by the ~~City of Kirkland~~City for the life of the securities issue (and any issue that refunds the securities issue) and for a period of three years thereafter.

b. Records to be retained:

(i) The transcript;

(ii) Arbitrage rebate reports prepared by outside consultants;

(iii) Work papers that were provided to the rebate consultants;

(iv) Records necessary to document the allocation of bond proceeds and other sources of funds to particular projects or portions of projects.

(v) Records of expenditures and investment receipts (showing timing of expenditure and the object code of the expenditure and in the case of investment, timing of receipt of interest earnings). (Maintenance of underlying invoices should not be required provided the records include the date of the expenditure, payee name, payment amount and object code; however, if those documents are maintained as a matter of policy in electronic form, then the ~~City of Kirkland~~City should continue to maintain those records in accordance with this policy);

(vi) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate); ~~and~~

(vii) Records documenting the final allocation of bond proceeds to projects, including any reallocations of bond proceeds, in a format showing the timing and substance of the reallocation, if applicable;

(viii) Copies of all contracts relating to the use of the bond-financed facility including leases, concession agreements, management agreements and other agreements that give usage rights or legal entitlements with respect to the facility to nongovernmental persons (e.g., advertising displays, cell tower leases, and naming rights agreements);~~leases, user agreements for use of the financed property (agreements that provide for use of the property for periods longer~~



than 30 days), whether or not the use was within the four walls (e.g., use of the roof of the facility for a cell phone tower); and

(viii) **Post Issuance Compliance Checklist** documented annual review.

C. Federal Securities Law Requirements. This section is intended to establish a framework for compliance by City with its disclosure and/or contractual obligations with respect to bonds, notes, and other securities it issues or that are issued on its behalf (as defined herein, the “Securities”), pursuant to the requirements of federal and state securities laws and other applicable rules, regulations, and orders. This section applies generally to all of the City’s tax-exempt and tax advantage bonds and other debt issued on the City’s behalf subject to comparable requirements. The purpose of this policy is to: facilitate compliance with applicable law and existing ongoing disclosure undertakings when preparing and distributing initial and ongoing disclosure documents, to reduce exposure (of the City and its officials and employees) to liability for damages and enforcement actions based on material misstatements and omissions in such documents, and to promote good investor relations.

It is the policy of the City to comply fully with applicable securities laws regarding disclosure in connection with the issuance of Securities and with the terms of its continuing disclosure agreements, including the Anti-Fraud Rules. The “Anti-Fraud Rules” refer to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934, particularly Rule 10b-5 under the Securities Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts.<sup>1</sup>

The Anti-Fraud Rules require all material information relating to the offered Securities to be provided to potential investors in connection with the sale or issuance of Securities. The information provided to investors must not contain any material misstatements, and the City must not omit material information which would be necessary to provide to investors a materially complete description of the Securities and the City’s financial condition. In the context of the sale of Securities, a fact is considered to be material if there is a substantial likelihood that a reasonable investor would consider it to be important, in the total mix of information made available to investors, in determining whether or not to purchase the Securities being offered.

The Anti-Fraud Rules apply to all statements and other communication that are intended (or reasonably can be expected) to be accessible to and relied upon by investors of the City’s Securities. Investor Communications include: Preliminary and final Official Statements (the offering documents used in connection with the sale of Securities), filings made on EMMA

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<sup>1</sup> For example, the Anti-Fraud Rules provide that “It shall be unlawful for any person, directly or indirectly, ...  
(a) To employ any device, scheme, or artifice to defraud,  
(b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading,  
or  
(c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,  
in connection with the purchase or sale of any security.”

(including filings made pursuant to continuing disclosure undertakings and voluntary postings), and may include, depending on the context, information uploaded or linked or posted to the website of the City, and press releases and other formal and/or public statements of the City.

1. Guidelines for Preparing Disclosure Documents.

a. All City staff members and officials involved in the preparation or review of disclosure documents or other investor communications are responsible for being familiar with the Anti-Fraud Rules. Violations of the Anti-Fraud Rules may be punishable by civil or criminal penalties against the City and the individual staff members and officials responsible for the violations.

b. Staff members and officials involved in the preparation or review of disclosure documents and other investor communications are instructed to err on the side of raising issues when preparing or reviewing such documents and communications. Officials and staff are encouraged to consult with the City Attorney, bond counsel and/or disclosure counsel, if any, and/or the City's municipal advisor, if any, if there are questions regarding whether an issue is material. Any concerns regarding the accuracy of a disclosure document or other investor communication should be immediately reported to the City Attorney, bond counsel and/or disclosure counsel, if any.

c. The officers and employees charged by this policy with performing or refraining from any action may depart from this policy when they and the Responsible Officer in good faith determine that such departure is in the best interests of the City and consistent with the duties of the City under the Anti-Fraud Rules. The Responsible Officer is encouraged to first consult with bond counsel, disclosure counsel and/or other legal counsel to the City prior to any such departure.

d. Prior to the public release of any disclosure document or communication to be posted on EMMA, the Responsible Officer or designee shall complete a final review of the material, consisting of comparing and resolving any material discrepancies between the City's audited (and unaudited, if needed) financial statements and other source materials, and cover-to-cover review of the communication. The review and any source materials shall be documented.

2. Preliminary and Final Official Statements. For the purpose of satisfying the underwriter's compliance with the SEC Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), the Responsible Officer (and/or any other official designated by the City Council, if any) shall be responsible for "deeming final" the Preliminary Official Statement as of its date, except for the omission of information as to offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, maturity dates, delivery dates, and other terms of the Securities dependent on such matters or permitted under the Rule to be omitted.

Prior to release of a Final Official Statement, the Responsible Officer or designee shall be responsible for reviewing and approving the document. The Responsible Officer's approval may be documented in the form of the signed closing certificate. In connection with the closing of the

transaction, the Responsible Officer (and any other official designated by the City Council, if any) will execute a certificate under the Anti-Fraud Rules stating that the Preliminary and final Official Statements, as of their respective dates and as of the dates of pricing and closing, as applicable, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made.

3. C.—Ongoing Disclosure. Under the provisions of ~~SEC Rule 15c2-12 (the “Rule”); the Rule,~~ underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities. ~~Unless the City of Kirkland is exempt from compliance with the Rule as a result of certain permitted exemptions, the~~The transcript for each issue subject to the Rule (e.g. all publicly sold Securities) will include an undertaking by the ~~City of Kirkland~~City to comply with the Rule. ~~The Department of Finance and Administration of the City of Kirkland~~Responsible Officer or designee will be responsible for and monitor compliance by the ~~City of Kirkland~~City with its undertakings. These undertakings may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of ~~listed “material~~certain “listed events.”

a. Annual Filings. The City shall file, on a timely basis, its audited financial statements and any operating data as required under its continuing disclosure agreements. If audited financial information is not available by the filing date, unaudited information must be filed, and the audited information must be filed as soon as it is available. Further, the Responsible Officer is responsible for providing, in a timely manner, notice of any failure to provide required annual financial information, on or before the date specified in the applicable continuing disclosure agreement.

Prior to posting an annual filing, the Responsible Officer will complete a final review, consisting of comparing and noting material discrepancies with source materials and compliance with the Anti-Fraud Rules. Each continuing disclosure filing shall be sent to the Responsible Officer or other authorized officer for approval prior to posting on EMMA. The Responsible Officer must exercise reasonable care to file the annual filings in word-searchable PDF format and with the identifying information required by the Continuing Disclosure Agreements, including applicable CUSIP numbers for the Securities. The Responsible Officer shall enroll on the EMMA website to receive annual email reminders of annual filing deadlines.

b. Listed Events. Notice of certain listed events must be filed in a timely manner not more than ten (10) business days after the occurrence of the event. As of the date of this policy, the listed events include the following:

- (1) Principal and interest payment delinquencies
- (2) Non-payment related defaults, if material
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties
- (5) Substitution of credit or liquidity providers, or their failure to perform
- (6) Adverse tax opinions, the issuance by the IRS of proposed or final determinations

- of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds
- (7) Modifications to the rights of bondholders, if material
- (8) Bond calls, if material, and tender offers
- (9) Defeasances
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material
- (11) Rating changes (both upgrades and downgrades)
- (12) Bankruptcy, insolvency, receivership or similar event of the City
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Security holders, if material; and
- (+)(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Disclosure of events 15 and 16 is required by continuing disclosure agreements executed after February 27, 2019. "Financial Obligation" is defined in the Rule to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of clause (A) or (B) of this definition. The term financial obligation does not include municipal securities as to which a final Official Statement has been provided to consistent with the Rule.

To facilitate compliance with these listed events, the Responsible Officer will maintain an inventory of all Financial Obligations of the City. The Responsible Officer will review each Financial Obligation (with the assistance of disclosure counsel and/or bond counsel as needed) to determine whether it is material and subject to reporting under the City's continuing disclosure agreements. The Responsible Officer will periodically review the definition of Financial Obligations and the inventory of existing Financial Obligations with the appropriate City officers and employees. If there is a foreseeable possibility of any default, event of acceleration, termination event, modification of terms or other similar event is reasonably possible occur, the Responsible Officer will be informed.

4. Other Investor Communications. The Anti-Fraud Rules apply to all investor communications. Such investor communications may include, but are not limited to, voluntary filings made on EMMA, information on the City's website (such as on an investor relations

webpage), communications with investors (or potential investors), press releases and other formal statements of the City that are intended to reach investors. The Responsible Officer and other officers of the City shall exercise reasonable care to make sure that the information in investor communications is materially accurate and complete and otherwise in compliance with this policy.

5. Document Retention. The following documents are to be maintained in connection with each Security. The goal is to retain adequate records to substantiate compliance with the Anti-Fraud Rules. Unless otherwise specified, the following records are to be maintained.

• Complete bond transcript in electronic format or hard copy, including (if applicable) copies of the continuing disclosure agreements.

• A written record of any Financial Obligation or the occurrence of other notice event that is determined to be immaterial or not reflecting financial difficulty and thus not requiring disclosure, and the facts and circumstances used to reach such conclusion.

• Documentation of the actions taken to prepare, check, review and approve each Investor Communication made pursuant to these procedures, including the sources of the information included.

• Electronic copies of confirmations from EMMA of all continuing disclosure filings.

• Copies of any filings or correspondence with the SEC or other regulatory body. For some types of material events (early bond calls), the State's fiscal agent has undertaken the responsibility of filing notice of the applicable material event.

D. Training. The City will provide opportunities for training to the Responsible Officer, legal counsel, department managers/directors, elected officials and other individuals responsible for complying with this policy, as needed, specifically including the following training opportunities: at or after bond closing, a conference call or meeting with bond counsel to review the requirements applicable to a new bond issue; participation in in-house training sessions, CPE seminars, or seminars/webinars conducted by professional organizations (e.g., GFOA, WPTA, WFOA, PSFOA); and training will be provided as necessary to address any changes in Federal Tax or Federal Securities Laws or this policy.

E. Other Notice Requirements. In some instances, the proceedings authorizing the issuance of securities bonds will require the City of Kirkland City to file information periodically with other parties, e.g., bond insurers, banks, rating agencies. The types of information required to be filed may include (1) budgets, (2) annual financial reports, (3) issuance of additional debt obligations, and (4) amendments to financing documents. The Department of Finance and Administration of the City of Kirkland City will maintain a listing of those requirements and monitor compliance by the City of Kirkland City.

RESOLUTION R-5454

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE KIRKLAND BOND PROCEDURE AND POST ISSUANCE COMPLIANCE POLICY SETTING FORTH THE POLICY OF THE CITY OF KIRKLAND WITH RESPECT TO MEETING ITS OBLIGATIONS UNDER FEDERAL TAX LAW AND SECURITIES LAW IN CONNECTION WITH ITS SECURITIES.

1           WHEREAS, the City of Kirkland has certain obligations  
2 under federal tax law and federal securities law with respect to its  
3 publicly offered and privately placed securities; and  
4

5           WHEREAS, many of these obligations continue to apply  
6 throughout the entire term of the securities issued; and  
7

8           WHEREAS, the City of Kirkland Bond Procedure and Post  
9 Issuance Compliance Policy has been written in consultation with  
10 the City’s bond counsel; and  
11

12           WHEREAS, the Kirkland City Treasurer (Director of Finance  
13 and Administration) has recommended that the City Council  
14 formally adopt the Bond Procedure and Post Issuance Compliance  
15 Policy that the City is following, and will continue to follow, to  
16 maintain compliance with applicable federal law;  
17

18           NOW, THEREFORE, be it resolved by the City Council of the  
19 City of Kirkland as follows:  
20

21           Section 1. The “City of Kirkland Bond Procedure and Post  
22 Issuance Compliance Policy,” which is attached as “Exhibit A” and  
23 incorporated by reference, is adopted as the official policy of the  
24 City of Kirkland for meeting its obligations under federal tax law  
25 and federal securities law following the issuance of securities by  
26 the City of Kirkland.  
27

28           Passed by majority vote of the Kirkland City Council in open  
29 meeting this \_\_\_\_ day of \_\_\_\_\_, 2020.  
30

31           Signed in authentication thereof this \_\_\_\_ day of  
32 \_\_\_\_\_, 2020.

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

Attest:

\_\_\_\_\_  
Kathi 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:** Michael Olson, Director of Finance and Administration  
**Date:** November 3, 2020  
**Subject:** 2021 NORCOM BUDGET APPROVAL

## **RECOMMENDATION**

City Council adopts the attached Resolution approving Kirkland's share of the 2021 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 11, 2020 (ILA Section 12(c)). More information on NORCOM may be found at [www.norcom.org](http://www.norcom.org).

As a founding member of NORCOM, Kirkland's City Manager or designee is a member of the NORCOM Governing Board that establishes the NORCOM budget. Deputy City Manager Tracey Dunlap is the current Kirkland NORCOM Governing Board member. Finance Director Michael Olson currently serves as the NORCOM Treasurer and Chair of the Finance Committee which consists of member agency financial managers that review and advise NORCOM on budget and finance issues.

Technically, the City of Kirkland approves its share of NORCOM's budget as part of the adoption of Kirkland's 2021-2022 budget which will occur on December 8, 2020. This resolution will provide NORCOM the documentation it needs to finalize the agency's 2021 budget.

For NORCOM as a whole, user assessments are increasing an average of 4.9%. The Kirkland Fire Department assessment is increasing by 6.8% in 2021 due to a greater proportion of fire/EMS calls compared to all NORCOM fire/EMS agencies' calls. Kirkland's fire/EMS calls represent 10.7% of all fire/EMS calls for service to NORCOM. The Kirkland Police Department assessment is increasing by 7.5% 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 2021 assessments and Kirkland recommended budget are noted in Table 1 below.

**Table 1**  
**NORCOM 2021 Kirkland Assessments and**  
**Kirkland NORCOM Budgets: 2020 Adopted and 2021-2022 Recommended**

	<b>Kirkland Police</b>	<b>Kirkland Fire</b>	<b>Total</b>
Kirkland 2020 Adopted Budget	\$ 2,206,324	\$ 517,182	\$ 2,723,506
Kirkland 2021 Recommended Budget	\$ 2,327,825	\$ 532,343	\$ 2,860,168
Kirkland 2022 Recommended Budget	\$ 2,444,216	\$ 558,960	\$ 3,003,176
Variance '21 Budget to '20 Budget	\$ 121,501	\$ 15,161	\$ 136,662
NORCOM 2021 Proposed Kirkland Assessment	\$ 2,327,825	\$ 532,343	\$ 2,860,168

Staff recommends that the City Council adopt the Resolution approving Kirkland's assessments for NORCOM in 2021. An update to the 2022 assessments will be received in 2021 once NORCOM has prepared their 2022 Budget.



RESOLUTION R-5455

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  
4

5           WHEREAS, NORCOM is in the process of adopting its  
6 annual budget for 2021; and  
7

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

12           NOW, THEREFORE, be it resolved by the City Council of the  
13 City of Kirkland as follows:  
14

15           Section 1. The City of Kirkland's allocation for the North  
16 East King County Regional Public Safety Communications Agency  
17 (NORCOM) budget, as proposed in the City of Kirkland 2021-2022  
18 Budget, is approved.  
19

20           Passed by majority vote of the Kirkland City Council in open  
21 meeting this \_\_\_ day of \_\_\_\_\_, 2020.  
22

23           Signed in authentication thereof this \_\_\_ day of \_\_\_\_\_,  
24 2020.

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

Attest:

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



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Michael Olson, Director of Finance and Administration  
**Date:** November 4, 2020  
**Subject:** City of Kirkland Debt Management Policy updates

### **Recommendation**

Council adopt the attached resolution revising the City of Kirkland Debt Management Policies. By adopting the resolution through approval of the consent agenda, the Council is authorizing this action.

### **Background**

The Debt Management Policy is formatted according to the Government Finance Officers Association's (GFOA) recommended practices in the six following categories: 1) Uses of Debt; 2) Debt Limits; 3) Allowable Types of Debt; 4) Debt Structuring Practices; 5) Debt Issuance Practices and 6) Debt Management Practices. The Policy was last updated and approved by City Council in 2010.

The City submitted the Debt Policy for recertification to the Association of Public Treasurers of the United States and Canada (APT US&C) and the Washington Public Treasurers Association (WPTA) in 2017 and received Certification of Excellence in 2018 from both organizations. Following the refinancing of the 2010 Build America Bonds the City's Bond Council reviewed the Debt Management Policy and provided recommendations for updating the policy. The recommended changes, located in the following policy sections, are to clarify understanding or update to current best practices:

- 2.1.2 Clarified the limit on General Debt issuance
- 3.4 Added validation requirements to voted debt
- 3.6 Added language clarifying lease issuances
- 4.3.1 Recommend removing limitation on pursuing debt refunding allowing flexibility for purposes in refinancing existing debt
- 5.4 Added policies and procedures to "Compliance with Statutes and Regulations"
- 5.5.2 Added Disclosure Counsel to selection and use of professional service providers
- 6.2 Updated the City's continuing disclosure requirements under securities laws

The updated Debt Management Policy follows as Attachment A and a red-lined copy as Attachment B.

## **City of Kirkland Debt Management Policy November 17, 2020**

The Debt Policy for the City of Kirkland (City) is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

### **1.0 Uses of Debt**

- 1.1 City of Kirkland uses debt as a mechanism to equalize the costs of needed capital improvements for the benefit of both present and future citizens;
- 1.2 City of Kirkland uses debt as a mechanism to reduce the immediate costs of substantial public improvements.
- 1.3 The City of Kirkland will not use long-term debt to support current operations.
- 1.4 Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- 1.5 Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- 1.6 Interest, operating, and/or maintenance expenses will be capitalized only for enterprise activities; and will be strictly limited to those expenses incurred prior to actual operation of the facilities.

### **2.0 Debt Limits**

#### **2.1 Legal Limits:**

- 2.1.1 The general obligation debt of Kirkland will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City. RCW 39.36.020
- 2.1.2 The following individual percentages shall not be exceeded in any specific debt category:

General Debt - 2.5% of assessed valuation with voter approval (unlimited tax general obligation (UTGO) bonds), however, within such amount, up to 1.5% of assessed valuation may be issued without voter approval (limited tax general obligation (LTGO) bonds)

Utility Debt - 2.5% of assessed valuation with voter approval

Open Space and Park Facilities - 2.5% of assessed valuation with voter approval

#### **2.2 Public Policy Limits:**

- 2.2.1 The City will establish and implement a comprehensive multi-year Capital Improvement Program (CIP).
- 2.2.2 Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
- 2.2.3 Debt will be issued in accordance with the CIP as necessary.

## **City of Kirkland Debt Management Policy November 17, 2020**

- 2.2.4 Where borrowing is recommended, the source of funds to cover debt service requirements must be identified.
- 2.2.5 The City, as determined by the City Council, may consider using long term debt toward public improvements, which have an identified public benefit to the City, associated with economic development to the extent that new revenues from the project, in excess of those identified by the City Council for other City purposes can be agreed upon to support the debt service.

### 2.3 Financial Limits:

- 2.3.1 The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.
- 2.3.2 The City will conduct a debt affordability analysis to evaluate the City's ability to support debt. The analysis will review available resources for the amount of debt the City can initiate each year, and project the effects of that financing through six years of the CIP.

### 3.0 Allowable Types of Debt

- 3.1 Short Term Obligations: Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All interfund loans will be subject to Council approval, will bear interest based upon prevailing rates and have terms consistent with state guidelines for interfund loans.
- 3.2 Assessment/ LID Bonds: Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment.
- 3.3 General Obligation Bonds Limited Tax: General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund revenues and taxes collected by the City. Limited Tax General Obligation (LTGO) Bonds can be issued with the approval of the City Council and will only be issued if:
  - A project requires funding not available from alternative sources;
  - Matching fund monies are available which may be lost if not applied for in a timely manner;
  - or Emergency conditions exist.
- 3.4 General Obligation Bonds Unlimited Tax: Unlimited Tax General Obligation (UTGO) Bonds are payable from excess tax levies and is subject to voter approval by 60% of the voters, plus validation requirements.
- 3.5 Revenue Bonds: Revenue bonds are used to finance construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Program and are generally payable from the enterprise. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.

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**Debt Management Policy**  
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- 3.6 Leases: Lease purchase or financing contracts are payment obligations that represent principal and interest components which are obligations of the City. Leases may be issued as general obligations or revenue obligations. If general obligations, the principal component plus any accrued interest may be counted against the City's voted or nonvoted debt capacity.
- 3.7 Other Loan Programs:
- 3.7.1 Public Works Trust Fund Loans are loans from the Public Works Board, authorized by state statute, RCW 43.155 to loan money to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities, and bridges.
- 3.7.2 The Local Option Capital Asset Lending (LOCAL) Program is a financing contract with the Office of the State Treasurer under RCW 39.94. It is an expanded version of the state agency lease/purchase program that allows pooling funding needs into larger offerings of securities. This program allows local government agencies the ability to finance equipment needs through the State Treasurer's office, subject to existing debt limitations and financial consideration.
- 3.7.3 Other state funded programs.
- 3.8 Alternative types of debt: No variable-rate debt or derivative products shall be utilized.

#### 4.0 Debt Structuring Practices

- 4.1 Maximum term, Payback Period and Average maturity:
- 4.1.1 The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life with the average life of the bonds less than or equal to the average life of the assets being financed.
- 4.1.2 General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.
- 4.1.3 The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.
- 4.2 Debt Service Structure:
- 4.2.1 Unless otherwise justified and deemed necessary, debt service should be structured on a level or declining repayment basis.
- 4.3 Criteria for issuance of advance refunding and current refunding bonds
- 4.3.1 The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt. A debt refunding is a refinance of debt typically done to take advantage of lower interest rates.
- 4.4 Other structuring practices:

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4.4.1 Bond amortization schedules will be structured to minimize interest expense with the constraints of revenues available for debt service. The bonds should include call features to maximize the City's ability to advance refund or retire the debt early. However, call features should be balanced with market conditions to ensure that the total cost of the financing is not adversely affected.

**5.0 Debt Issuance Practices**

5.1 Council Approval: City Council approval is required prior to the issuance of debt.

5.2 Analytical Review: An analytical review shall be conducted prior to the issuance of debt including, but not limited to, monitoring of market opportunities and structuring and pricing of the debt.

5.3 Use of credit ratings, minimum bond ratings, determination of the number of ratings and selection of rating services: The City will continually strive to maintain its bond rating by improving financial policies, budget, forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved. The City will maintain good communication with bond rating agencies about its financial condition, coordinating meetings, and presentations in conjunction with a new issuance as necessary.

5.4 Compliance with Statutes and Regulations: The Finance Director, City Attorney and bond counsel shall coordinate their activities and review all debt issuance to ensure that all securities are issued in compliance with legal and regulatory requirements by the State of Washington and the Federal Government's laws, rules and regulations, and policies and procedures, including the City's Bond Procedure and Post Issuance Compliance Policy.

5.5 Selection and use of professional service providers:

5.5.1 The City's Finance and Administration Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.

5.5.2 Bond Counsel: All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt. [Disclosure Counsel, which may be Bond Counsel, may be retained by the City if determined to be necessary or advisable, for advice with respect to the City's disclosure obligations and requirements under the federal securities laws.]

5.5.3 Financial Advisor: A Financial Advisor(s) may be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with the objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt, and preparing official statements of disclosure.

5.5.4 Underwriters: An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.

5.5.5 Fiscal Agent: A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with RCW 43.80, the City will use the Fiscal Agent that is appointed by the State.

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5.6 Criteria for determining sales method and investment of proceeds:

5.6.1 The Director of Finance and Administration shall determine the method of sale best suited for each issue of debt.

5.6.2 The City will generally issue its debt through a competitive process. For any competitive sale of debt, the City will award the issue to the underwriter offering to buy the bonds at a price and interest rates that provides the lowest True Interest Cost (TIC).

5.6.3 The City will provide for the sale of debt by negotiating the terms and conditions of sale when necessary to minimize the cost and risks of borrowing under the following conditions:

- i. The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
- ii. At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
- iii. The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
- iv. The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

5.7 Bond Insurance: For each issue, the City will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively procured.

## 6.0 Debt Management Practices

### 6.1 Investment of Bond Proceeds

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds, including City of Kirkland Investment Policy.

### 6.2 Continuing Disclosure

The City shall provide annual financial information and operating data and notice of certain listed events in compliance with its ongoing disclosure undertakings.

### 6.3 Arbitrage Rebate monitoring and filing

The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations, and will perform (internally or by contract consultants) arbitrage rebate calculations for each issue subject to rebate. All necessary rebates will be filed and paid when due in order to preserve the tax-exempt status of the outstanding debt.

### 6.4 Federal and state law compliance practices

Discussed in Debt Issuance Practices sections 5.3 and 5.4 and Debt Management Practices sections 6.1 and 6.3.

### 6.5 Market and investor relations efforts

The City shall endeavor to maintain a positive relationship with the investment community. The City shall communicate through its published Biennial Budget, Capital Improvement Program and

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Comprehensive Annual Financial Statements the City's indebtedness as well as its future financial plans.

6.6 Periodic review

The City's debt policy shall be adopted by City Council. The policy shall be reviewed every four years by the Council Finance Committee and modifications shall be submitted to and approved by City Council.



# City of Kirkland Debt Management Policy

~~September 1, 2010~~

~~November 4, 2020~~

The Debt Policy for the City of Kirkland (City) is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

## 1.0 Uses of Debt

- 1.1 City of Kirkland uses debt as a mechanism to equalize the costs of needed capital improvements for the benefit of both present and future citizens;
- 1.2 City of Kirkland uses debt as a mechanism to reduce the immediate costs of substantial public improvements.
- 1.3 The City of Kirkland will not use long-term debt to support current operations.
- 1.4 Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- 1.5 Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- 1.6 Interest, operating, and/or maintenance expenses will be capitalized only for enterprise activities; and will be strictly limited to those expenses incurred prior to actual operation of the facilities.

## 2.0 Debt Limits

### 2.1 Legal Limits:

- 2.1.1 The general obligation debt of Kirkland will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City. RCW 39.36.020
- 2.1.2 The following individual percentages shall not be exceeded in any specific debt category:

General Debt - 2.5% of assessed valuation with voter approval (unlimited tax general obligation (UTGO) bonds), however, within such amount, up to 1.5% of assessed valuation may be issued without voter approval (limited tax general obligation (LTGO) bonds

Non-Voted	1.5%	Limited Tax General Obligation (LTGO) Bonds
Voted	1.0%	Unlimited Tax General Obligation (UTGO) Bonds

Utility Debt - 2.5% of assessed valuation with voter approval

Open Space and Park Facilities - 2.5% of assessed valuation with voter approval

### 2.2 Public Policy Limits:

- 2.2.1 The City will establish and implement a comprehensive multi-year Capital Improvement Program (CIP).
- 2.2.2 Financial analysis of funding sources will be conducted for all proposed capital improvement projects.

# City of Kirkland Debt Management Policy

~~September 1, 2010~~

November 4, 2020

2.2.3 Debt will be issued in accordance with the CIP as necessary.

2.2.4 Where borrowing is recommended, the source of funds to cover debt service requirements must be identified.

2.2.5 The City, as determined by the City Council, may consider using long term debt toward public improvements, which have an identified public benefit to the City, associated with economic development to the extent that new revenues from the project, in excess of those identified by the City Council for other City purposes can be agreed upon to support the debt service.

## 2.3 Financial Limits:

2.3.1 The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.

2.3.2 The City will conduct a debt affordability analysis to evaluate the City's ability to support debt. The analysis will review available resources for the amount of debt the City can initiate each year, and project the effects of that financing through six years of the CIP.

## 3.0 Allowable Types of Debt

3.1 Short Term Obligations: Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All interfund loans will be subject to Council approval, will bear interest based upon prevailing rates and have terms consistent with state guidelines for interfund loans.

3.2 Assessment/ LID Bonds: Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment.

3.3 General Obligation Bonds Limited Tax: General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund revenues and taxes collected by the City. Limited Tax General Obligation (LTGO) Bonds can be issued with the approval of the City Council and will only be issued if:

A project requires funding not available from alternative sources;

Matching fund monies are available which may be lost if not applied for in a timely manner; or Emergency conditions exist.

3.4 General Obligation Bonds Unlimited Tax: Unlimited Tax General Obligation (UTGO) Bonds are payable from excess tax levies and is subject to voter approval by 60% of the voters, [plus validation requirements](#).

3.5 Revenue Bonds: Revenue bonds are used to finance construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Program and are generally payable from the enterprise. No taxing power or general fund pledge is provided as

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~~September 1, 2010~~

~~November 4, 2020~~

security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.

- 3.6 Leases: Lease purchase or financing contracts are payment obligations that represent principal and interest components which are ~~general obligations~~ obligations of the City. Leases may be issued as general obligations or revenue obligations. If general obligations, the principal component plus any accrued interest may be counted against the City's voted or nonvoted debt capacity.

### 3.7 Other Loan Programs:

3.7.1 Public Works Trust Fund Loans are loans from the Public Works Board, authorized by state statute, RCW 43.155 to loan money to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities, and bridges.

3.7.2 The Local Option Capital Asset Lending (LOCAL) Program is a financing contract with the Office of the State Treasurer under RCW 39.94. It is an expanded version of the state agency lease/purchase program that allows pooling funding needs into larger offerings of securities. This program allows local government agencies the ability to finance equipment needs through the State Treasurer's office, subject to existing debt limitations and financial consideration.

3.7.3 Other state funded programs.

- 3.8 Alternative types of debt: No variable-rate debt or derivative products shall be utilized.

## 4.0 Debt Structuring Practices

### 4.1 Maximum term, Payback Period and Average maturity:

4.1.1 The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life with the average life of the bonds less than or equal to the average life of the assets being financed.

4.1.2 General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.

4.1.3 The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.

### 4.2 Debt Service Structure:

4.2.1 Unless otherwise justified and deemed necessary, debt service should be structured on a level or declining repayment basis.

### 4.3 Criteria for issuance of advance refunding and current refunding bonds

4.3.1 The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt. A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. ~~Unless~~ Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will not be pursued without a sufficient net present value benefit

# City of Kirkland Debt Management Policy

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after expenses. [[recommend removing this limitation to allow flexibility for change in covenants that may have financial benefits but not necessarily debt service savings]]

#### 4.4 Other structuring practices:

4.4.1 Bond amortization schedules will be structured to minimize interest expense with the constraints of revenues available for debt service. The bonds should include call features to maximize the City's ability to advance refund or retire the debt early. However, call features should be balanced with market conditions to ensure that the total cost of the financing is not adversely affected.

#### 5.0 Debt Issuance Practices

5.1 Council Approval: City Council approval is required prior to the issuance of debt.

5.2 Analytical Review: An analytical review shall be conducted prior to the issuance of debt including, but not limited to, monitoring of market opportunities and structuring and pricing of the debt.

5.3 Use of credit ratings, minimum bond ratings, determination of the number of ratings and selection of rating services: The City will continually strive to maintain its bond rating by improving financial policies, budget, forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved. The City will maintain good communication with bond rating agencies about its financial condition, coordinating meetings, and presentations in conjunction with a new issuance as necessary.

5.4 Compliance with Statutes and Regulations: The Finance Director, City Attorney and bond counsel shall coordinate their activities and review all debt issuance to ensure that all securities are issued in compliance with legal and regulatory requirements by the State of Washington and the Federal Government's laws, rules and regulations, and policies and procedures, including the City's Bond Procedure and Post Issuance Compliance Policy.

5.5 Selection and use of professional service providers:

5.5.1 The City's Finance and Administration Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.

5.5.2 Bond Counsel: All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt. [Disclosure Counsel, which may be Bond Counsel, may be retained by the City if determined to be necessary or advisable, for advice with respect to the City's disclosure obligations and requirements under the federal securities laws.]

5.5.3 Financial Advisor: A Financial Advisor(s) may be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with the objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt, and preparing official statements of disclosure.

5.5.4 Underwriters: An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.

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5.5.5 Fiscal Agent: A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with RCW 43.80, the City will use the Fiscal Agent that is appointed by the State.

5.6 Criteria for determining sales method and investment of proceeds:

5.6.1 The Director of Finance and Administration shall determine the method of sale best suited for each issue of debt.

5.6.2 The City will generally issue its debt through a competitive process. For any competitive sale of debt, the City will award the issue to the underwriter offering to buy the bonds at a price and interest rates that provides the lowest True Interest Cost (TIC).

5.6.3 The City will provide for the sale of debt by negotiating the terms and conditions of sale when necessary to minimize the cost and risks of borrowing under the following conditions:

- i. The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
- ii. At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
- iii. The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
- iv. The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

5.7 Bond Insurance: For each issue, the City will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively procured.

## 6.0 Debt Management Practices

6.1 Investment of Bond Proceeds

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds, including City of Kirkland Investment Policy.

6.2 Continuing Disclosure

The City shall provide ~~annual disclosure information to established national information repositories and maintain compliance with disclosure statements as required by state and national regulatory bodies~~ annual financial information and operating data and notice of certain listed events in compliance with its ongoing disclosure undertakings. ~~Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not necessarily contained within the CAFR.~~

6.3 Arbitrage Rebate monitoring and filing

The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations, and will perform (internally or by contract consultants) arbitrage rebate calculations for each issue subject to rebate.

## City of Kirkland Debt Management Policy

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~~November 4, 2020~~

All necessary rebates will be filed and paid when due in order to preserve the tax-exempt status of the outstanding debt.

6.4 Federal and state law compliance practices

Discussed in Debt Issuance Practices sections 5.3 and 5.4 and Debt Management Practices sections 6.1 and 6.3.

6.5 Market and investor relations efforts

The City shall endeavor to maintain a positive relationship with the investment community. The City shall communicate through its published Biennial Budget, Capital Improvement Program and Comprehensive Annual Financial Statements the City's indebtedness as well as its future financial plans.

6.6 Periodic review

The City's debt policy shall be adopted by City Council. The policy shall be reviewed every four years by the Council Finance Committee and modifications shall be submitted to and approved by City Council.

RESOLUTION R-5458

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A REVISED POLICY FOR THE MANAGEMENT OF THE CITY'S DEBT.

1 WHEREAS, the City Council of the City of Kirkland deems  
2 to ensure that all debt is issued prudently and cost effectively; and  
3

4 WHEREAS, the City Council of the City of Kirkland desires  
5 to set forth guidelines for the issuance and management of all  
6 financings of the City; and  
7

8 WHEREAS, the Kirkland City Treasurer (Director of Finance  
9 and Administration) has recommended revisions to the debt  
10 management policies; and  
11

12 WHEREAS, the City of Kirkland debt management policy  
13 has been written in accordance with the Association of Public  
14 Treasurers of the United States & Canada (APT US&C) guidelines.  
15

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

19 Section 1. The policy for the management of the City's  
20 debt set forth in the document entitled "City of Kirkland Debt  
21 Management Policy November 17, 2020" which is attached hereto  
22 and incorporated herein by this reference as if set forth in full is  
23 hereby adopted as official policy for the management of the City's  
24 debt.  
25

26 Section 2. That the document entitled City of Kirkland Debt  
27 Management Policy \_\_\_\_\_, replaces all previous City of  
28 Kirkland Debt Management Policies.  
29

30 Passed by majority vote of the Kirkland City Council in open  
31 meeting this \_\_\_\_ day of \_\_\_\_\_, 2020.  
32

33 Signed in authentication thereof this \_\_\_\_ day of  
34 \_\_\_\_\_, 2020.  
35

36 \_\_\_\_\_  
37 Penny Sweet, Mayor  
38

39 Attest:  
40

41 \_\_\_\_\_  
42 Kathi Anderson, City Clerk



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance and Administration

**Date:** November 3, 2020

**Subject:** QUARTERLY INVESTMENT REPORT, 3<sup>RD</sup> QUARTER 2020

### **RECOMMENDATION:**

It is recommended that the City Council receive the Quarterly Investment Report

### **BACKGROUND DISCUSSION**

This report was previously provided to the Council Finance and Administration Committee and will now be presented to the City Council each quarter on the consent agenda.

The Quarterly Investment report is prepared by the City's Investment Advisor. The City began contracting with an Investment Advisor in late 2014 to supplement limited internal resources, provide for dedicated resources in managing the portfolio and provide for more active trading in the portfolio to ensure the most advantageous yield. The Investment Advisor assists City staff with the management of the City's investment portfolio by providing non-discretionary advisory services for the City's investment portfolio and investment policy. Non-discretionary service means that the City retains control of the portfolio and authorizes all transactions.

Kirkland's Investment Policy, adopted by resolution from the City Council, establishes standards and guidelines for the direction, management and oversight for all the City's investable funds. Government revenues are collected and spent for public purposes and their use must be legal, transparent and accountable to the public. Public funds that are invested must be strongly protected against loss and must be available to be spent if the need arises. Therefore, the primary objectives for the City of Kirkland's investment activities are: legality, safety, liquidity and finally, yield. Additionally, the City diversifies its investments according to established maximum allowable exposure limits so that reliance on any one issuer will not place an undue financial burden on the City.



Investments are limited those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080). The current investment portfolio consists primarily of U.S. Treasury obligations, Government Sponsored Enterprises (GSE's) such as the Federal Home Loan Banks (FHLB), the Washington State Local Government Investment Pool and deposits in banks approved by the Public Deposit Protection Commission (PDPC) where those funds are 100% collateralized and protected by other assets.

The attached Quarterly Investment Report includes a brief market commentary and market outlook at the beginning of the report on page 2. Following that, the status of compliance to Kirkland's Investment Policy pages 3 & 4 and a strategic outlook is presented on page 5. A summary of Portfolio characteristics, structure, activity and returns can be found on pages 8-10. The report also includes a full listing of the security holdings in Kirkland's Portfolio is listed on pages 14-16. Information on the Investment Core only begin on page 17.

The City issued a request for proposals in early 2020 for the Investment Advisor as the original contract and extensions for Government Portfolio Advisors were completed. Although the City did receive multiple qualified submittals for the contract, Government Portfolio Advisors provided the best combination of services and expertise and began their new three-year contract on September 1, 2020.



# Quarterly Investment Report City of Kirkland

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September 30, 2020

Total Aggregate Portfolio

## Market Commentary

**Market Yields:** Interest rates traded in a narrow band during the quarter with many tenors remaining near historic lows. Fresh forecasts from the Federal Reserve show little desire from policy makers to hike rates for at least the next three years as the economic recovery is expected to take time. Should the Fed's forecasts prove accurate, the policy stance will keep front-end interest rates anchored near current levels. Intermediate and longer-term yields will continue to take their cues from developments around economic growth and inflation which has become reliant on fiscal stimulus given the economic shutdowns that continue to weigh on the services sector. All eyes will remain on the coming November election to see if either party can wrest full control over the legislative process. Should such an outcome occur, we believe long-term interest rates could prove vulnerable as markets will begin to price in an increase in fiscal spending and a related increase in debt issuance.

**Employment and Inflation:** The labor market continues to improve albeit at a slower pace than we witnessed in early summer. The employment data continues to be messy leading us to focus on the total number of employed as well as the participation rate for a better indication of overall labor market health than purely looking at the headline unemployment rate. At the end of September, labor reports indicate 141 million Americans are employed. This level remains approximately 10 million below levels the economy experienced at the start of the year. The labor force participation rate, currently at 61.4%, remains below the pre-pandemic level of 63.4%. Given what is occurring with schools, childcare, and elderly care we focus on the participation measure to see if prime age workers bow out of the labor market for competing obligations. Like the labor data, we continue to experience noise in the inflation picture given supply chain disruptions, changing consumer habits in lockdown, fiscal stimulus efforts, and pricing dynamics in sectors directly impacted by the shutdowns. Forward looking inflation breakeven markets are currently pricing in inflation levels around 1.5% to 1.75% over the next 5 to 10 years.

## Market Outlook

**GDP:** Growth for the third quarter is set to rebound strongly after a historic dip in the second quarter due to economic shutdowns enacted to quell the coronavirus outbreak. Expectations for the rebound vary widely with the New York Federal Reserve Bank currently forecasting a growth rate of 14% while the Atlanta Federal Reserve Bank's economic model estimates growth at 34%. Leading the rebound in growth will be a snap back in consumer spending on services which bore a disproportionate impact in the first quarter as restaurants, hotels, retail outlets, health care facilities and other venues saw a rapid decline in activity.

**Fed Funds:** The Federal Reserve released their summary of economic projections in September where they painted an outlook with no rate hikes for at least the next three years as the economy slowly returns toward more normal levels. Consistent with the Fed's outlook, markets are not pricing in any hikes over the next five years and very few beyond five years.

**Two-year Yield Expectations:** We continue to expect the two-year yield to be anchored around current levels for some time as we have a Fed on hold for the foreseeable future.

**Portfolio Positioning:** We continue to be constructive on duration and guide clients to remain close to their strategic target. Within this view, we are slightly underweight on securities with maturities beyond 3 years given the increasing probability of large fiscal stimulus after the election leading to a more rapid improvement in the economy and increased Treasury issuance. Spreads in high-quality sectors have recovered strongly over the summer. We continue to find decent value in defensive sectors within the municipal and corporate markets in issuers who have benefitted from the current conditions given their business model and end markets. Agency spreads continue to be compelling beyond 2-years as elevated issuance has kept spreads attractive.

## Quarterly Yield Change

	12/31/19	03/31/20	06/30/20	09/30/20
3 month bill	1.54	0.06	0.13	0.09
2 year note	1.57	0.25	0.15	0.13
5 year note	1.69	0.38	0.29	0.28
10 year note	1.92	0.67	0.66	0.68

## Economists' Survey Projections

	Q4-20	Q1-21	Q2-21	Q3-21
Real GDP	5.0	4.0	4.0	3.2
Core PCE (YOY%)	1.2	1.2	1.7	1.6
Unemployment	8.0	7.5	7.1	6.7

## Economists' Survey Projections for Rates

	Q4-20	Q1-21	Q2-21	Q3-21
Fed Funds	0.25	0.25	0.25	0.25
2 Year	0.21	0.28	0.33	0.38
10 year	0.76	0.88	0.97	1.05

# Compliance Report

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

## Category

Policy Diversification Constraint	Policy Limit	Actual Value*	Status
US Treasury Obligations Maximum % of Holdings	100	11.425	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	25	2.122	Compliant
US Agency FFCB Issuer Concentration	30	15.581	Compliant
US Agency FHLB Issuer Concentration	30	23.764	Compliant
US Agency FHLMC Issuer Concentration	30	8.557	Compliant
US Agency FNMA Issuer Concentration	30	17.384	Compliant
US Agency Obligations - Primary FHLB, FNMA, FHLMC, FFCB Maximum % of Holdings	100	65.285	Compliant
US Agency Obligations - Secondary FICO, FARMER MAC etc. Maximum % of Holdings	20	0.000	Compliant
US Agency Obligations Issuer Concentration - Secondary FICO, FARMER MAC etc.	10	0.000	Compliant
Municipal Bonds Issuer Concentration	5	0.000	Compliant
Municipal Bonds Maximum % of Holdings	20	0.000	Compliant
Commercial Paper Issuer Concentration	3	0.000	Compliant
Commercial Paper Maximum % of Holdings	25	0.000	Compliant
Certificates of Deposit Issuer Concentration	5	2.250	Compliant
Certificates of Deposit Maximum % of Holdings	10	2.250	Compliant
Banker's Acceptance Issuer Concentration	5	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	5	0.000	Compliant
LGIP Maximum % of Holdings	100	11.125	Compliant
PDPC Bank Deposits Issuer Concentration	100	9.914	Compliant
PDPC Bank Deposits Maximum % of Holdings	50	9.914	Compliant
Policy Maturity Structure Constraint	Policy Limit	Actual %	Status
Maturity Constraints Under 30 days Minimum % of Total Portfolio	10	20.968	Compliant
Maturity Constraints Under 1 year Minimum % of Total Portfolio	25	39.494	Compliant
Maturity Constraints Under 5 years Minimum % of Total Portfolio	100	100.000	Compliant
Policy Maturity Constraint	Policy Limit	Actual Term	Status
US Treasury Maximum Maturity At Time of Purchase (years)	5	4.923	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5	0.000	Compliant
US Agency Obligations - Secondary Must be rated by Atleast one	0	0.000	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5	0.000	Compliant
Commercial Paper Days to Final Maturity (days)	270	0.000	Compliant
Weighted Average Maturity (years)	3	1.761	Compliant

\*Market Value

# Compliance Report

City of Kirkland | Total Aggregate Portfolio



**Category**

<b>Policy Credit Constraint</b>	<b>Status</b>
US Agency Obligations - Secondary Minimum Ratings AA-/Aa3/AA- if rated	Compliant
Municipal Bonds Ratings Minimum AA-/Aa3/AA- by All if rated	Compliant
Commercial Paper Ratings Minimum Ratings A1/P1 by both and F1 (if rated)	Compliant

\*Market Value

# Strategic Quarterly Update

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

## Strategic Outlook

- Members of the Federal Reserve continue to publicly call for more fiscal stimulus to ensure the economic recovery continues as we enter the fall season. While we don't expect anything major leading up to the election, we do anticipate a package once leadership in Washington emerges and take their seats.
- Spread sectors continued to perform well during the third quarter as investors cheered the continued economic growth, support from central banks and inflows of capital seeking out yield in a yield starved world. We continue to find value in high-quality municipals and corporates with a selective approach toward more defensively postured exposures.
- The economy and labor market showed rapid improvement during the second quarter. We expect a robust growth number led by a rebound in personal consumption, but we temper our expectations for a strong continuation of the trend into the fourth quarter as recent economic data points to a slowdown ahead. In all, the healing process is moving faster than most had predicted. Positive news on a vaccine, additional fiscal stimulus, as well as a smooth voting season appear to be the catalysts ahead to boost the recovery further.

## Portfolio Positioning

- Your core account ended the quarter with duration at the strategic target with a diversified maturity profile. Efforts going forward will be on maintaining the excellent account structure.
- The portfolio remains conservative and liquid with allocations to agency and Treasury securities. Agency spreads remain attractive beyond the 2-year area, your account has room to add here.
- The total portfolio book yield decreased from 1.588 to 1.528.
- The total portfolio unrealized gain/loss ended the quarter at \$5,769,813.
- The core portfolio duration increased over the quarter from 2.118 last quarter to 2.161 this quarter. The benchmark duration ended the quarter at 2.186.
- Net total return for the core portfolio, which includes change in market value and interest income, was 0.23%. The benchmark total return for the period was 0.11%.

Strategy	06/30/2020	09/30/2020
<b>Effective Duration</b>		
Investment Core	2.118	2.161
Benchmark Duration	2.182	2.186
<b>Total Effective Duration</b>	<b>1.606</b>	<b>1.678</b>

<b>Total Return (Net of Fees)*</b>		
Investment Core	0.49%	0.23%
ICE BofA 0-5 Year US Treasury Index	0.23%	0.11%
<b>Total Portfolio Performance</b>	<b>0.41%</b>	<b>0.19%</b>

\*Changes in Market Value include net unrealized and realized gains/losses.

<b>Maturity Total Portfolio</b>		
<b>Average Maturity Total Holdings</b>	<b>1.706</b>	<b>1.764</b>

<b>Book Yield</b>	06/30/2020	09/30/2020
<b>Ending Book Yield</b>		
Investment Core	1.992	1.914
Liquidity	0.363	0.214
Certificates of Deposit	0.599	0.599
<b>Total Book Yield</b>	<b>1.588</b>	<b>1.528</b>

<b>Values</b>	06/30/2020	09/30/2020
<b>Market Value + Accrued</b>		
Investment Core	183,070,814	182,343,040
Liquidity	56,012,809	49,790,957
Certificates of Deposit	5,317,823	5,325,858
<b>Total MV + Accrued</b>	<b>244,401,446</b>	<b>237,459,855</b>

<b>Net Unrealized Gain/Loss</b>		
<b>Total Net Unrealized Gain/Loss</b>	<b>6,190,728</b>	<b>5,769,813</b>

# Asset Allocation Change over Quarter

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

## Asset Allocation Changes

Security Type	06/30/2020		09/30/2020		Change	
	Market Value + Accrued	% of Portfolio	Market Value + Accrued	% of Portfolio	Market Value + Accrued	% of Portfolio
US Treasury	27,231,632.87	11.14%	27,211,373.09	11.46%	(20,259.78)	0.32%
US Agency	155,839,181.22	63.76%	155,131,666.81	65.33%	(707,514.42)	1.57%
Bank Deposit	23,444,785.90	9.59%	23,462,154.77	9.88%	17,368.87	0.29%
Pooled Funds	32,568,022.88	13.33%	26,328,802.23	11.09%	(6,239,220.65)	(2.24%)
Certificate of Deposit	5,317,823.38	2.18%	5,325,858.29	2.24%	8,034.91	0.07%
<b>Total</b>	<b>244,401,446.25</b>	<b>100.00%</b>	<b>237,459,855.18</b>	<b>100.00%</b>	<b>(6,941,591.07)</b>	



If negative cash balance is showing, it is due to a pending trade payable at the end of period.

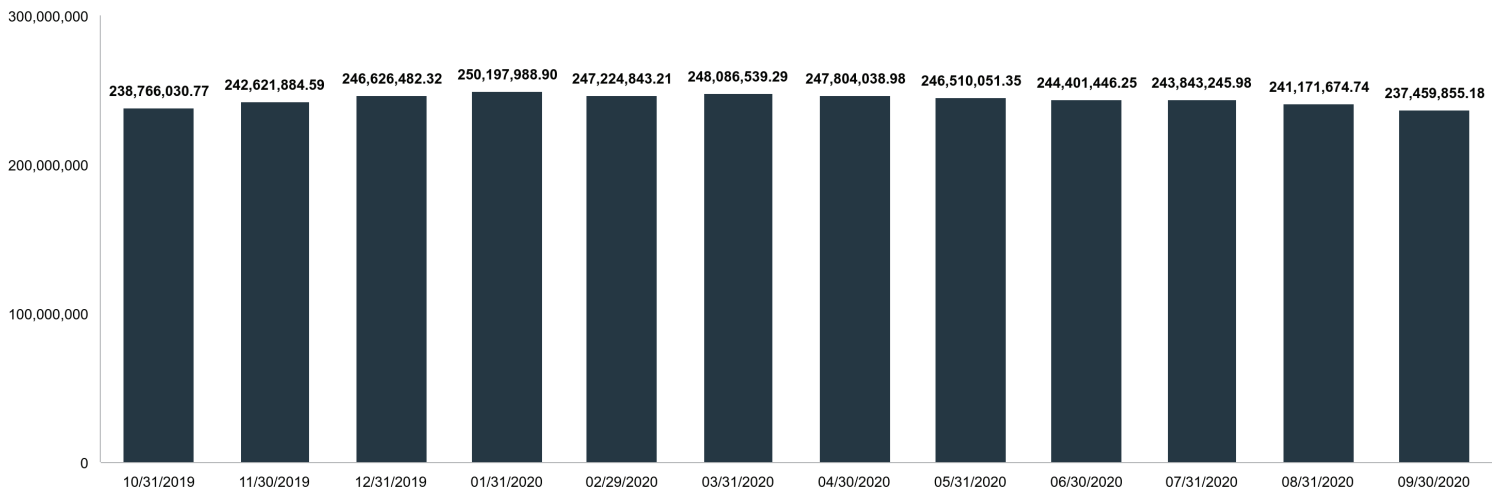
## Historical Balances

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

### Market Value Growth



### Market Value and Return

Period Begin	Period End	Market Value + Accrued	Interest Income	Book Yield	Effective Duration	Maturity in Years
10/01/2019	10/31/2019	238,766,031	419,917	2.139	1.563	1.762
11/01/2019	11/30/2019	242,621,885	418,803	2.082	1.482	1.675
12/01/2019	12/31/2019	246,626,482	426,836	1.946	1.496	1.687
01/01/2020	01/31/2020	250,197,989	430,398	1.950	1.507	1.685
02/01/2020	02/29/2020	247,224,843	419,994	1.965	1.543	1.713
03/01/2020	03/31/2020	248,086,539	414,390	1.929	1.493	1.669
04/01/2020	04/30/2020	247,804,039	378,337	1.768	1.535	1.712
05/01/2020	05/31/2020	246,510,051	363,675	1.711	1.479	1.659
06/01/2020	06/30/2020	244,401,446	342,926	1.588	1.606	1.706
07/01/2020	07/31/2020	243,843,246	330,850	1.550	1.649	1.746
08/01/2020	08/31/2020	241,171,675	321,712	1.557	1.605	1.698
09/01/2020	09/30/2020	237,459,855	316,546	1.528	1.678	1.764



## Summary Overview

City of Kirkland | Total Aggregate Portfolio

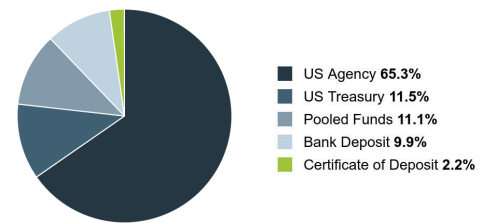


September 30, 2020

### Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	49,790,957.00
Investments	187,668,898.18
Book Yield	1.528
Effective Duration	1.678
Years to Maturity	1.764
Avg Credit Rating	AA+

### Allocation by Asset Class



### Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
KIRK-Investment Core	175,000,000.00	175,773,672.06	176,075,276.88	181,543,485.00	5,769,812.94	799,554.89	1.914	2.161	2.186	ICE BofA 0-5 Year US Treasury Index
KIRK-Liquidity	49,790,957.00	49,790,957.00	49,790,957.00	49,790,957.00	0.00	0.00	0.214	0.010	0.090	ICE BofA US 1-Month Treasury Bill Index
KIRK-Certificates of Deposit	5,325,770.89	5,325,770.89	5,325,770.89	5,325,770.89	0.00	87.40	0.599	0.718	0.157	ICE BofA 0-3 Month US Treasury Bill Index
<b>Total</b>	<b>230,116,727.89</b>	<b>230,890,399.95</b>	<b>231,192,004.77</b>	<b>236,660,212.89</b>	<b>5,769,812.94</b>	<b>799,642.29</b>	<b>1.528</b>	<b>1.678</b>	<b>1.701</b>	

## Portfolio Activity

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

### Accrual Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Book Value	237,199,717.40	243,476,806.22
Maturities/Calls	(10,000,000.00)	(45,310,465.76)
Purchases	9,980,119.78	45,790,244.26
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(6,221,851.78)	(12,890,977.95)
Amortization/Accretion	(67,585.46)	(177,206.00)
Realized Gain (Loss)	0.00	1,999.18
Ending Book Value	230,890,399.95	230,890,399.95

Maturities/Calls	Market Value
Quarter to Date	(10,000,000.00)
Fiscal Year to Date	(45,310,465.76)

Purchases	Market Value
Quarter to Date	9,980,119.78
Fiscal Year to Date	45,790,244.26

### Fair Market Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Market Value	243,390,445.89	245,623,973.59
Maturities/Calls	(10,000,000.00)	(45,310,465.76)
Purchases	9,980,119.78	45,790,244.26
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(6,221,851.78)	(12,890,977.95)
Amortization/Accretion	(67,585.46)	(177,206.00)
Change in Net Unrealized Gain (Loss)	(420,915.54)	3,622,645.57
Net Realized Gain (Loss)	0.00	1,999.18
Ending Market Value	236,660,212.89	236,660,212.89

Sales	Market Value
Quarter to Date	0.00
Fiscal Year to Date	0.00

## Return Management-Income Detail

City of Kirkland | Total Aggregate Portfolio



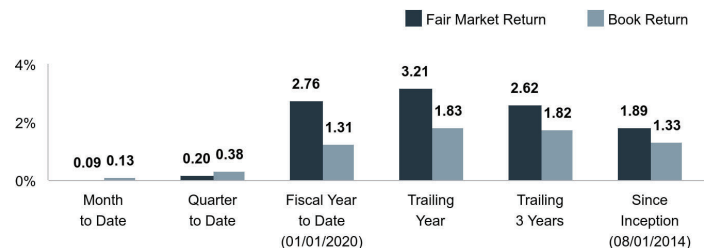
September 30, 2020

### Accrued Book Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Amortization/Accretion	(67,585.46)	(177,206.00)
Interest Earned	969,108.43	3,318,827.98
Realized Gain (Loss)	0.00	1,999.18
Book Income	901,522.98	3,143,621.16
Average Portfolio Balance	242,328,207.32	245,384,360.86
Book Return for Period	0.38%	1.31%

### Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



### Fair Market Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Market Value Change	(420,915.54)	3,622,645.57
Amortization/Accretion	(67,585.46)	(177,206.00)
Interest Earned	969,108.43	3,318,827.98
Fair Market Earned Income	480,607.43	6,764,267.55
Average Portfolio Balance	242,328,207.32	245,384,360.86
Fair Market Return for Period	0.20%	2.76%

### Interest Income

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Accrued Interest	1,011,000.36	1,002,508.73
Coupons Paid	1,180,935.25	3,636,498.47
Purchased Accrued Interest	468.75	114,804.05
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	799,642.29	799,642.29
Interest Earned	969,108.43	3,318,827.98

# Security Type Distribution

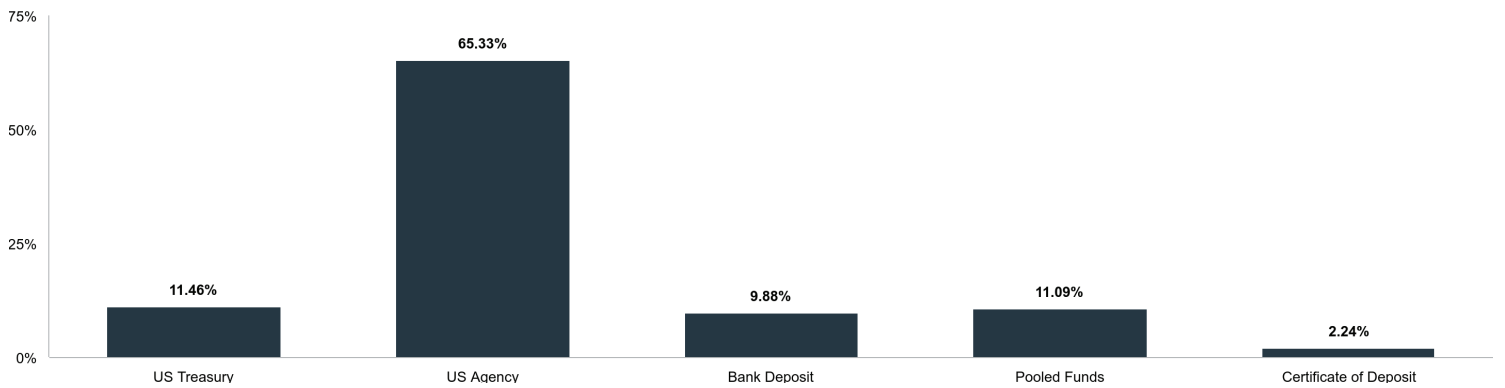
City of Kirkland | Total Aggregate Portfolio



## Security Type Distribution

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	26,000,000.00	1.578	27,211,373.09	11.46%
US Agency	149,000,000.00	1.973	155,131,666.81	65.33%
Bank Deposit	23,462,154.77	0.240	23,462,154.77	9.88%
Pooled Funds	26,328,802.23	0.192	26,328,802.23	11.09%
Certificate of Deposit	5,325,770.89	0.599	5,325,858.29	2.24%
<b>Total</b>	<b>230,116,727.89</b>	<b>1.528</b>	<b>237,459,855.18</b>	<b>100.00%</b>

## Security Type Distribution



# Risk Management-Credit/Issuer

City of Kirkland | Total Aggregate Portfolio

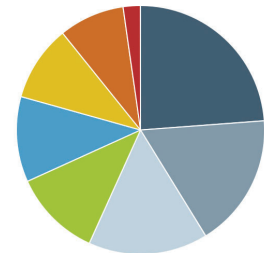


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## Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
<b>S&amp;P</b>		
AA+	182,343,039.89	76.79
NA	55,116,815.29	23.21
<b>Moody's</b>		
Aaa	182,343,039.89	76.79
NA	55,116,815.29	23.21
<b>Fitch</b>		
AAA	182,343,039.89	76.79
NA	55,116,815.29	23.21
<b>Total</b>	<b>237,459,855.18</b>	<b>100.00</b>

## Issuer Concentration



- Federal Home Loan Banks 23.8%
- Federal National Mortgage Association 17.4%
- Farm Credit System 15.6%
- United States 11.5%
- WASHINGTON LGIP 11.1%
- OPUS BANK DEPOSIT 9.9%
- Freddie Mac 8.5%
- East West Bank 2.2%

# Risk Management-Maturity/Duration

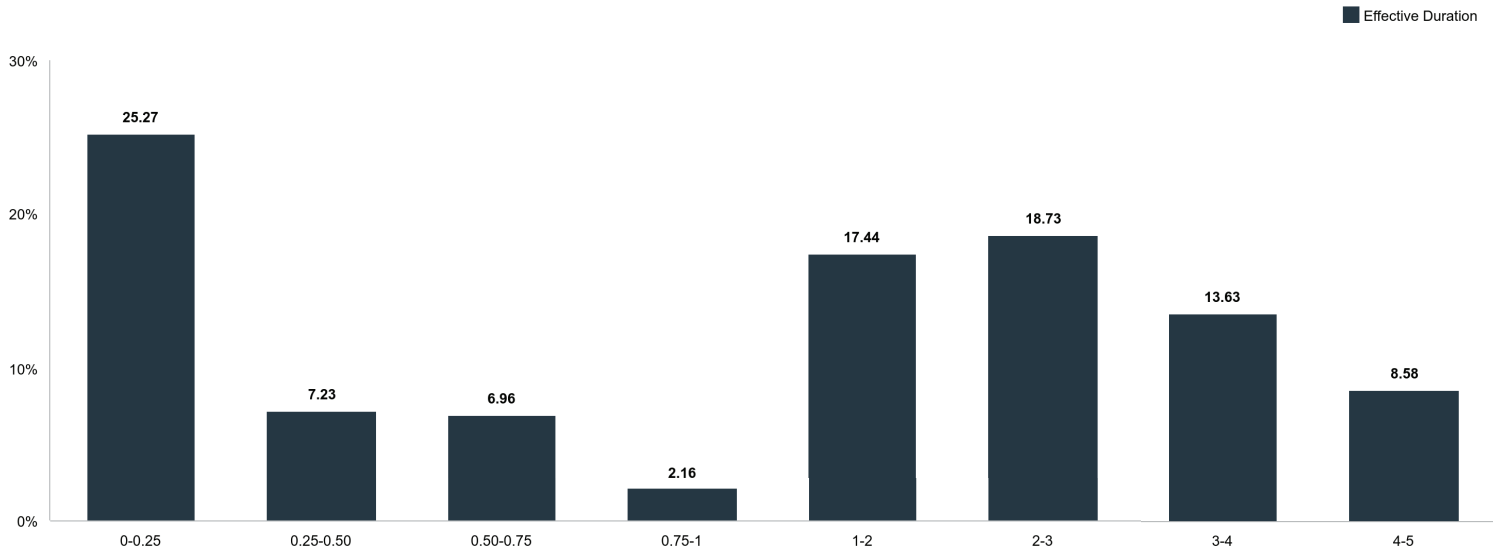
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## Distribution by Effective Duration



## Holdings by Maturity &amp; Ratings

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
KIRK_OPUS_DEP	23,462,154.77	OPUS BANK DEPOSIT	0.240	09/30/2020		23,462,154.77	0.00	23,462,154.77	0.240		9.88	0.010	0.010	NA NA NA
WA_LGIP	26,328,802.23	WASHINGTON LGIP	0.192	09/30/2020		26,328,802.23	0.00	26,328,802.23	0.192		11.09	0.010	0.010	NA NA NA
912828L99	5,000,000.00	UNITED STATES TREASURY	1.375	10/31/2020		5,005,195.00	28,770.38	5,033,965.38	1.313	0.141	2.12	0.085	0.084	AA+ Aaa AAA
3137EAEK1	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	1.875	11/17/2020		5,011,730.00	34,895.83	5,046,625.83	1.984	0.077	2.13	0.131	0.131	AA+ Aaa AAA
3130A7CV5	2,000,000.00	FEDERAL HOME LOAN BANKS	1.375	02/18/2021		2,009,600.00	3,284.72	2,012,884.72	1.628	0.122	0.85	0.386	0.383	AA+ Aaa AAA
3135G0J20	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.375	02/26/2021		5,025,340.00	6,684.03	5,032,024.03	1.448	0.125	2.12	0.408	0.405	AA+ Aaa AAA
3130AFV61	5,000,000.00	FEDERAL HOME LOAN BANKS	2.500	03/12/2021		5,054,485.00	6,597.22	5,061,082.22	2.524	0.078	2.13	0.446	0.450	AA+ Aaa AAA
912828WN6	6,000,000.00	UNITED STATES TREASURY	2.000	05/31/2021		6,075,000.00	40,327.87	6,115,327.87	1.663	0.124	2.58	0.665	0.661	AA+ Aaa AAA
313379RB7	5,000,000.00	FEDERAL HOME LOAN BANKS	1.875	06/11/2021		5,062,005.00	28,645.83	5,090,650.83	1.843	0.095	2.14	0.695	0.692	AA+ Aaa AAA
KIRK-17340 25-2021	5,325,770.89	East West Bank	0.599	06/19/2021		5,325,770.89	87.40	5,325,858.29	0.599	0.599	2.24	0.718	0.718	NA NA NA
313378JP7	5,000,000.00	FEDERAL HOME LOAN BANKS	2.375	09/10/2021		5,105,575.00	6,927.08	5,112,502.08	1.642	0.137	2.15	0.945	0.938	AA+ Aaa AAA
3130AF5B9	5,000,000.00	FEDERAL HOME LOAN BANKS	3.000	10/12/2021		5,146,425.00	70,416.67	5,216,841.67	2.502	0.162	2.20	1.033	1.011	AA+ Aaa AAA
3130A0EN6	5,000,000.00	FEDERAL HOME LOAN BANKS	2.875	12/10/2021		5,164,110.00	44,322.92	5,208,432.92	2.615	0.124	2.19	1.194	1.173	AA+ Aaa AAA
3135G0S38	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.000	01/05/2022		5,119,565.00	23,888.89	5,143,453.89	2.048	0.106	2.17	1.266	1.249	AA+ Aaa AAA

# Holdings by Maturity & Ratings

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3135G0U92	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.625	01/11/2022		5,159,810.00	29,166.67	5,188,976.67	2.590	0.126	2.19	1.282	1.261	AA+ Aaa AAA
3133EKBV7	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.550	03/01/2022		5,169,280.00	10,625.00	5,179,905.00	2.518	0.161	2.18	1.416	1.400	AA+ Aaa AAA
313378WG2	5,000,000.00	FEDERAL HOME LOAN BANKS	2.500	03/11/2022		5,172,185.00	6,944.44	5,179,129.44	2.361	0.118	2.18	1.444	1.428	AA+ Aaa AAA
3135G0T45	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.875	04/05/2022		5,131,835.00	45,833.33	5,177,668.33	1.111	0.131	2.18	1.512	1.486	AA+ Aaa AAA
3130AEBM1	5,000,000.00	FEDERAL HOME LOAN BANKS	2.750	06/10/2022		5,218,865.00	42,395.83	5,261,260.83	2.840	0.162	2.22	1.693	1.654	AA+ Aaa AAA
9128283C2	5,000,000.00	UNITED STATES TREASURY	2.000	10/31/2022		5,194,335.00	41,847.83	5,236,182.83	1.593	0.132	2.21	2.085	2.035	AA+ Aaa AAA
3130A3KM5	7,000,000.00	FEDERAL HOME LOAN BANKS	2.500	12/09/2022		7,355,600.00	54,444.44	7,410,044.44	2.937	0.177	3.12	2.192	2.131	AA+ Aaa AAA
3135G0T94	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.375	01/19/2023		5,247,125.00	23,750.00	5,270,875.00	3.041	0.222	2.22	2.304	2.244	AA+ Aaa AAA
3133ELMD3	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.600	02/10/2023	02/10/2021	5,022,370.00	11,333.33	5,033,703.33	1.600	1.406	2.12	2.364	0.393	AA+ Aaa AAA
3133EJFK0	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.650	03/08/2023		5,298,950.00	8,465.28	5,307,415.28	1.602	0.192	2.24	2.435	2.374	AA+ Aaa AAA
3135G04Q3	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.250	05/22/2023		5,006,800.00	4,479.17	5,011,279.17	0.324	0.198	2.11	2.641	2.632	AA+ Aaa AAA
3133EJUS6	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.875	07/17/2023		5,371,515.00	29,548.61	5,401,063.61	3.069	0.209	2.27	2.794	2.695	AA+ Aaa AAA
313383YJ4	5,000,000.00	FEDERAL HOME LOAN BANKS	3.375	09/08/2023		5,465,365.00	10,781.25	5,476,146.25	3.036	0.197	2.31	2.939	2.821	AA+ Aaa AAA



## Holdings by Maturity & Ratings

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3135G0U43	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.875	09/12/2023		5,388,575.00	7,586.81	5,396,161.81	2.541	0.230	2.27	2.950	2.847	AA+ Aaa AAA
912828V80	5,000,000.00	UNITED STATES TREASURY	2.250	01/31/2024		5,344,725.00	18,953.80	5,363,678.80	1.602	0.175	2.26	3.337	3.222	AA+ Aaa AAA
3133EKBW5	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.610	02/27/2024		5,403,725.00	12,325.00	5,416,050.00	2.572	0.230	2.28	3.411	3.278	AA+ Aaa AAA
3130A1XJ2	5,000,000.00	FEDERAL HOME LOAN BANKS	2.875	06/14/2024		5,485,115.00	42,725.69	5,527,840.69	2.025	0.243	2.33	3.706	3.520	AA+ Aaa AAA
3133EKWV4	10,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.850	07/26/2024		10,607,960.00	33,402.78	10,641,362.78	1.917	0.251	4.48	3.821	3.696	AA+ Aaa AAA
912828G38	5,000,000.00	UNITED STATES TREASURY	2.250	11/15/2024		5,419,725.00	42,493.21	5,462,218.21	1.688	0.205	2.30	4.126	3.936	AA+ Aaa AAA
3137EAEF0	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	1.500	02/12/2025		5,254,000.00	10,208.33	5,264,208.33	0.553	0.327	2.22	4.370	4.232	AA+ Aaa AAA
3135G03U5	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.625	04/22/2025		5,061,720.00	13,628.47	5,075,348.47	0.532	0.352	2.14	4.559	4.484	AA+ Aaa AAA
3137EAEU9	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	0.375	07/21/2025		4,995,665.00	3,541.67	4,999,206.67	0.445	0.393	2.11	4.805	4.757	AA+ Aaa AAA
3137EAEX3	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	0.375	09/23/2025		4,989,210.00	312.50	4,989,522.50	0.419	0.419	2.10	4.980	4.928	AA+ Aaa AAA
<b>Total</b>	<b>230,116,727.89</b>		<b>1.662</b>			<b>236,660,212.89</b>	<b>799,642.29</b>	<b>237,459,855.18</b>	<b>1.528</b>	<b>0.233</b>	<b>100.00</b>	<b>1.764</b>	<b>1.678</b>	

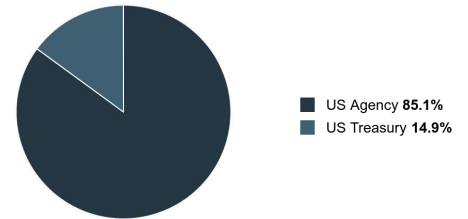
# Summary Overview

City of Kirkland | Investment Core

## Portfolio Characteristics

Metric	Value
Investments	182,343,039.89
Book Yield	1.914
Effective Duration	2.161
Years to Maturity	2.273
Avg Credit Rating	AA+

## Allocation by Asset Class



## Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
KIRK-Investment Core	175,000,000.00	175,773,672.06	176,075,276.88	181,543,485.00	5,769,812.94	799,554.89	1.914	2.161	2.186	ICE BofA 0-5 Year US Treasury Index
<b>Total</b>	<b>175,000,000.00</b>	<b>175,773,672.06</b>	<b>176,075,276.88</b>	<b>181,543,485.00</b>	<b>5,769,812.94</b>	<b>799,554.89</b>	<b>1.914</b>	<b>2.161</b>	<b>2.186</b>	

## Portfolio Activity

City of Kirkland | Investment Core



September 30, 2020

### Accrual Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Book Value	175,869,172.51	175,536,667.63
Maturities/Calls	(10,000,000.00)	(40,000,000.00)
Purchases	9,972,085.00	40,412,211.25
Sales	0.00	0.00
Change in Cash, Payables, Receivables	0.00	0.00
Amortization/Accretion	(67,585.46)	(177,206.00)
Realized Gain (Loss)	0.00	1,999.18
Ending Book Value	175,773,672.06	175,773,672.06

### Fair Market Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Market Value	182,059,901.00	177,683,835.00
Maturities/Calls	(10,000,000.00)	(40,000,000.00)
Purchases	9,972,085.00	40,412,211.25
Sales	0.00	0.00
Change in Cash, Payables, Receivables	0.00	0.00
Amortization/Accretion	(67,585.46)	(177,206.00)
Change in Net Unrealized Gain (Loss)	(420,915.54)	3,622,645.57
Net Realized Gain (Loss)	0.00	1,999.18
Ending Market Value	181,543,485.00	181,543,485.00

Maturities/Calls	Market Value
Quarter to Date	(10,000,000.00)
Fiscal Year to Date	(40,000,000.00)

Purchases	Market Value
Quarter to Date	9,972,085.00
Fiscal Year to Date	40,412,211.25

Sales	Market Value
Quarter to Date	0.00
Fiscal Year to Date	0.00

# Return Management-Income Detail

City of Kirkland | Investment Core



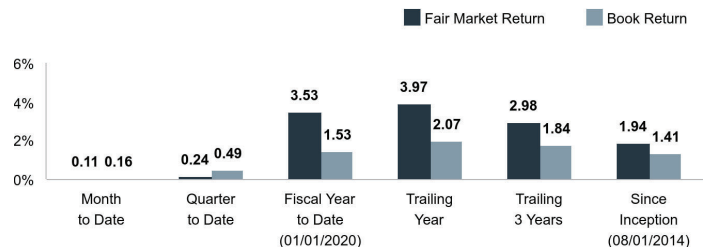
September 30, 2020

## Accrued Book Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Amortization/Accretion	(67,585.46)	(177,206.00)
Interest Earned	925,006.38	2,872,417.58
Realized Gain (Loss)	0.00	1,999.18
Book Income	857,420.92	2,697,210.76
Average Portfolio Balance	182,096,044.52	181,099,232.45
Book Return for Period	0.49%	1.53%

## Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



## Fair Market Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Market Value Change	(420,915.54)	3,622,645.57
Amortization/Accretion	(67,585.46)	(177,206.00)
Interest Earned	925,006.38	2,872,417.58
Fair Market Earned Income	436,505.38	6,317,857.15
Average Portfolio Balance	182,096,044.52	181,099,232.45
Fair Market Return for Period	0.24%	3.53%

## Interest Income

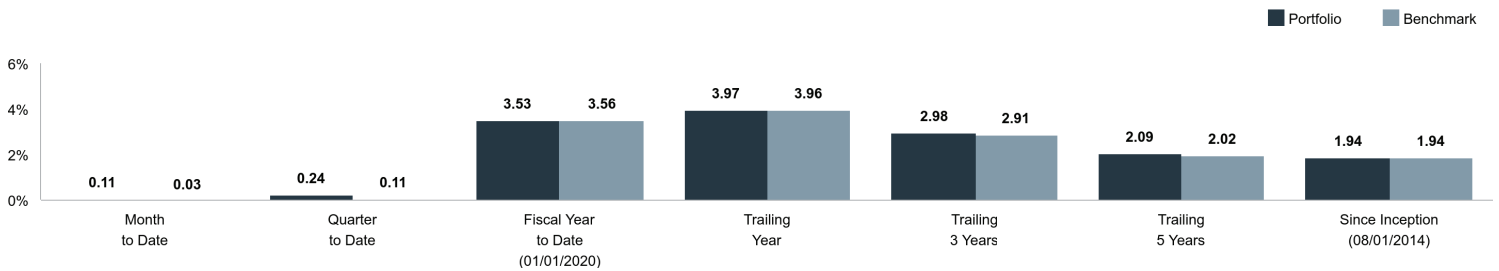
	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Accrued Interest	1,010,913.09	1,002,166.59
Coupons Paid	1,136,833.33	3,189,833.33
Purchased Accrued Interest	468.75	114,804.05
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	799,554.89	799,554.89
Interest Earned	925,006.38	2,872,417.58

# Return Management-Performance

City of Kirkland | Investment Core

## Performance Returns Gross of Fees

Periodic for performance less than one year. Annualized for performance greater than one year.



## Historical Returns

Period	Month to Date	Quarter to Date	Fiscal Year to Date (01/01/2020)	Trailing Year	Trailing 3 Years	Trailing 5 Years	Since Inception (08/01/2014)
Return (Net of Fees)	0.109%	0.232%	3.514%	3.949%	2.965%	2.064%	1.907%
Return (Gross of Fees)	0.111%	0.238%	3.530%	3.971%	2.980%	2.091%	1.936%
ICE BofA 0-5 Year US Treasury Index	0.026%	0.113%	3.555%	3.958%	2.911%	2.016%	1.937%

# Risk Management-Relative to Benchmark

City of Kirkland | Investment Core

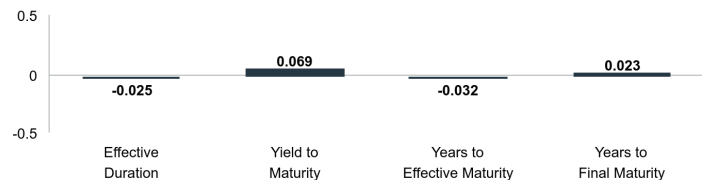


September 30, 2020

## Benchmark Comparison Summary

Risk Metric	Portfolio	Benchmark	Difference
Effective Duration	2.161	2.186	(0.025)
Yield to Maturity	0.223	0.154	0.069
Years to Effective Maturity	2.218	2.250	(0.032)
Years to Final Maturity	2.273	2.250	0.023
Avg Credit Rating	AA+	AAA	---

## Benchmark Comparison Summary



## Benchmark vs. Portfolio Variance-Market Sector



## Benchmark Comparison-Market Sector

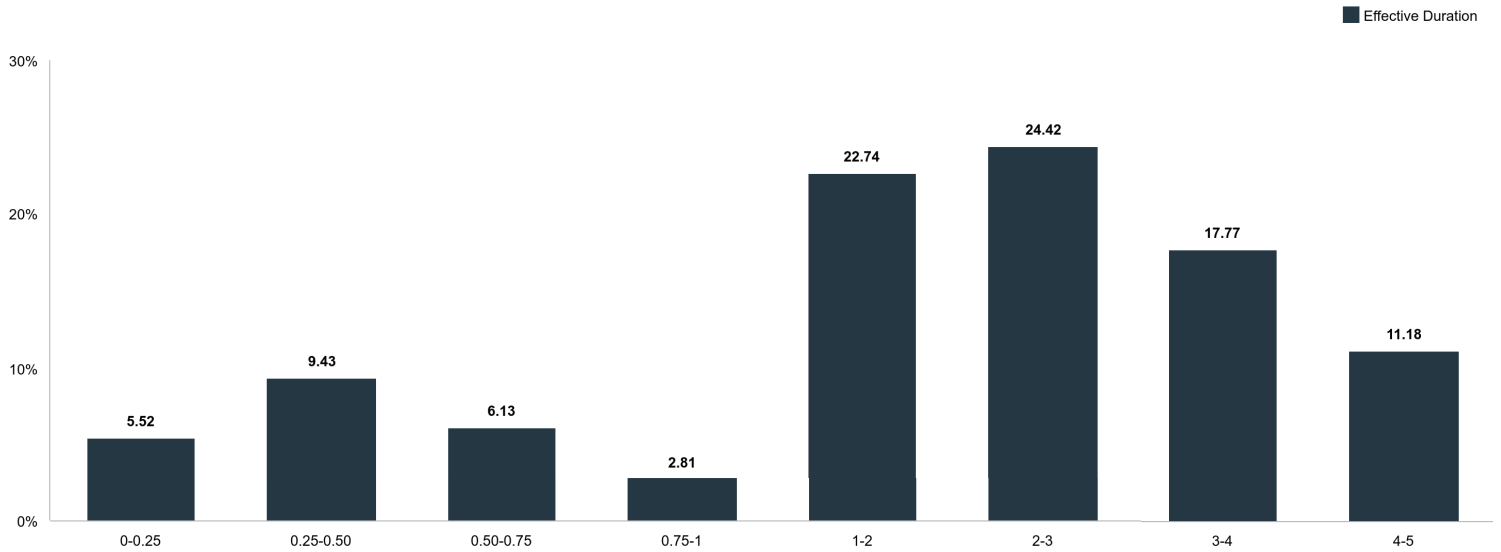
Market Sector	Portfolio	Benchmark	Difference
Treasury	14.92	100.00	(85.08)
Agency	85.08	0.00	85.08

# Risk Management-Maturity/Duration

City of Kirkland | Investment Core

<b>2.16 Yrs</b> <b>Effective Duration</b>	<b>2.27 Yrs</b> <b>Years to Maturity</b>	<b>830</b> <b>Days to Maturity</b>
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## Distribution by Effective Duration



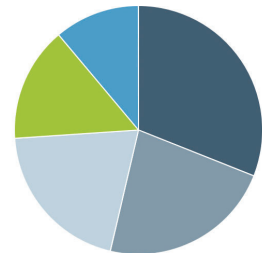
# Risk Management-Credit/Issuer

City of Kirkland | Investment Core

## Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
<b>S&amp;P</b>		
AA+	182,343,039.89	100.00
<b>Moody's</b>		
Aaa	182,343,039.89	100.00
<b>Fitch</b>		
AAA	182,343,039.89	100.00
<b>Total</b>	<b>182,343,039.89</b>	<b>100.00</b>

## Issuer Concentration



- Federal Home Loan Banks **31.0%**
- Federal National Mortgage Association **22.6%**
- Farm Credit System **20.3%**
- United States **14.9%**
- Freddie Mac **11.1%**



## Holdings by Maturity &amp; Ratings

City of Kirkland | Investment Core



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
912828L99	5,000,000.00	UNITED STATES TREASURY	1.375	10/31/2020		5,005,195.00	28,770.38	5,033,965.38	1.313	0.141	2.76	0.085	0.084	AA+ Aaa AAA
3137EAEK1	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	1.875	11/17/2020		5,011,730.00	34,895.83	5,046,625.83	1.984	0.077	2.77	0.131	0.131	AA+ Aaa AAA
3130A7CV5	2,000,000.00	FEDERAL HOME LOAN BANKS	1.375	02/18/2021		2,009,600.00	3,284.72	2,012,884.72	1.628	0.122	1.10	0.386	0.383	AA+ Aaa AAA
3135G0J20	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.375	02/26/2021		5,025,340.00	6,684.03	5,032,024.03	1.448	0.125	2.76	0.408	0.405	AA+ Aaa AAA
3130AFV61	5,000,000.00	FEDERAL HOME LOAN BANKS	2.500	03/12/2021		5,054,485.00	6,597.22	5,061,082.22	2.524	0.078	2.78	0.446	0.450	AA+ Aaa AAA
912828WN6	6,000,000.00	UNITED STATES TREASURY	2.000	05/31/2021		6,075,000.00	40,327.87	6,115,327.87	1.663	0.124	3.35	0.665	0.661	AA+ Aaa AAA
313379RB7	5,000,000.00	FEDERAL HOME LOAN BANKS	1.875	06/11/2021		5,062,005.00	28,645.83	5,090,650.83	1.843	0.095	2.79	0.695	0.692	AA+ Aaa AAA
313378JP7	5,000,000.00	FEDERAL HOME LOAN BANKS	2.375	09/10/2021		5,105,575.00	6,927.08	5,112,502.08	1.642	0.137	2.80	0.945	0.938	AA+ Aaa AAA
3130AF5B9	5,000,000.00	FEDERAL HOME LOAN BANKS	3.000	10/12/2021		5,146,425.00	70,416.67	5,216,841.67	2.502	0.162	2.86	1.033	1.011	AA+ Aaa AAA
3130A0EN6	5,000,000.00	FEDERAL HOME LOAN BANKS	2.875	12/10/2021		5,164,110.00	44,322.92	5,208,432.92	2.615	0.124	2.86	1.194	1.173	AA+ Aaa AAA
3135G0S38	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.000	01/05/2022		5,119,565.00	23,888.89	5,143,453.89	2.048	0.106	2.82	1.266	1.249	AA+ Aaa AAA
3135G0U92	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.625	01/11/2022		5,159,810.00	29,166.67	5,188,976.67	2.590	0.126	2.85	1.282	1.261	AA+ Aaa AAA
3133EKBV7	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.550	03/01/2022		5,169,280.00	10,625.00	5,179,905.00	2.518	0.161	2.84	1.416	1.400	AA+ Aaa AAA
313378WG2	5,000,000.00	FEDERAL HOME LOAN BANKS	2.500	03/11/2022		5,172,185.00	6,944.44	5,179,129.44	2.361	0.118	2.84	1.444	1.428	AA+ Aaa AAA

# Holdings by Maturity & Ratings

City of Kirkland | Investment Core



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3135G0T45	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.875	04/05/2022		5,131,835.00	45,833.33	5,177,668.33	1.111	0.131	2.84	1.512	1.486	AA+ Aaa AAA
3130AEBM1	5,000,000.00	FEDERAL HOME LOAN BANKS	2.750	06/10/2022		5,218,865.00	42,395.83	5,261,260.83	2.840	0.162	2.89	1.693	1.654	AA+ Aaa AAA
9128283C2	5,000,000.00	UNITED STATES TREASURY	2.000	10/31/2022		5,194,335.00	41,847.83	5,236,182.83	1.593	0.132	2.87	2.085	2.035	AA+ Aaa AAA
3130A3KM5	7,000,000.00	FEDERAL HOME LOAN BANKS	2.500	12/09/2022		7,355,600.00	54,444.44	7,410,044.44	2.937	0.177	4.06	2.192	2.131	AA+ Aaa AAA
3135G0T94	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.375	01/19/2023		5,247,125.00	23,750.00	5,270,875.00	3.041	0.222	2.89	2.304	2.244	AA+ Aaa AAA
3133ELMD3	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.600	02/10/2023	02/10/2021	5,022,370.00	11,333.33	5,033,703.33	1.600	1.406	2.76	2.364	0.393	AA+ Aaa AAA
3133EJFK0	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.650	03/08/2023		5,298,950.00	8,465.28	5,307,415.28	1.602	0.192	2.91	2.435	2.374	AA+ Aaa AAA
3135G04Q3	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.250	05/22/2023		5,006,800.00	4,479.17	5,011,279.17	0.324	0.198	2.75	2.641	2.632	AA+ Aaa AAA
3133EJUS6	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.875	07/17/2023		5,371,515.00	29,548.61	5,401,063.61	3.069	0.209	2.96	2.794	2.695	AA+ Aaa AAA
313383YJ4	5,000,000.00	FEDERAL HOME LOAN BANKS	3.375	09/08/2023		5,465,365.00	10,781.25	5,476,146.25	3.036	0.197	3.00	2.939	2.821	AA+ Aaa AAA
3135G0U43	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.875	09/12/2023		5,388,575.00	7,586.81	5,396,161.81	2.541	0.230	2.96	2.950	2.847	AA+ Aaa AAA
912828V80	5,000,000.00	UNITED STATES TREASURY	2.250	01/31/2024		5,344,725.00	18,953.80	5,363,678.80	1.602	0.175	2.94	3.337	3.222	AA+ Aaa AAA
3133EKBW5	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.610	02/27/2024		5,403,725.00	12,325.00	5,416,050.00	2.572	0.230	2.97	3.411	3.278	AA+ Aaa AAA

## Holdings by Maturity & Ratings

City of Kirkland | Investment Core



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3130A1XJ2	5,000,000.00	FEDERAL HOME LOAN BANKS	2.875	06/14/2024		5,485,115.00	42,725.69	5,527,840.69	2.025	0.243	3.03	3.706	3.520	AA+ Aaa AAA
3133EKWV4	10,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.850	07/26/2024		10,607,960.00	33,402.78	10,641,362.78	1.917	0.251	5.84	3.821	3.696	AA+ Aaa AAA
912828G38	5,000,000.00	UNITED STATES TREASURY	2.250	11/15/2024		5,419,725.00	42,493.21	5,462,218.21	1.688	0.205	3.00	4.126	3.936	AA+ Aaa AAA
3137EAEPO	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	1.500	02/12/2025		5,254,000.00	10,208.33	5,264,208.33	0.553	0.327	2.89	4.370	4.232	AA+ Aaa AAA
3135G03U5	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.625	04/22/2025		5,061,720.00	13,628.47	5,075,348.47	0.532	0.352	2.78	4.559	4.484	AA+ Aaa AAA
3137EAEU9	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	0.375	07/21/2025		4,995,665.00	3,541.67	4,999,206.67	0.445	0.393	2.74	4.805	4.757	AA+ Aaa AAA
3137EAEX3	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	0.375	09/23/2025		4,989,210.00	312.50	4,989,522.50	0.419	0.419	2.74	4.980	4.928	AA+ Aaa AAA
<b>Total</b>	<b>175,000,000.00</b>		<b>2.088</b>			<b>181,543,485.00</b>	<b>799,554.89</b>	<b>182,343,039.89</b>	<b>1.914</b>	<b>0.223</b>	<b>100.00</b>	<b>2.273</b>	<b>2.161</b>	

# Risk Management-Credit Changes

City of Kirkland | Investment Core



## Rating Changes in Period

No rating changes

## Outlook

Effective Date	Identifier	Description	Value	Agency	Old Value	New Value
07/01/2020	3135G03U5	FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,061,720.00	Moody's	Off	Stable
07/07/2020	3135G04Q3	FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,006,800.00	Moody's	Off	Stable

# Holdings by Security Type

City of Kirkland | Investment Core



September 30, 2020

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
<b>US Treasury</b>												
03/04/2016	912828L99	5,000,000.00	United States	1.375	10/31/2020		1.313	0.141	5,033,965.38	4,950.43	2.761	0.084
06/15/2017	912828WN6	6,000,000.00	United States	2.000	05/31/2021		1.663	0.124	6,115,327.87	62,086.18	3.354	0.661
10/02/2019	9128283C2	5,000,000.00	United States	2.000	10/31/2022		1.593	0.132	5,236,182.83	153,168.33	2.872	2.035
01/21/2020	912828V80	5,000,000.00	United States	2.250	01/31/2024		1.602	0.175	5,363,678.80	240,662.61	2.942	3.222
12/13/2019	912828G38	5,000,000.00	United States	2.250	11/15/2024		1.688	0.205	5,462,218.21	309,033.95	2.996	3.936
<b>Total</b>		<b>26,000,000.00</b>					<b>1.578</b>	<b>0.155</b>	<b>27,211,373.09</b>	<b>769,901.50</b>	<b>14.923</b>	<b>1.981</b>
<b>US Agency</b>												
12/18/2017	3137EAEK1	5,000,000.00	Freddie Mac	1.875	11/17/2020		1.984	0.077	5,046,625.83	12,410.26	2.768	0.131
03/15/2016	3130A7CV5	2,000,000.00	Federal Home Loan Banks	1.375	02/18/2021		1.628	0.122	2,012,884.72	11,456.56	1.104	0.383
04/27/2016	3135G0J20	5,000,000.00	Federal National Mortgage Association	1.375	02/26/2021		1.448	0.125	5,032,024.03	26,769.69	2.760	0.405
02/28/2019	3130AFV61	5,000,000.00	Federal Home Loan Banks	2.500	03/12/2021		2.524	0.078	5,061,082.22	55,030.82	2.776	0.450
05/12/2017	313379RB7	5,000,000.00	Federal Home Loan Banks	1.875	06/11/2021		1.843	0.095	5,090,650.83	60,943.76	2.792	0.692
08/31/2017	313378JP7	5,000,000.00	Federal Home Loan Banks	2.375	09/10/2021		1.642	0.137	5,112,502.08	72,286.56	2.804	0.938
02/28/2019	3130AF5B9	5,000,000.00	Federal Home Loan Banks	3.000	10/12/2021		2.502	0.162	5,216,841.67	121,823.74	2.861	1.011
01/15/2019	3130A0EN6	5,000,000.00	Federal Home Loan Banks	2.875	12/10/2021		2.615	0.124	5,208,432.92	149,301.93	2.856	1.173
01/31/2017	3135G0S38	5,000,000.00	Federal National Mortgage Association	2.000	01/05/2022		2.048	0.106	5,143,453.89	122,460.66	2.821	1.249
01/15/2019	3135G0U92	5,000,000.00	Federal National Mortgage Association	2.625	01/11/2022		2.590	0.126	5,188,976.67	157,669.76	2.846	1.261
03/01/2019	3133EKBV7	5,000,000.00	Farm Credit System	2.550	03/01/2022		2.518	0.161	5,179,905.00	167,112.33	2.841	1.400
04/15/2019	313378WG2	5,000,000.00	Federal Home Loan Banks	2.500	03/11/2022		2.361	0.118	5,179,129.44	162,583.02	2.840	1.428
03/04/2020	3135G0T45	5,000,000.00	Federal National Mortgage Association	1.875	04/05/2022		1.111	0.131	5,177,668.33	75,071.88	2.840	1.486
07/16/2018	3130AEBM1	5,000,000.00	Federal Home Loan Banks	2.750	06/10/2022		2.840	0.162	5,261,260.83	226,068.39	2.885	1.654
05/21/2018	3130A3KM5	7,000,000.00	Federal Home Loan Banks	2.500	12/09/2022		2.937	0.177	7,410,044.44	417,856.62	4.064	2.131
10/01/2018	3135G0T94	5,000,000.00	Federal National Mortgage Association	2.375	01/19/2023		3.041	0.222	5,270,875.00	318,444.75	2.891	2.244
02/26/2020	3133ELMD3	5,000,000.00	Farm Credit System	1.600	02/10/2023	02/10/2021	1.600	0.359	5,033,703.33	22,370.00	2.761	0.393
10/22/2019	3133EJFK0	5,000,000.00	Farm Credit System	2.650	03/08/2023		1.602	0.192	5,307,415.28	175,400.61	2.911	2.374
06/17/2020	3135G04Q3	5,000,000.00	Federal National Mortgage Association	0.250	05/22/2023		0.324	0.198	5,011,279.17	16,515.58	2.748	2.632
10/01/2018	3133EJUS6	5,000,000.00	Farm Credit System	2.875	07/17/2023		3.069	0.209	5,401,063.61	396,538.47	2.962	2.695
11/30/2018	313383YJ4	5,000,000.00	Federal Home Loan Banks	3.375	09/08/2023		3.036	0.197	5,476,146.25	419,414.23	3.003	2.821

## Holdings by Security Type

City of Kirkland | Investment Core



September 30, 2020

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
02/28/2019	3135G0U43	5,000,000.00	Federal National Mortgage Association	2.875	09/12/2023		2.541	0.230	5,396,161.81	342,474.64	2.959	2.847
02/28/2019	3133EKBW5	5,000,000.00	Farm Credit System	2.610	02/27/2024		2.572	0.230	5,416,050.00	397,689.14	2.970	3.278
06/13/2019	3130A1XJ2	5,000,000.00	Federal Home Loan Banks	2.875	06/14/2024		2.025	0.243	5,527,840.69	336,343.23	3.032	3.520
08/01/2019	3133EKWV4	10,000,000.00	Farm Credit System	1.850	07/26/2024		1.917	0.251	10,641,362.78	632,303.33	5.836	3.696
04/20/2020	3137EAEP0	5,000,000.00	Freddie Mac	1.500	02/12/2025		0.553	0.327	5,264,208.33	50,494.68	2.887	4.232
06/12/2020	3135G03U5	5,000,000.00	Federal National Mortgage Association	0.625	04/22/2025		0.532	0.352	5,075,348.47	40,908.28	2.783	4.484
07/29/2020	3137EAEU9	5,000,000.00	Freddie Mac	0.375	07/21/2025		0.445	0.393	4,999,206.67	12,211.26	2.742	4.757
09/28/2020	3137EAEX3	5,000,000.00	Freddie Mac	0.375	09/23/2025		0.419	0.419	4,989,522.50	(42.73)	2.736	4.928
<b>Total</b>		<b>149,000,000.00</b>					<b>1.973</b>	<b>0.200</b>	<b>155,131,666.81</b>	<b>4,999,911.44</b>	<b>85.077</b>	<b>2.193</b>
<b>Portfolio Total</b>		<b>175,000,000.00</b>					<b>1.914</b>	<b>0.194</b>	<b>182,343,039.89</b>	<b>5,769,812.94</b>	<b>100.000</b>	<b>2.161</b>

## Transactions

City of Kirkland | Investment Core



September 30, 2020

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
<b>Buy</b>										
3137EAEU9	FREDDIE MAC 0.375 07/21/25 MTN	07/28/2020	07/29/2020	0.00	99.66	5,000,000.00	4,982,850.00	312.50	4,983,162.50	Morgan Stanley & Co
3137EAEX3	FREDDIE MAC 0.375 09/23/25 MTN	09/24/2020	09/28/2020	0.00	99.78	5,000,000.00	4,989,235.00	156.25	4,989,391.25	Mizuho
<b>Total</b>				<b>0.00</b>		<b>10,000,000.00</b>	<b>9,972,085.00</b>	<b>468.75</b>	<b>9,972,553.75</b>	
<b>Maturity</b>										
3130A5Z77	FHLBANKS 1.830 07/29/20 MATD	07/29/2020	07/29/2020	0.00	100.00	5,000,000.00	5,000,000.00	0.00	5,000,000.00	
3130ACE26	FHLBANKS 1.375 09/28/20 MATD	09/28/2020	09/28/2020	0.00	100.00	5,000,000.00	5,000,000.00	0.00	5,000,000.00	
<b>Total</b>				<b>0.00</b>		<b>10,000,000.00</b>	<b>10,000,000.00</b>	<b>0.00</b>	<b>10,000,000.00</b>	
<b>Coupon</b>										
3135G0S38	FANNIE MAE 2.000 01/05/22	07/05/2020	07/05/2020	50,000.00		0.00	0.00	0.00	50,000.00	
3135G0U92	FANNIE MAE 2.625 01/11/22	07/11/2020	07/11/2020	65,625.00		0.00	0.00	0.00	65,625.00	
3133EJUS6	FEDERAL FARM 2.875 07/17/23	07/17/2020	07/17/2020	71,875.00		0.00	0.00	0.00	71,875.00	
3135G0T94	FANNIE MAE 2.375 01/19/23	07/19/2020	07/19/2020	59,375.00		0.00	0.00	0.00	59,375.00	
3133EKVV4	FEDERAL FARM 1.850 07/26/24	07/26/2020	07/26/2020	92,500.00		0.00	0.00	0.00	92,500.00	
3130A5Z77	FHLBANKS 1.830 07/29/20 MATD	07/29/2020	07/29/2020	45,750.00		0.00	0.00	0.00	45,750.00	
912828V80	US TREASURY 2.250 01/31/24	07/31/2020	07/31/2020	56,250.00		0.00	0.00	0.00	56,250.00	
3133ELMD3	FEDERAL FARM 1.600 02/10/23 '21	08/10/2020	08/10/2020	40,000.00		0.00	0.00	0.00	40,000.00	
3137EAEP0	FREDDIE MAC 1.500 02/12/25 MTN	08/12/2020	08/12/2020	37,083.33		0.00	(0.00)	0.00	37,083.33	
3130A7CV5	FHLBANKS 1.375 02/18/21	08/18/2020	08/18/2020	13,750.00		0.00	0.00	0.00	13,750.00	
3135G0J20	FANNIE MAE 1.375 02/26/21	08/26/2020	08/26/2020	34,375.00		0.00	0.00	0.00	34,375.00	
3133EKBW5	FEDERAL FARM 2.610 02/27/24	08/27/2020	08/27/2020	65,250.00		0.00	0.00	0.00	65,250.00	
3133EKBV7	FEDERAL FARM 2.550 03/01/22	09/01/2020	09/01/2020	63,750.00		0.00	0.00	0.00	63,750.00	
313383YJ4	FHLBANKS 3.375 09/08/23	09/08/2020	09/08/2020	84,375.00		0.00	0.00	0.00	84,375.00	
3133EJFK0	FEDERAL FARM 2.650 03/08/23	09/08/2020	09/08/2020	66,250.00		0.00	0.00	0.00	66,250.00	
313378JP7	FHLBANKS 2.375 09/10/21	09/10/2020	09/10/2020	59,375.00		0.00	0.00	0.00	59,375.00	
313378WG2	FHLBANKS 2.500 03/11/22	09/11/2020	09/11/2020	62,500.00		0.00	0.00	0.00	62,500.00	
3135G0U43	FANNIE MAE 2.875 09/12/23	09/12/2020	09/12/2020	71,875.00		0.00	0.00	0.00	71,875.00	
3130AFV61	FHLBANKS 2.500 03/12/21	09/12/2020	09/12/2020	62,500.00		0.00	0.00	0.00	62,500.00	
3130ACE26	FHLBANKS 1.375 09/28/20 MATD	09/28/2020	09/28/2020	34,375.00		0.00	0.00	0.00	34,375.00	
<b>Total</b>				<b>1,136,833.33</b>		<b>0.00</b>	<b>(0.00)</b>	<b>0.00</b>	<b>1,136,833.33</b>	
<b>Cash Transfer</b>										

## Transactions

City of Kirkland | Investment Core



September 30, 2020

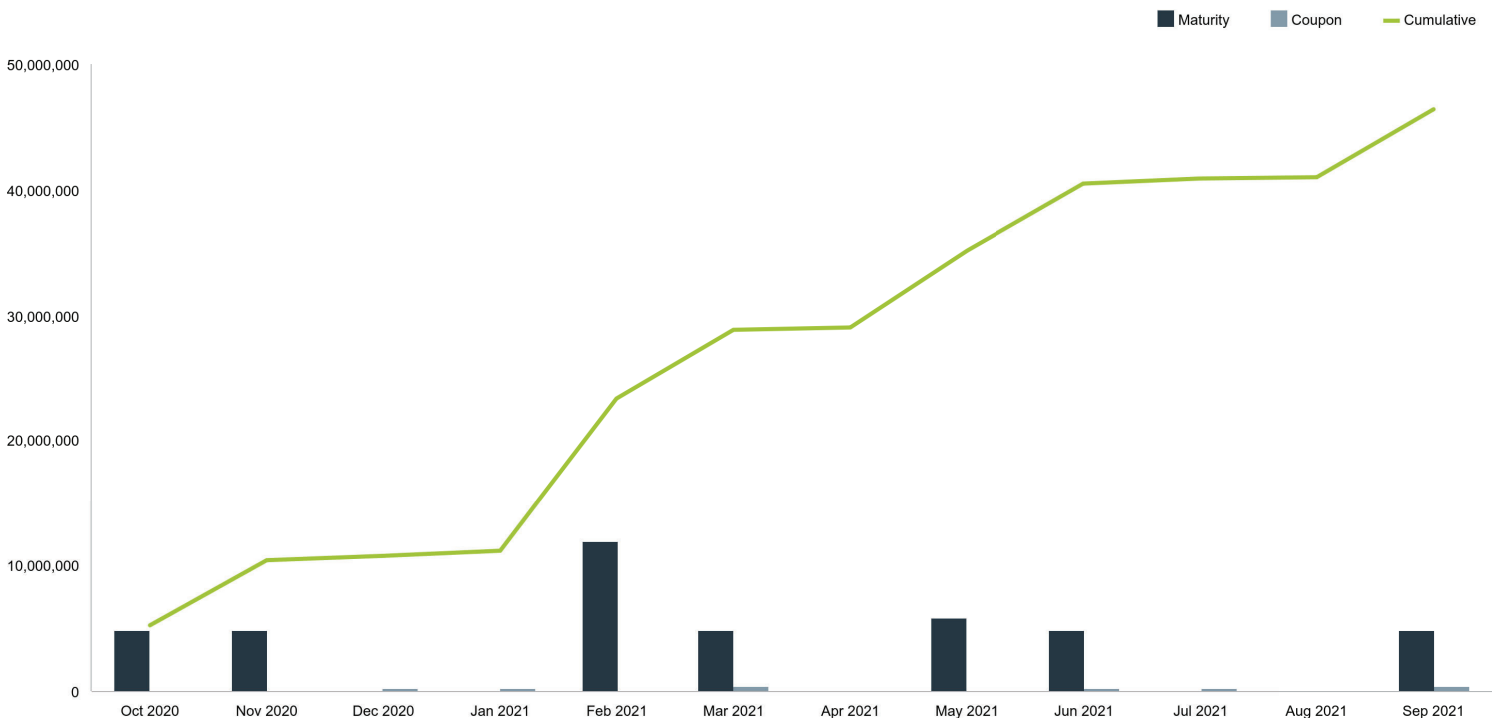
Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
CCYUSD	US DOLLAR	07/06/2020	07/06/2020	0.00		50,000.00	(50,000.00)	0.00	(50,000.00)	
CCYUSD	US DOLLAR	07/13/2020	07/13/2020	0.00		65,625.00	(65,625.00)	0.00	(65,625.00)	
CCYUSD	US DOLLAR	07/17/2020	07/17/2020	0.00		71,875.00	(71,875.00)	0.00	(71,875.00)	
CCYUSD	US DOLLAR	07/20/2020	07/20/2020	0.00		59,375.00	(59,375.00)	0.00	(59,375.00)	
CCYUSD	US DOLLAR	07/27/2020	07/27/2020	0.00		92,500.00	(92,500.00)	0.00	(92,500.00)	
CCYUSD	US DOLLAR	07/28/2020	07/28/2020	0.00		4,983,162.50	4,983,162.50	0.00	4,983,162.50	
CCYUSD	US DOLLAR	07/29/2020	07/29/2020	0.00		5,000,000.00	(5,000,000.00)	0.00	(5,000,000.00)	
CCYUSD	US DOLLAR	07/29/2020	07/29/2020	0.00		45,750.00	(45,750.00)	0.00	(45,750.00)	
CCYUSD	US DOLLAR	07/31/2020	07/31/2020	0.00		56,250.00	(56,250.00)	0.00	(56,250.00)	
CCYUSD	US DOLLAR	08/10/2020	08/10/2020	0.00		40,000.00	(40,000.00)	0.00	(40,000.00)	
CCYUSD	US DOLLAR	08/12/2020	08/12/2020	0.00		37,083.33	(37,083.33)	0.00	(37,083.33)	
CCYUSD	US DOLLAR	08/18/2020	08/18/2020	0.00		13,750.00	(13,750.00)	0.00	(13,750.00)	
CCYUSD	US DOLLAR	08/26/2020	08/26/2020	0.00		34,375.00	(34,375.00)	0.00	(34,375.00)	
CCYUSD	US DOLLAR	08/27/2020	08/27/2020	0.00		65,250.00	(65,250.00)	0.00	(65,250.00)	
CCYUSD	US DOLLAR	09/01/2020	09/01/2020	0.00		63,750.00	(63,750.00)	0.00	(63,750.00)	
CCYUSD	US DOLLAR	09/08/2020	09/08/2020	0.00		66,250.00	(66,250.00)	0.00	(66,250.00)	
CCYUSD	US DOLLAR	09/08/2020	09/08/2020	0.00		84,375.00	(84,375.00)	0.00	(84,375.00)	
CCYUSD	US DOLLAR	09/10/2020	09/10/2020	0.00		59,375.00	(59,375.00)	0.00	(59,375.00)	
CCYUSD	US DOLLAR	09/11/2020	09/11/2020	0.00		62,500.00	(62,500.00)	0.00	(62,500.00)	
CCYUSD	US DOLLAR	09/14/2020	09/14/2020	0.00		71,875.00	(71,875.00)	0.00	(71,875.00)	
CCYUSD	US DOLLAR	09/14/2020	09/14/2020	0.00		62,500.00	(62,500.00)	0.00	(62,500.00)	
CCYUSD	US DOLLAR	09/25/2020	09/25/2020	0.00		4,989,391.25	4,989,391.25	0.00	4,989,391.25	
CCYUSD	US DOLLAR	09/28/2020	09/28/2020	0.00		5,000,000.00	(5,000,000.00)	0.00	(5,000,000.00)	
CCYUSD	US DOLLAR	09/28/2020	09/28/2020	0.00		34,375.00	(34,375.00)	0.00	(34,375.00)	
<b>Total</b>				<b>0.00</b>		<b>1,164,279.58</b>	<b>(1,164,279.58)</b>	<b>0.00</b>	<b>(1,164,279.58)</b>	



# Cash Flow Forecasting

City of Kirkland | Investment Core

## One Year Projection



# Summary Overview

City of Kirkland | Liquidity

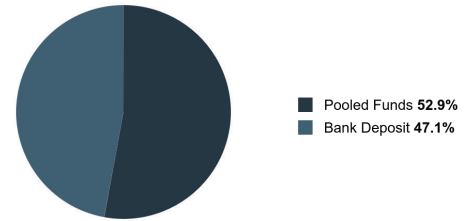


September 30, 2020

## Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	49,790,957.00
Book Yield	0.214
Effective Duration	0.010
Years to Maturity	0.010
Avg Credit Rating	NA

## Allocation by Asset Class



## Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
KIRK-Liquidity	49,790,957.00	49,790,957.00	49,790,957.00	49,790,957.00	0.00	0.00	0.214	0.010	0.09	ICE BofA US 1-Month Treasury Bill Index
<b>Total</b>	<b>49,790,957.00</b>	<b>49,790,957.00</b>	<b>49,790,957.00</b>	<b>49,790,957.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.214</b>	<b>0.010</b>	<b>0.09</b>	

# Return Management-Income Detail

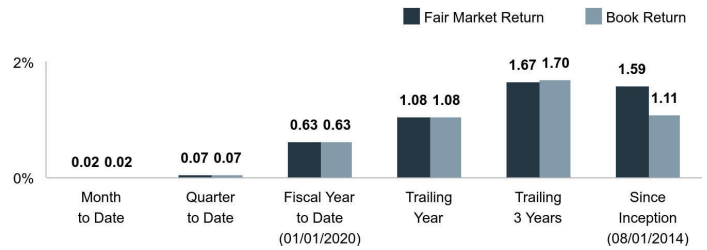
City of Kirkland | Liquidity

## Accrued Book Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Interest Earned	36,067.77	379,098.52
Book Income	36,067.77	379,098.52
Average Portfolio Balance	54,911,633.12	58,988,119.97
Book Return for Period	0.07%	0.63%

## Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



## Interest Income

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Accrued Interest	0.00	0.00
Coupons Paid	36,067.77	379,098.52
Purchased Accrued Interest	0.00	0.00
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	0.00	0.00
Interest Earned	36,067.77	379,098.52

## Holdings by Security Type

City of Kirkland | Liquidity

**GPA**  
September 30, 2020

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
<b>Bank Deposit</b>												
	KIRK_OPUS_DEP	23,462,154.77	OPUS BANK DEPOSIT	0.240			0.240		23,462,154.77	0.00	47.121	0.010
<b>Total</b>		<b>23,462,154.77</b>					<b>0.240</b>		<b>23,462,154.77</b>	<b>0.00</b>	<b>47.121</b>	<b>0.010</b>
<b>Pooled Funds</b>												
	WA_LGIP	26,328,802.23	WASHINGTON LGIP	0.192			0.192		26,328,802.23	0.00	52.879	0.010
<b>Total</b>		<b>26,328,802.23</b>					<b>0.192</b>		<b>26,328,802.23</b>	<b>0.00</b>	<b>52.879</b>	<b>0.010</b>
<b>Portfolio Total</b>		<b>49,790,957.00</b>					<b>0.214</b>		<b>49,790,957.00</b>	<b>0.00</b>	<b>100.000</b>	<b>0.010</b>

## Transactions

City of Kirkland | Liquidity



September 30, 2020

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
<b>Buy</b>										
KIRK_OPUS_DEP	OPUS BANK DEPOSIT	08/27/2020	08/27/2020	0.00	1.00	17,368.87	17,368.87	0.00	17,368.87	Direct
<b>Total</b>				<b>0.00</b>		<b>17,368.87</b>	<b>17,368.87</b>	<b>0.00</b>	<b>17,368.87</b>	
<b>Sell</b>										
WA_LGIP	WASHINGTON LGIP	09/15/2020	09/15/2020	0.00	1.00	6,239,220.65	6,239,220.65	0.00	6,239,220.65	Direct
<b>Total</b>				<b>0.00</b>		<b>6,239,220.65</b>	<b>6,239,220.65</b>	<b>0.00</b>	<b>6,239,220.65</b>	
<b>Interest Income</b>										
KIRK_OPUS_DEP	OPUS BANK DEPOSIT	09/30/2020	09/30/2020	4,625.76		0.00	4,625.76	0.00	4,625.76	
KIRK_OPUS_DEP	OPUS BANK DEPOSIT	07/31/2020	07/31/2020	6,968.21		0.00	6,968.21	0.00	6,968.21	
WA_LGIP	WASHINGTON LGIP	07/31/2020	07/31/2020	8,309.81		0.00	8,309.81	0.00	8,309.81	
WA_LGIP	WASHINGTON LGIP	08/31/2020	08/31/2020	6,208.84		0.00	6,208.84	0.00	6,208.84	
KIRK_OPUS_DEP	OPUS BANK DEPOSIT	08/31/2020	08/31/2020	5,774.90		0.00	5,774.90	0.00	5,774.90	
WA_LGIP	WASHINGTON LGIP	09/30/2020	09/30/2020	4,180.25		0.00	4,180.25	0.00	4,180.25	
<b>Total</b>				<b>36,067.77</b>		<b>0.00</b>	<b>36,067.77</b>	<b>0.00</b>	<b>36,067.77</b>	

## Summary Overview

City of Kirkland | Certificates of Deposit

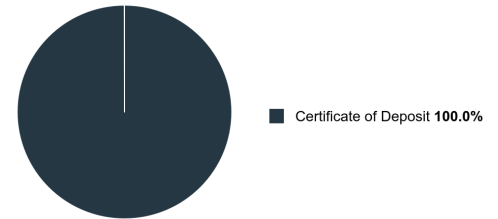


September 30, 2020

### Portfolio Characteristics

Metric	Value
Investments	5,325,858.29
Book Yield	0.599
Effective Duration	0.718
Years to Maturity	0.718
Avg Credit Rating	NA

### Allocation by Asset Class



### Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
KIRK-Certificates of Deposit	5,325,770.89	5,325,770.89	5,325,770.89	5,325,770.89	0.00	87.40	0.599	0.718	0.157	ICE BofA 0-3 Month US Treasury Bill Index
<b>Total</b>	<b>5,325,770.89</b>	<b>5,325,770.89</b>	<b>5,325,770.89</b>	<b>5,325,770.89</b>	<b>0.00</b>	<b>87.40</b>	<b>0.599</b>	<b>0.718</b>	<b>0.157</b>	

## Return Management-Income Detail

City of Kirkland | Certificates of Deposit



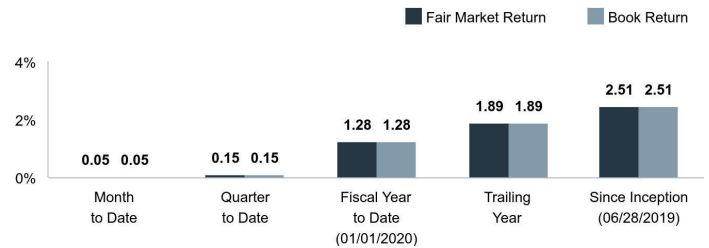
September 30, 2020

### Accrued Book Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Amortization/Accretion	0.00	0.00
Interest Earned	8,034.28	67,311.88
Realized Gain (Loss)	0.00	0.00
Book Income	8,034.28	67,311.88
Average Portfolio Balance	5,320,529.67	5,297,008.44
Book Return for Period	0.15%	1.28%

### Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



### Interest Income

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Accrued Interest	87.27	342.14
Coupons Paid	8,034.15	67,566.62
Purchased Accrued Interest	0.00	0.00
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	87.40	87.40
Interest Earned	8,034.28	67,311.88

## Holdings by Security Type

City of Kirkland | Certificates of Deposit



September 30, 2020

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
<b>Certificate of Deposit</b>												
	KIRK-1734025-2021	5,325,770.89	East West Bank	0.599	06/19/2021		0.599	0.599	5,325,858.29	0.00	100.000	0.718
<b>Total</b>		<b>5,325,770.89</b>					<b>0.599</b>	<b>0.599</b>	<b>5,325,858.29</b>	<b>0.00</b>	<b>100.000</b>	<b>0.718</b>
<b>Portfolio Total</b>		<b>5,325,770.89</b>					<b>0.599</b>	<b>0.599</b>	<b>5,325,858.29</b>	<b>0.00</b>	<b>100.000</b>	<b>0.718</b>



## Transactions

City of Kirkland | Certificates of Deposit



September 30, 2020

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
<b>Buy</b>										
KIRK-1734025-2021	East West Bank	07/30/2020	07/30/2020	0.00	100.00	2,705.34	2,705.34	0.00	2,705.34	Unknown
KIRK-1734025-2021	East West Bank	08/31/2020	08/31/2020	0.00	100.00	2,708.07	2,708.07	0.00	2,708.07	Unknown
KIRK-1734025-2021	East West Bank	09/30/2020	09/30/2020	0.00	100.00	2,621.37	2,621.37	0.00	2,621.37	Unknown
<b>Total</b>				<b>0.00</b>		<b>8,034.78</b>	<b>8,034.78</b>	<b>0.00</b>	<b>8,034.78</b>	
<b>Coupon</b>										
KIRK-1734025-2021	East West Bank	07/30/2020	07/30/2020	2,705.34		0.00	87.27	0.00	2,705.34	
KIRK-1734025-2021	East West Bank	08/31/2020	08/31/2020	2,708.07		0.00	2,708.07	0.00	2,708.07	
KIRK-1734025-2021	East West Bank	09/30/2020	09/30/2020	2,620.74		0.00	(87.36)	0.00	2,620.74	
<b>Total</b>				<b>8,034.15</b>		<b>0.00</b>	<b>2,707.98</b>	<b>0.00</b>	<b>8,034.15</b>	

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

**Questions About an Account:** GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodial bank maintains the control of assets and settles all investment transactions. The custodial statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodial bank statement and the GPA report should be reconciled, and differences documented.

**Trade Date versus Settlement Date:** Many custodial banks use settlement date basis and post coupons or maturities on the following business days when they occur on weekend. These items may result in the need to reconcile due to a timing difference. GPA reports are on a trade date basis in accordance with GIPS performance standards. GPA can provide all account settings to support the reason for any variance.

**Bank Deposits and Pooled Investment Funds Held in Liquidity Accounts Away from the Custodial Bank are Referred to as Line Item Securities:** GPA relies on the information provided by clients when reporting pool balances, bank balances and other assets that are not held at the client's custodial bank. GPA does not guarantee the accuracy of information received from third parties. Balances cannot be adjusted once submitted however corrective transactions can be entered as adjustments in the following months activity. Assets held outside the custodial bank that are reported to GPA are included in GPA's oversight compliance reporting and strategic plan.

**Account Control:** GPA does not have the authority to withdraw or deposit funds from or to any client's custodial account. Clients retain responsibility for the deposit and withdrawal of funds to the custodial account. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

**Custodial Bank Interface:** Our contract provides for the ability for GPA to interface into our client's custodial bank to reconcile transactions, maturities and coupon payments. The GPA client portal will be available to all clients to access this information directly at any time.

**Market Price:** Generally, GPA has set all securities market pricing to match custodial bank pricing. There may be certain securities that will require pricing override due to inaccurate custodial bank pricing that will otherwise distort portfolio performance returns. GPA may utilize Refinitiv pricing source for commercial paper, discount notes and supranational bonds when custodial bank pricing does not reflect current market levels. The pricing variances are obvious when market yields are distorted from the current market levels.

**Amortized Cost:** The original cost on the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discounts or premiums are amortized on a straight-line basis on all securities. This can be changed at the client's request.

**Callable Securities:** Securities subject to redemption in whole or in part prior to the stated final maturity at the discretion of the security's issuer are referred to as "callable". Certain call dates may not show up on the report if the call date has passed or if the security is continuously callable until maturity date. Bonds purchased at a premium will be amortized to the next call date while all other callable securities will be amortized to maturity. If the bond is amortized to the call date, amortization will be reflected to that date and once the call date passes, the bond will be fully amortized.

**Duration:** The duration is the effective duration. Duration on callable securities is based on the probability of the security being called given market rates and security characteristics.

**Benchmark Duration:** The benchmark duration is based on the duration of the stated benchmark that is assigned to each account.

**Rating:** Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

**Coupon Payments and Maturities on Weekends:** On occasion, coupon payments and maturities occur on a weekend or holiday. GPA's report settings are on the accrual basis so the coupon postings and maturities will be accounted for in the period earned. The bank may be set at a cash basis, which may result in a reconciliation variance.

**Cash and Cash Equivalents:** GPA has defined cash and cash equivalents to be cash, bank deposits, LGIP pools and repurchase agreements. This may vary from your custodial bank which typically defines cash and equivalents as all securities that mature under 90 days. Check with your custodial bank to understand their methodology.

**Account Settings:** GPA has the portfolio settings at the lot level, if a security is sold our setting will remove the lowest cost security first. First-in-first-out (FIFO) settings are available at the client's request.

**Historical Numbers:** Data was transferred from GPA's legacy system, however, variances may exist from the data received due to a change of settings on Clearwater. GPA is utilizing this information for historical return data with the understanding the accrual settings and pricing sources may differ slightly.

**Financial Situation:** In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

**No Guarantee:** The securities in the portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.





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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Michael Olson, Director of Finance and Administration  
Chip Corder, Temp. Deputy Director of Finance and Administration-Budget  
Kevin Lowe Pelstring, Budget Analyst  
**Date:** November 4, 2020  
**Subject:** Monthly Financial Dashboard Report through September 30, 2020

### **RECOMMENDATION:**

It is recommended that the City Council receive the monthly Financial Dashboard Report for September 2020.

### **BACKGROUND DISCUSSION**

The Financial Dashboard is a high-level summary of some of the City's key revenue and expenditure indicators. It provides a budget to actual comparison for year-to-date revenues and expenditures for the general fund, as well as some other key revenues and expenditures. The report also compares this year's actual revenue and expenditure performance to the prior year. It is even more important during the current COVID-19 pandemic and associated economic impacts to closely track the City's revenues and expenditures.

We see the continued effects of COVID-19 and the Governor's 'Safe Start' restrictions reflected in this report. Total General Fund revenues are 72.7 percent of budget, which is slightly below the 75.0 percent budget threshold and down 2.9 percent relative to the same period in 2019 mostly due to modest decline in Sales Tax revenue and significant decline in Development Fees described below. Total Expenditures are 72.2 percent of budget and modestly below the 75.0 percent budget threshold primarily due to position vacancy savings balanced by COVID-19 related expenses—some of which will be reimbursable.

The September results include Sales Tax revenues through July. Relative to the same period in 2019, Sales Tax is down 4.5 percent mostly due to the following business sectors, which comprise about 31 percent of total revenues: Auto/Gas Retail (down \$574,533, or 14.6 percent), Miscellaneous (down \$362,722, or 26.6 percent), Retail Eating/Drinking (down \$272,804, or 19.8 percent), and Communications (down \$225,801, or 38.5 percent). Helping offset these losses are the following business sectors, which comprise about 65 percent of total revenues: Other Retail (up \$192,144, or 8.3 percent), Services (up \$113,854, or 4.5 percent), Contracting (up \$122,404, or 2.6 percent), and General Merchandise/Miscellaneous Retail (up \$127,354, or 6.3 percent).

Development Fees are 71.3 percent of budget, which is modestly below the 75.0 percent budget threshold, and are down 12.5 percent relative to the same period in 2019 primarily due to the COVID-19 shutdown and the unusually high level of development activity in 2019 at the Totem Lake and Kirkland Urban sites. According to the Planning & Building Department, there is an eight-week backlog of work that staff is currently working through, and there are many permits which are ready to be issued. As a result, staff expects development fees to exceed the \$11.28 million budget by the end of the year.

Financial Planning will continue to monitor and project these and all City revenues being affected by COVID-19, providing that information where needed to inform policy decisions.

**September 2020 Financial Dashboard**  
November 4, 2020

**Revenues (through 9/30/20):**

- General Fund Revenues** are 72.7 percent of budget, which is slightly below the 75.0% budget threshold and is lower than normal, primarily due to the negative economic impact of COVID-19 on Sales Tax and Development Fees and lower than expected Utility Taxes. Typically, General Fund Revenues are 74.0-77.0 percent of budget due to the net effect of the City's conservative Sales Tax budgeting policy and the timing of Property Tax distributions by King County. Relative to the same period in 2019, General Fund Revenues are down 2.9 percent mostly due to significant declines in Sales Tax (-4.5 percent) and Development Fees (-12.5 percent).
- Sales Tax** is 81.6 percent of budget, which is significantly above the 75.0 percent budget threshold, primarily due to the net effect of the City's modified two-year sales tax lag policy and the negative economic impact of COVID-19. Relative to the same period in 2019, Sales Tax is down 4.5 percent due to the following business sectors, which comprise about 31.0 percent of total revenues: Auto/Gas Retail (down \$574,533, or 14.6 percent), Miscellaneous (down \$362,722, or 26.6 percent), Retail Eating/Drinking (down \$272,804, or 19.8 percent), and Communications (down \$225,801, or 38.5 percent). Helping offset these losses are the following business sectors, which comprise about 65 percent of total revenues: Other Retail (up \$192,144, or 8.3 percent), General Merchandise/Miscellaneous Retail (up \$127,354, or 6.3 percent), Contracting (up \$122,404, or 2.6 percent), and Services (up \$113,854, or 4.5 percent). Note that 2019 includes two large back tax payments totaling \$458,733 from the Communications and Miscellaneous business sectors. Factoring out these one-time receipts, Sales Tax is down only 2.2 percent versus 2019. As a reminder, there is a two-month lag between when Sales Tax is generated and when it is distributed to the City (i.e., September receipts are for July retail activity).
- Property Taxes** are 56.8 percent of budget, which is well below the 75.0 percent budget threshold. However, this is typical through September, with King County distributing Property Taxes to cities primarily in April-May and October-November.
- Utility Taxes** are 70.4 percent of budget, which is significantly below the 75.0 percent budget threshold. Relative to the same period in 2019, Utility Taxes are down 1.4 percent due to the net effect of a 15.1 percent increase in Gas Utility Taxes (driven by a 14.0 percent increase in residential gas rates that took effect on November 1, 2019) and a 14.6 percent decrease in Telephone Utility Taxes (reflecting an ongoing, double digit downward trend).
- Development Fees** are 71.3 percent of budget, which is modestly below the 75.0 percent budget threshold, and are down 12.5 percent relative to the same period in 2019 primarily due to the COVID-19 shutdown and the unusually high level of development activity in 2019 at the Totem Lake and Kirkland Urban sites. According to the Planning & Building Department, there is an eight-week backlog of work that staff is currently working through, and there are many permits which are ready to be issued. As a result, staff expects development fees to exceed the \$11.28 million budget by the end of the year.
- Business Fees** are 85.8 percent of budget, which is significantly above the 75.0 percent budget threshold, partially due to a temporary anomaly as the City's business license renewal timing is re-aligned by the Washington State Department of Revenue.

**Expenditures (through 9/30/20):**

- General Fund Expenditures** are 72.2 percent of budget, which is modestly below the 75.0 percent budget threshold, with position vacancy and other budget savings more than offsetting unbudgeted expenditures related to COVID-19.
- General Fund Salaries/Benefits** are 72.6 percent of budget, which is modestly below the 75.0 percent budget threshold, due to position vacancy savings. In particular, seasonal hires are down significantly in Parks & Community Services due to COVID-19 restrictions.
- Fire Suppression Overtime** is 130.0 percent of budget, which is well above the 75.0 percent budget threshold, partially due to overtime incurred from COVID-19 quarantine procedures for firefighters and the deployment of some firefighters to support wildland fire suppression. Excluding COVID-related overtime, Fire Suppression Overtime would still likely be 10-20 percent above budget and relative to the same period in 2019, it is up 6.4 percent.

City of Kirkland Financial Dashboard									
Annual Budget Status as of 9/30/2020									
Budget Threshold (% Complete) : 75.0%									
	2020 Budget	Year-to-Date Actual 2020	% Received/ % Expended	September YTD	August YTD	Year-to-Date Actual 2019	YTD Change: 19 to 20 \$	%	
<b>General Fund</b>									
Total Revenues	104,165,437	75,689,920	72.7%			77,961,471	(2,271,551)	-2.9%	
Total Expenditures	106,192,764	76,677,520	72.2%			69,998,257	6,679,263	9.5%	
<b>Key Indicators (All Funds)</b>									
<i>Revenues</i>									
Sales Tax	23,130,166	18,872,234	81.6%			19,756,808	(884,574)	-4.5%	
Property Taxes	19,995,776	11,364,173	56.8%			10,921,806	442,367	4.1%	
Utility Taxes	14,211,368	9,999,280	70.4%			10,143,748	(144,468)	-1.4%	
Development Fees	11,282,715	8,039,964	71.3%			9,187,843	(1,147,880)	-12.5%	
Business Fees	3,682,887	3,160,891	85.8%			3,048,743	112,148	3.7%	
Gas Tax	1,935,654	1,149,300	59.4%			1,348,434	(199,134)	-14.8%	
<i>Expenditures</i>									
General Fund Salaries/Benefits	74,118,430	53,817,152	72.6%			51,428,337	2,388,815	4.6% (1)	
Fire Suppression Overtime	861,545	1,120,426	130.0%			1,052,696	67,730	6.4%	
Contract Jail Costs	539,630	228,883	42.4%			230,990	(2,107)	-0.9%	
Fuel Costs	604,912	220,946	36.5%			324,868	(103,922)	-32.0%	
<b>Status Key</b>									
Revenues are higher than expected or expenditures are lower than expected						(1) Excludes Fire Suppression Overtime			
Revenues or expenditures are within expected range									
WATCH - Revenues lower/expenditures higher than expected range or outlook is cautious									

**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:** Archie Ferguson, Fleet Manager  
Ray Steiger, PE, Superintendent  
Julie Underwood, Interim Public Works Director

**Date:** November 5, 2020

**Subject:** DECLARATION OF SURPLUS VEHICLES

**RECOMMENDATION:**

It is recommended that the Council approve the declaration of surplus vehicles identified in this staff report, which will lead to their removal from the City's Equipment Rental Fund replacement schedule and to their disposal.

Approval of this item on the Consent Calendar will authorize the disposal of surplus vehicles.

**BACKGROUND DISCUSSION:**

The surplus of vehicles and equipment that have been replaced with new vehicles or equipment, or which no longer meet the needs of the City, is consistent with the City's Equipment Rental Fund replacement schedule policy. Under that policy, if a declaration of surplus is approved by City Council then vehicles and/or equipment are sold or disposed of in accordance with the *Kirkland Municipal Code*, Chapter 3.86, "Sale and Disposal of Surplus Personal Property."

Once a vehicle or equipment is scheduled for replacement through the budget process, Fleet Management staff utilizes specific criteria to evaluate the vehicle or equipment prior to making a final recommendation for disposing of it. Among the replacement criteria considered are:

- Wear and tear on the engine, drive train, and transmission;
- Condition of the structural body and major component parts;
- The vehicle's frequency and nature of past repairs;
- Changes in the vehicle's mission as identified by the Department that it serves;
- Changes in technology;
- Vehicle right-sizing;
- The impact of future alternative fuels usage; and/or
- Specific vehicle replacement funding accrued.

The decision to recommend replacement of a vehicle requires the consensus of the Fleet Management staff and the department that it serves. Vehicles should be replaced close to the point where major repairs and expenses are anticipated to occur in order to maximize their usefulness without sacrificing resale value. Consideration of the vehicle's established accounting life (replacement cycle) is a key factor in that evaluation.

The replacement cycle of a given vehicle or piece of equipment is its years of anticipated useful life for the City. The replacement cycle enables staff to calculate a schedule and a fee to charge the home department so that the Equipment Rental Fund has sufficient resources to purchase a similar replacement if and when a replacement is needed. The replacement cycle is a guideline; the actual longevity of specific vehicles and equipment often varies somewhat from the established cycle based on the criteria listed above.

An outcome of the 2020 Fleet Rate Study was that most of our replacement cycles have been increased slightly to better reflect the actual life experienced by Kirkland's fleet. The City's updated replacement cycles are as follows:

<u>Vehicle description</u>	<u>Prior replacement cycle</u>	<u>Current replacement cycle</u>
Mowers/Field rakes	4 years	6 years
Patrol police cars	4 years	5 years
Small equip/motorcycles	6 years	8 years
Vehicle/pick-ups	8 years	10 years
Large equipment	10 years	12 years
Dump trucks/vans	12 years	14 years
Trailers	15 years	17 years
Fire apparatus	18 years	18 years

Based on the considerations and criteria reviewed in this staff report, the following vehicles are recommended for surplus:

<u>Fleet #</u>	<u>Year</u>	<u>Make &amp; Model</u>	<u>License</u>	<u>Hours/ Miles</u>
P145	2015	Ford Police Interceptor AWD	58989D	81394
P146	2015	Ford Police Interceptor AWD	58988D	80020
P147	2015	Ford Police Interceptor AWD	58922D	61846
PU-66	2007	Ford F150	44188D	48373

Unit P145, Unit P146, and Unit P147 were assigned to the Police Department; these units, which is classified as a Patrol car above, have completed the assigned replacement cycle of 5 years.

Unit PU-66 was assigned to the Parks Department; the unit, which is classified as a vehicle/pick-up above, has exceeded the replacement cycle of 10 years by three years.



## 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:** November 5, 2020

**Subject:** REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF NOVEMBER 17, 2020.

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 October 22, 2020 are as follows:

	Project/Purchase	Process	Estimate/Price	Status
1.	Zone 1 Fire training equipment	Cooperative Purchase	\$75,026.43	Purchase order issued to LN Curtis and Sons of San Francisco, CA.
2.	Azure Cloud storage	Cooperative Purchase	\$107,007.70	Purchase order issued to SHI International Corporation of Somerset, NJ.
3.	NE 132 <sup>nd</sup> Square Park artwork	Request for Proposals	\$56,000.00	Contract awarded to Cobalt Designworks LLC of Vancouver, WA.
4.	Digital content management for the Municipal Court	Cooperative Purchase	\$75,045.00	Contract awarded to CDI of Hudson, WI.
5.	113 <sup>th</sup> AVE NE/124 <sup>th</sup> ST sidewalk construction support	Request for Qualifications	\$91,281.37	Contract awarded to Parametrix, Inc. of Spokane, WA based on qualifications per RCW 39.80.
6.	Temporary communications program assistance	*Direct Hire	\$80,850.00	Contract awarded to Joy Johnston of Tumwater, WA.

\*See attached direct hire memo



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

## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** James Lopez, Assistant City Manager

**Date:** October 20, 2020

**Subject:** REQUEST FOR WAIVER OF COMPETITIVE BIDDING –  
 Temporary Communications Program Assistance

### RECOMMENDATION:

Staff recommends the waiver of a competitive process to contract with Joy Johnston of Mojo Strategies for interim Temporary Communications Program Assistance until the Communications Program Manager position is filled.

### BACKGROUND DISCUSSION:

Consultant has provided communication services in the past on three previous occasions (2016, 2017, and 2018) and is familiar with the City's role in the community, it's policies and practices. The consultant also recently assisted the City's early COVID-19 community outreach efforts.

The consultant has comprehensive understanding of government communications programs, with prior experience managing and/or providing strategic guidance for the communications programs of the cities of Kenmore, Bothell, Normandy Park, Duvall and Mercer Island as well as Snohomish Health District and Peninsula Metropolitan Park District.

The communications program is essential to the functions of the City Council, the City Manager's Office, and, more importantly, during times of emergency. An interim consultant, and one with experience and familiarity with the City of Kirkland, meets the need during the recruitment process to fill the position.

Please contact James Lopez if you require additional information.

Request Approved     Request Denied

*Kurt Triplett*    10/20/2020

Kurt Triplett, City Manager



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

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

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

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**MEMORANDUM**

**To:** Kirkland City Council

**From:** Kurt Triplett, City Manager

**Date:** November 12, 2020

**Subject:** AUTHORIZING ONE-TIME ALLOCATION OF ADDITIONAL MANAGEMENT LEAVE IN 2021

**RECOMMENDATION:**

That the Council consider authorizing the City Manager to provide a one-time increase in Management Leave in 2021 to eligible employees in recognition of the additional exceptionally long hours that were worked by these employees throughout 2020. The Council should review the draft ordinance and provide direction as to whether the ordinance should be brought to the Council for adoption at the December 8th Council meeting.

**BACKGROUND DISCUSSION:**

The year 2020 has been one of unprecedented challenges for the City of Kirkland. On February 29, 2020, the City Manager issued a Proclamation of Emergency and activated Kirkland's Emergency Operations Center as Kirkland experienced the first formally reported COVID-19 death in the United States and for a brief time was the epicenter of the outbreak in the country. Within a week, nearly one third of Kirkland's firefighters and many police officers were in quarantine. Many management employees throughout the government, and particularly the command staff of the Police and Fire Departments, the City Manager's Office, and leadership in the Public Works and Parks Departments worked intensely long hours for many months to keep City employees safe and still provide critical government services to the community.

Leadership teams in the internal services departments of including the City Attorney, Finance, Human Resources, and Information Technology also experienced very high workloads as they helped transition the government to respond to the coronavirus. Details of these extraordinary efforts have been reported to the Council and the public at Council meetings throughout the year. The pandemic has not abated and cases are rising again at record levels. While the intensity required at this time has lessened, workloads have still not returned to normal.

Concurrently, at the end of May, the tragic death of George Floyd at the hands of police in Minneapolis reignited the racial justice movement throughout the nation and here in Kirkland. Kirkland experienced dozens of marches and protests throughout the summer and fall. Once again command staff in Police and Fire spent many hours protecting the safety of those exercising their rights to speech and assembly. Management employees in the City Manager's office, the City Attorney's office, Finance, and Parks and Community Services also spent many hours working with the community and developing legislative and budgetary responses to improve the safety and respect of Black people and help end structural racism in Kirkland.

Finally, the economic impacts of COVID-19 have made the 2021-2022 budget process one of the most difficult since the Great Recession in 2008. Leadership teams, and especially those in Finance and Administration, worked many extra hours to complete the preliminary budget and capital budget in time to present them to the Council in September and October.

The City of Kirkland has remained strong and resilient throughout these historic challenges. The success of the organization is a shared success that has come from all Kirkland employees who have continued to serve the public and take the actions necessary to keep colleagues safe. Unionized employees receive compensation for the additional efforts through overtime and/or comp time as determined by existing labor contracts. However, one important key to the performance of the organization has been the dedication of the Directors, Managers and Supervisors throughout the year. The demands of 2020 have placed considerable strain on these management positions and these positions are not overtime eligible.

To recognize these management impacts, the City Manager is requesting that the Council consider allowing a one-time addition to the Management Leave banks of Directors, Managers and Supervisors in 2021 in the discretion of the City Manager. Management Leave is authorized under the Kirkland Municipal Code 3.80.115. As the KMC states, Management Leave was originally created since "*The city recognizes that employees who are exempt for purposes of overtime pay often put in hours that extend beyond the standard work week, without additional compensation or compensatory time off, to meet the demands of their position.*"

The language of KMC 3.80.115 is reprinted in its entirety at the end of this memo as additional background. The amount of Management Leave provided is capped by the current code. The proposed ordinance, if approved by the Council, would authorize the City Manager to provide a one-time addition of up to 40 hours (one week) of Management Leave to eligible employees on a case-by-case basis as determined by the City Manager. Not every position was equally impacted, so management staff would receive differing amounts depending on 2020 contributions as determined by the City Manager. The additional Management Leave would be deposited in the first paycheck of 2021, allowing the employee a full year to take the Management Leave as time off during the year. The Management Leave could also be cashed out at the end of 2021 if it is not used.

The City Manager will be seeking any feedback or amendments to the ordinance at the November 17 Council meeting, as well as direction as to whether to bring the ordinance to the December 8 Council meeting for final adoption.

### **3.80.115 Management leave for eligible employees.**

(a) Purpose. The city recognizes that employees who are exempt for purposes of overtime pay often put in hours that extend beyond the standard work week, without additional compensation or compensatory time off, to meet the demands of their position. While some extra work time is an expected component of these positions, the city wishes to provide a benefit in recognition of this service. This section provides for management leave, which is a paid leave for a group of overtime-exempt employees.

(b) Management Leave Program. The management leave program is a benefit attached to specific employee positions that are part of the city's MAC group. The MAC group includes designated management and confidential employees. Management leave is made available to certain employees in the MAC group whose positions are exempt from the overtime pay requirements of the federal Fair Labor Standards Act (FLSA). "Management leave" means time off with pay granted to eligible employees and shall be in addition to earned vacation benefits. Management leave is granted in recognition of extraordinary work time required in overtime-exempt positions. Management leave is not intended to be balanced hour for hour with extra time worked.

(c) Eligibility to Receive Management Leave. For purposes of this section, "eligible employee" means an employee who:

- (1) Is part of the city's MAC group;
- (2) Is overtime exempt under FLSA as a regular, salaried professional, administrative or executive employee;
- (3) Does not receive overtime pay or compensatory time off and is not covered by an agreement for the city to pay overtime or provide compensatory time off; and
- (4) Is in a position covered by the management leave program.

(d) Management Leave Schedule. The human resources division shall maintain a list of positions that are eligible for management leave and showing the amount of leave granted. Eligible employees shall be granted management leave according to the following schedule:

- (1) Fifty hours annually—Executive management group (consisting of the city manager, assistant city manager, and department directors);
- (2) Forty hours annually—Managers (consisting of positions designated as managers in the MAC group); and
- (3) Thirty hours annually—Supervisors (consisting of positions designated as overtime-exempt supervisors in the MAC group).

(e) Management leave shall be prorated for eligible employees who work part-time and for eligible employees who start midyear.

(f) Procedure for Use. The applicable amount of management leave shall be granted annually at the start of each calendar year. Eligible employees must notify supervisors in advance of the time management leave is to be used and are expected to schedule such absence in a manner which will cause the least impact upon work within their department.

(g) Payment for Unused Management Leave. Management leave must be used in the year for which it is given. Any employee with management leave hours remaining unused as of November 30th, and who has not by that date received supervisory approval to use such remaining leave during the month of December, shall receive monetary payment in lieu thereof. Such payment will be calculated on the basis of the employee's regular rate of pay as of November 30th. The city will make such payment by the end of December of that year.

(h) Payments under this section shall not be included in any calculation of the employee's average final compensation used to determine the employee's pension benefit amount or eligibility.

(i) Upon termination or resignation, an employee shall receive monetary payment in lieu of unused management leave hours. (Ord. 3905 § 15, 2003; Ord. 3735 § 2, 2000)

## ORDINANCE O-4744

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PERSONNEL, MANAGEMENT LEAVE FOR ELIGIBLE EMPLOYEES AND CITY MANAGER DISCRETIONARY AUTHORITY TO AUTHORIZE ADDITIONAL MANAGEMENT LEAVE FOR ELIGIBLE EMPLOYEES SERVING IN OVERTIME-EXEMPT POSITIONS IDENTIFIED BY THE CITY MANAGER IN THE CITY MANAGER'S DISCRETION FOR USE IN 2021 ONLY DUE TO EXTRAORDINARY ADDITIONAL WORK TIME REQUIRED IN 2020 RESULTING FROM COVID-19, SOCIAL UNREST, ECONOMIC DISRUPTIONS AND BUDGET CHALLENGES.

1           WHEREAS, 2020 presented unprecedented challenges and  
2           disruptions in Kirkland; and  
3

4           WHEREAS, in Kirkland those challenges included the  
5           ongoing COVID-19 pandemic (including the first reported cases in  
6           the United States), significant social unrest and demands for racial  
7           justice and equality, severe and continuing impacts to the local  
8           economy and its businesses, renters and taxpayers, as well as  
9           unique challenges to biennial budgeting process for the City of  
10          Kirkland ("City"); and  
11

12          WHEREAS, the City's diligent and in some instances  
13          ground-breaking responses to these unprecedented challenges  
14          created additional and extraordinary work time and hours for  
15          many of the City's executive management group, managers and  
16          supervisors serving in overtime exempt positions ("eligible  
17          employees"); and  
18

19          WHEREAS, the City Council has previously adopted a  
20          management leave program for its eligible employees, which  
21          program is codified at Kirkland Municipal Code ("KMC") 3.80.115;  
22          and  
23

24          WHEREAS, the City's management leave program  
25          recognizes that employees who are exempt for purposes of  
26          overtime pay often put in hours that extend beyond the standard  
27          work week, without additional compensation or compensatory  
28          time off, to meet the demands of their position; and  
29

30          WHEREAS, the City Manager has concluded that the  
31          regular management leave benefits should be extended for some  
32          eligible employees in the discretion of the City Manager on a one-  
33          time and limited basis for use in 2021 in recognition of the  
34          additional extraordinary work they performed in response to the  
35          unprecedented challenges of 2020; and  
36

37          WHEREAS, such additional management leave for eligible  
38          employees identified by the City Manager would be capped at no  
39          more than 40 hours for each identified eligible employee and  
40          granted at the start of 2021 and generally required to be used or

41 cashed by the end of 2021 in accordance with the general  
42 provisions of KMC 3.80.115; and

43  
44 WHEREAS, in recognition of the additional extraordinary  
45 work performed by many eligible employees in responding to the  
46 unprecedented challenges of 2021 the City Council wishes to grant  
47 the City Manager such one-time authority notwithstanding any  
48 provisions seemingly to the contrary contained in KMC 3.80.115  
49 or otherwise.

50  
51 NOW, THEREFORE, the City Council of the City of Kirkland  
52 do ordain as follows:

53  
54 Section 1. Notwithstanding anything seemingly to the  
55 contrary in Kirkland Municipal Code ("KMC") 3.80.115 or  
56 otherwise, and in recognition of the unprecedented challenges  
57 faced by the City of Kirkland in 2020, which resulted in the need  
58 for extraordinary additional work by many eligible employees  
59 serving in overtime-exempt positions, specifically including  
60 individual members of the City's executive management group,  
61 managers and supervisors, the City Manager is hereby authorized,  
62 in his discretion, to grant up to 40 additional hours of  
63 management leave to each eligible employees identified by the  
64 City Manager on a one-time basis for use in 2021, which amounts,  
65 if granted, will be provided at the start of 2021 for use or payment  
66 in 2021 in accordance with the general provisions of KMC  
67 3.80.115.

68  
69 Section 2. This ordinance will not be codified and shall be  
70 in force and effect five days from and after its passage by the  
71 Kirkland City Council and publication, as required by law.

72  
73 Passed by majority vote of the Kirkland City Council in open  
74 meeting this \_\_\_\_\_ day of \_\_\_\_\_, 20.

75  
76 Signed in authentication thereof this \_\_\_\_\_ day of  
77 \_\_\_\_\_, 20.

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

Attest:

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

Approved as to Form:

\_\_\_\_\_  
Kevin Raymond, City Attorney



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance and Administration  
Sri Krishnan, Deputy Director of Finance and Administration  
Robby Perkins-High, Senior Financial Analyst

**Date:** November 5, 2020

**Subject:** 2021-2022 BUDGET REVIEW AND DISCUSSION

### RECOMMENDATION:

City Council discuss and finalize decisions for the 2021-2022 Budget. Adoption of the budget will occur at the December 8 Council meeting.

### BACKGROUND DISCUSSION:

This discussion of the 2021-2022 Budget is a continuation of the discussion at the [Council Study Session](#).

Prior Council discussions on the 2021-2022 Budget were held on the [October 27<sup>th</sup> Special Council meeting](#) and [November 4<sup>th</sup> Council Study Session](#).

The final adoption of the 2021-2022 Budget is scheduled for December 8, 2020. Council feedback on proposed changes will be incorporated and brought back at that time.

The 2021-2022 City Work Program will continue to be developed and refined in the upcoming months. A resolution adopting the City Work Program will come before the Council in January. Final adoption of the City Work Program will occur in either January or February of 2021.



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

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance and Administration  
Sri Krishnan, Deputy Director of Finance and Administration  
Robby Perkins-High, Senior Financial Analyst

**Date:** November 12, 2020

**Subject:** 2021-2026 CAPITAL IMPROVEMENT PROGRAM (CIP) – FINALIZE REVIEW AND DISCUSSION

RECOMMENDATION:

City Council conclude discussion and decisions on the 2021-2026 CIP in preparation for adoption at the December 8, 2020 meeting.

BACKGROUND DISCUSSION:

This discussion of the 2021-2026 Capital Improvement Program is a continuation of the discussion at the [Council Study Session](#).

Prior Council discussions on the 2021-2026 CIP were held on the [June 16, 2020 Council Meeting](#) and on [September 1, 2020](#).

The final adoption of the 2021-2026 CIP is scheduled for December 8, 2020. Council feedback on proposed changes will be incorporated and brought back at that time.



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

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Julie Underwood, Director of Public Works  
Joel Pfundt, Transportation Manager

**Date:** October 30, 2020

**Subject:** I-405/NE 132<sup>nd</sup> STREET INTERCHANGE AGREEMENTS

**RECOMMENDATION:**

Staff recommends that the City Council approve a resolution authorizing the City Manager to enter into the following two agreements between the City and the Washington State Department of Transportation (WSDOT) in order to complete design and construct the I-405/NE 132<sup>nd</sup> Street Interchange:

- GCB 3249 Design-Build Cooperative Agreement for Design and Construction of the I-405/NE 132<sup>nd</sup> Street Interchange
- GCB 2350 Design-Build Cooperative Agreement for the City of Kirkland Project Coordinator for the I-405/NE 132<sup>nd</sup> Street Interchange Project

**BACKGROUND DISCUSSION:**

The I-405/NE 132<sup>nd</sup> Street Interchange project was identified in the [I-405 Corridor Program Environmental Impact Statement](#) as a part of the corridor program's Preferred Alternative. The Final Environmental Impact Statement for the corridor, which was completed by WSDOT in 2002, became the basis for the [I-405 Master Plan](#). The I-405 Master Plan represents a long-term, coordinated list of multimodal projects that are being implemented in the corridor by the WSDOT I-405 Corridor Program in order to move more people safely and efficiently in our growing region and State.

The I-405/NE 132<sup>nd</sup> Street Interchange project was funded in 2015 by the Washington State Legislature as part of the "Connecting Washington" funding package. The project builds a new half-diamond interchange on I-405 to and from the north at NE 132<sup>nd</sup> Street, and includes environmental enhancements to Juanita Creek. The Connecting Washington funding package estimated the project cost at \$75 million. WSDOT's stated project goals are to: 1) improve access to the Totem Lake regional growth center, and 2) reduce reliance on the heavily congested NE 124<sup>th</sup> Street and NE 160<sup>th</sup> Street interchanges.

Beginning in 2017 and continuing through 2020, the WSDOT I-405 Corridor Program has been involved in alternatives analyses and preliminary engineering, community outreach, environmental documentation and permitting, right-of-way acquisition, and design-build contract development. WSDOT has worked with the City throughout those processes to address community concerns and prepare for the next steps in the project. As part of those processes, to date WSDOT and City staff have provided updates and obtained comments from the City Council at its following Council meetings:

- January 16, 2018: Special Presentation
- March 20, 2018: Study Session
- June 20, 2020: Study Session

Additionally, the City's Transportation Commission was involved and provided valuable guidance early in the project during the critical conceptual design phase. WSDOT and City staff made presentations to the Commission on the following dates:

- February 28, 2018
- May 23, 2018

An important step that the City and WSDOT have been working on together during the past year is to develop two formal agreements that will help facilitate project delivery as WSDOT enters into the design-build contract procurement phase, and then the actual design and construction of the project. The two agreements contain the key elements summarized below.

- **GCB 3249 Design-Build Cooperative Agreement for Design and Construction of the I-405/NE 132nd Street Interchange (see Exhibit A to proposed resolution):**
  - Roles for WSDOT staff, City staff, and WSDOT's design-builder staff;
  - An expedited City review and comment process specifically set up for this project;
  - Project elements will be designed to WSDOT standards, unless they are within City right-of-way or will be turned back to the City at the end of the project. Those project elements will be designed to City standards;
  - Aesthetic treatments will conform with the I-405 Urban Design Criteria;
  - The design-builder will construct two additional 4-inch fiber conduits for the City within the project limits at a fixed cost of \$47,069, which will provide a valuable communication network connection across I-405;
  - The design builder shall analyze all stormwater facilities: WSDOT will be responsible for runoff from project highway facilities, and the City will be responsible for runoff from local streets;
  - WSDOT and the design-builder will coordinate with the City on traffic operations and get approval from the City for traffic control and detour plans on City streets;
  - WSDOT will apply for necessary permits and provide necessary documentation where permits do not apply; and
  - WSDOT and City maintenance responsibilities following completion of the project
- **GCB 2350 Design-Build Cooperative Agreement for the City of Kirkland Project Coordinator for the I-405/NE 132nd Street Interchange Project (see Exhibit B to proposed resolution):**
  - Designated representatives for both the City and WSDOT;

- City's responsibilities related to the City Project Coordinator, and WSDOT's I-405 Project Engineer responsibilities;
- Scope of work for the City Project Coordinator; and
- WSDOT agrees to reimburse the City for performance of work by the City's Project Coordinator related to the project, up to a maximum amount payable of \$202,125 (in the event this amount is exceeded, the agreement can be amended to increase the maximum amount payable)

### **NEXT STEPS:**

Staff recommends approving the proposed resolution that accompanies this staff report.

Budget adjustments related to the actions included in this memo will be reflected in project TRC 0980. This project is included in the 2021-2026 Capital Improvement Program memo also being presented to Council on November 17, 2020.

The City is evaluating whether there is sufficient capacity for a Project Engineer in the Public Works Capital Improvement Program (CIP) Division to serve in the Project Coordinator role. If the work cannot be accommodated by the current staff, the agreement allows the City the option to hire a new Project Coordinator or to engage consulting services to provide the project coordination. The Project Coordinator will have a role in assisting WSDOT with the design-build contractor procurement process and then work will begin ramping up once the design-builder is given notice to proceed. The schedule for the design-builder procurement process is outlined in Table 1, below. The complete project is scheduled to be open to traffic in 2023.

**Table 1 - Design-Build Contractor Procurement Schedule**

<b>Action</b>	<b>Dates</b>
<b>Step 1 – Statement of Qualifications (SOQ) Phase</b>	
Request for Qualifications Issue Date	September 15, 2020
Statement of Qualifications Due Date	November 4, 2020
Notify Short Listed Submitters	December 29, 2020
<b>Step 2 – Proposal Phase</b>	
Issue Request for Proposals	January 29, 2021
Proposals Due	May 3, 2021
Announce Apparent Best Value Proposer	June 9, 2021
Estimated Notice to Proceed	July 12, 2021

### Resolution

Exhibit A to Resolution: GCB 3249 Design-Build Cooperative Agreement for Design and Construction of the I-405/NE 132nd Street Interchange

Exhibit B to Resolution: GCB 2350 Design-Build Cooperative Agreement for the City of Kirkland Project Coordinator for the I-405, NE 132nd Street Interchange Project

RESOLUTION R-5456

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE TWO COOPERATIVE AGREEMENTS WITH THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION FOR THE DESIGN-BUILD CONSTRUCTION AND PROJECT COORDINATION OF THE I-405/NE 132<sup>ND</sup> STREET INTERCHANGE PROJECT.

1 WHEREAS, Interstate-405 (I-405) is a major transportation  
2 corridor that extends through the center of the city of Kirkland  
3 and that, among its other transportation and economic benefits,  
4 facilitates access to numerous commercial and residential districts  
5 within Kirkland; and  
6

7 WHEREAS, recognizing the increased demand and  
8 congestion that is occurring in the I-405 corridor, the Washington  
9 State Department of Transportation (WSDOT) undertook an  
10 extensive three-year study, including stakeholder participation, to  
11 develop an environmental impact statement in 2002 that became  
12 the basis of the *I-405 Master Plan*; and  
13

14 WHEREAS, also aware that the I-405 interchanges in  
15 Kirkland were becoming increasingly congested, the City Council  
16 and City staff advocated with the State Legislature for many years  
17 to fund the I-405/NE 132<sup>nd</sup> interchange so as to relieve pressure  
18 on other Kirkland interchanges and to improve access to the  
19 Totem Lake Business District and surrounding neighborhoods;  
20 and  
21

22 WHEREAS, the improvements to the I-405/NE 132<sup>nd</sup>  
23 interchange ("project") have now been funded by the State of  
24 Washington; and  
25

26 WHEREAS, the project, in addition to its benefits to the I-  
27 405 system, also will make improvements in Kirkland and within  
28 City right-of-way that ultimately will become the responsibility of  
29 the City; and  
30

31 WHEREAS, the City has a strong interest to ensure that the  
32 project together with its improvements meet both WSDOT and  
33 City goals and are consistent with the City's policy and design  
34 goals; and  
35

36 WHEREAS, WSDOT desires to be a cooperative partner  
37 with local governments and has developed a means by which a  
38 local government can have an active and meaningful role in the  
39 design of projects; and  
40

41 WHEREAS, because such coordination can create a heavy  
42 demand on the staff of a local government, WSDOT also has  
43 developed a means for funding a dedicated local government

44 project coordinator to work on such project coordination on behalf  
45 of the local government; and

46  
47 WHEREAS, the City wishes to partner with WSDOT during  
48 the development of the design-build and construction  
49 requirements of the project and have the services of a dedicated  
50 project coordinator funded by WSDOT and working as an  
51 advocate on behalf of the City; and

52  
53 WHEREAS, the means for doing so is for the City to enter  
54 into two agreements with WSDOT, one to participate in the design  
55 of the project ("Design-Build Cooperative Agreement") and the  
56 other to designate a project coordinator funded by WSDOT but  
57 working on behalf of the City ("Design-Build Project Coordinator  
58 Agreement"); and

59  
60 WHEREAS, the parties hereto now wish to enter into both  
61 such agreements.

62  
63 NOW, THEREFORE, be it resolved by the City Council of the  
64 City of Kirkland as follows:

65  
66 Section 1. The City Manager is hereby authorized and  
67 directed to execute on behalf of the City of Kirkland the Design-  
68 Build Cooperative Agreement related to the I-405/NE 132<sup>nd</sup> Street  
69 Interchange Project with WSDOT in a form substantially similar to  
70 that attached to this Resolution as Exhibit A.

71  
72 Section 2. The City Manager is hereby authorized and  
73 directed to execute on behalf of the City of Kirkland the Design-  
74 Build Project Coordinator Agreement related to the I-405/NE 132<sup>nd</sup>  
75 Street Interchange Project with WSDOT in a form substantially  
76 similar to that attached to this Resolution as Exhibit B.

77  
78 Passed by majority vote of the Kirkland City Council in open  
79 meeting this \_\_\_\_ day of \_\_\_\_ 2020.

80  
81 Signed in authentication thereof this \_\_\_\_ day of \_\_\_\_  
82 2020.

83  
84  
85  
86  
87  
88 \_\_\_\_\_  
89 Penny Sweet, Mayor

90 Attest:

91  
92  
93  
94 \_\_\_\_\_  
95 Kathi Anderson, City Clerk

**GCB 3249****DESIGN-BUILD COOPERATIVE AGREEMENT  
For DESIGN and CONSTRUCTION of the  
I-405/NE 132nd Street Interchange**

**THIS Agreement** (AGREEMENT) is made and entered into by the City of Kirkland (CITY) and the Washington State Department of Transportation (WSDOT), collectively referred to as the “PARTIES” and individually referred to as the “PARTY.”

**Recitals**

- A. WSDOT, in the interest of providing improved access in the I-405 Corridor, proposes improvements along I-405 within Kirkland in a project known as the I-405/NE 132nd Street Interchange Project (PROJECT) and identified in Exhibits A and B hereto.
- B. The proposed PROJECT will require WSDOT to perform certain work on CITY facilities.
- C. WSDOT will construct the PROJECT using the design-build method of project delivery.
- D. The design-build method of project delivery is flexible and allows for the development and finalization of the design after the contract is awarded, unlike the typical design-bid-build method of project delivery.
- E. The PARTIES have worked together on the preparation of the technical requirements in the PROJECT Request for Proposal (RFP) for the design-build contract.
- F. The design of project elements in the design-build method of project delivery moves faster than in the typical design-bid-build method of project delivery, necessitating expedited CITY review of the PROJECT design elements.
- G. The PARTIES recognize the importance of timeliness in reviews, avoidance of delays, and minimizing costs for the PROJECT, as well as the mutual benefits provided in shortening plan and proposal review times.
- H. The PARTIES understand that the PROJECT design will be finalized after the design-build contract is awarded.
- I. The PARTIES desire this AGREEMENT to define their roles and responsibilities related to design and construction of the PROJECT.
- J. The PARTIES recognize that future supplements or amendments to this AGREEMENT, or other new agreements, may be necessary to record final design decisions and define cost estimates related to the design, construction, maintenance and operation of the PROJECT.

**NOW, THEREFORE**, by virtue of Revised Code of Washington (RCW) 47.28.140 and in consideration of the terms, conditions, covenants, and performances contained herein, or attached and incorporated and made a part hereof,

**IT IS MUTUALLY AGREED AS FOLLOWS:**

**1.0 GENERAL**

- 1.1 WSDOT will construct the PROJECT improvements along the I-405 Corridor, the conceptual design and construction improvements of which are described in Exhibit A, General Project Description, and shown in Exhibit B, Project Overview, attached hereto and by this reference made parts of this AGREEMENT.
- 1.2 The PARTIES have had ongoing discussions that have resulted in design decisions for elements the PARTIES agree to incorporate into the PROJECT. Those elements are incorporated into this AGREEMENT, its supplements, and/or amendments, or will be incorporated into separate contracts or other related agreements for this PROJECT.

**2.0 ROLES**

- 2.1 The PARTIES acknowledge that WSDOT will enter into future contractual agreement(s) with a design-build contractor (DESIGN-BUILDER) for final design and construction of the PROJECT.
- 2.2 A partnering session will be held including WSDOT staff, CITY staff, and WSDOT's DESIGN-BUILDER staff to review coordination processes and to determine the frequency of continuing coordination meetings.
- 2.3 The PARTIES agree to fund, and be fully responsible for, their own respective costs associated with staff time necessary to fulfill their roles and responsibilities as identified in this AGREEMENT, except in the following case:
  - 2.3.1 WSDOT agrees to fund CITY project coordination activities, from award of the PROJECT design-build contract until completion of the PROJECT, through a CITY Project Coordinator. Such scope of work and funding details will be by separate agreement; included in Exhibit I, GCB 3250, attached hereto and by this reference made part of this AGREEMENT.
  - 2.3.2 The CITY Project Coordinator will serve as the CITY's PROJECT liaison, responsible for helping to expedite CITY review of PROJECT submittals, beginning with the PROJECT's Notice to Proceed to WSDOT's DESIGN-BUILDER.
- 2.4 WSDOT shall track all CITY communication requests related to the PROJECT.
- 2.5 The CITY Project Coordinator will be responsible for facilitating all CITY PROJECT-related communication between WSDOT and CITY staff as well as expediting CITY

review of all PROJECT-related submittals. This coordination of efforts with WSDOT will take place via WSDOT's I-405 Project Engineer.

- 2.6 WSDOT's I-405 Project Engineer, or designee, will be responsible for facilitating all WSDOT PROJECT-related communication between the CITY Project Coordinator and WSDOT staff as well as for providing PROJECT-related submittals to the CITY Project Coordinator. This coordination of efforts with the CITY will take place via the CITY Project Coordinator.
- 2.7 WSDOT agrees to provide quarterly presentations or written updates to the CITY when requested to do so by the CITY.
- 2.8 WSDOT and WSDOT's DESIGN-BUILDER will develop a PROJECT Communication Plan, as documented in the PROJECT's RFP and addenda, so that general PROJECT information is made available to the public. In addition, the CITY, WSDOT and WSDOT's DESIGN-BUILDER will continue coordinating outreach to the Kirkland business and residential community.

### **3.0 CITY REVIEW AND COMMENT ON PROJECT ELEMENTS**

- 3.1 WSDOT will provide the CITY with one (1) electronic copy of documents as required for review and comment by the CITY on PROJECT elements.
  - 3.1.1 PROJECT elements include, but are not limited to, design of CITY streets and other associated CITY roadway elements, streetlights along CITY roadways, CITY utilities, CITY stormwater facilities, landscaping, noise variance requests within the CITY limits, and right of way use permits within the limits of Kirkland.
  - 3.1.2 The CITY's review of these elements will be limited to conformance with mandatory manuals and publications and applicable CITY design standards, standard plans, pre-approved plans, codes, and policies, as documented in the PROJECT's RFP and addenda, and described in Section 4.0 of this AGREEMENT. The mandatory manuals and publications documented in the PROJECT's RFP and addenda, shall take precedence for design standards, standard plans, codes, and policies.
- 3.2 WSDOT will review all submittals from its DESIGN-BUILDER for completeness and compliance with contract requirements prior to forwarding them to the CITY's Project Coordinator for review. The electronic copy of the documents will fulfill the Quality Assurance and Quality Control requirements identified in the PROJECT RFP and addenda prior to submittal to the CITY.
- 3.3 WSDOT will work with its DESIGN-BUILDER to give the CITY as much advance notice of upcoming submittals as possible.
- 3.4 The PARTIES recognize the importance of timeliness in reviews, avoidance of delays, and minimizing costs for the PROJECT, as well as the mutual benefit provided in shortening plan and proposal review times. To that end, the CITY and WSDOT commit



to concurrent review of submittals. The CITY commits to reviewing and returning submittals to WSDOT within a maximum of ten (10) calendar days from receipt. The submittal review and permit process are shown in Exhibit C, Review and Permit Process, attached hereto and by this reference made part of this AGREEMENT.

- 3.4.1 In the case of infrequent circumstances, such as but not limited to, CITY emergencies and extreme and unusual weather conditions affecting the CITY's ability to perform normal functions, or receipt of PROJECT submittals of unusual volume, complexity, or unexpected or controversial content, the PARTIES recognize the CITY may have to review and return submittals outside of the allotted review period.
- 3.4.2 The PARTIES agree that additional review days may be allowed by WSDOT if there is no created delay or cost increase for the PROJECT. In these cases, the CITY will be responsible for requesting additional review time from WSDOT and articulating the cause for delay and specific additional calendar days needed for the review.
  - 3.4.2.1 WSDOT will review the extended period request for consequences to the design-build contract requirements, schedule, and cost.
  - 3.4.2.2 WSDOT will approve extensions if there is no delay, cost or risk created to the design-build contract, or if WSDOT deems it in the best interest of the PROJECT.
  - 3.4.2.3 If the CITY does not review submittals within the agreed upon review time, WSDOT may assume the CITY had no comments and will continue as if the CITY had commented.

#### **4.0 DESIGN OF ELEMENTS WITHIN CITY JURISDICTION**

- 4.1 All plans for the PROJECT will follow WSDOT's Plans Preparation Manual as documented in the PROJECT RFP and addenda. All facilities will use WSDOT design standards; provided however that plans which include work within CITY right of way or in areas to be turned back to the CITY will be subject to the CITY's zoning and municipal codes and any other applicable plans, policies and procedures, as documented in the PROJECT RFP and addenda.
- 4.2 PROJECT commitments are outlined in Exhibit D, Project Commitments, attached hereto and by this reference made part of this AGREEMENT.
- 4.3 The PARTIES agree that the aesthetic treatments of the I-405 Master Plan compatible elements will conform to the guidelines described in the Interstate-405 Urban Design Criteria (UDC) for the PROJECT, incorporated into this AGREEMENT by this reference. Details of aesthetic elements agreed to by the PARTIES for the PROJECT are identified in Exhibit D, Project Commitments.
- 4.4 If WSDOT or WSDOT's DESIGN-BUILDER proposes a change to an existing CITY facility, other than as provided in the PROJECT RFP and addenda, such as to a CITY

street, sidewalk, bike lane, streetlight, landscaping, or traffic signal, WSDOT agrees to present the change to the CITY for review and comment. The final determination as to the resolution of any such requested changes shall be made by the CITY in its reasonable and good faith discretion. As part of any such change, the PARTIES agree to exercise their best good faith efforts to reach an agreement on the appropriate allocation of costs related to any such change.

- 4.5 If the CITY proposes a change to an existing CITY facility within the PROJECT limits, other than as provided in the PROJECT RFP and addenda, the CITY shall request a meeting through WSDOT's I-405 Project Engineer.
  - 4.5.1 The PARTIES agree to meet in a cooperative spirit to review and discuss the CITY proposed change.
  - 4.5.2 If WSDOT determines the proposed change to be feasible and appropriate, the PARTIES shall exercise their best good faith efforts to negotiate the responsibilities for payment of costs associated with the requested change based on the benefits of the proposed change to each PARTY.
  - 4.5.3 If the PARTIES can mutually agree on payment responsibilities, WSDOT will implement the change.
  - 4.5.4 The consideration of potential schedule delays, which may result in additional cost, shall be of paramount importance to both PARTIES, with reducing cost as the primary goal and acknowledged mutual benefit. This consideration shall guide the conduct of the PARTIES with respect to any and all proposed changes, whether requested by WSDOT or the CITY.
- 4.6 WSDOT will provide the CITY with plans for review of any proposed changes to the CITY facilities identified in Sections 4.4 and 4.5 for review. These reviews will be conducted in accordance with Section 3.0 of this AGREEMENT.
- 4.7 WSDOT and the CITY recognize the CITY's desire to include a Community Enhancement feature into this PROJECT as part of the construction effort. Since scope, schedule, and budgeting discussions are ongoing within the CITY, the PARTIES acknowledge this desire and reserve the right to amend this AGREEMENT in the future to accommodate this additional Community Enhancement work, should the PARTIES reach agreement on the scope, budget and terms for performance of this work. Amended sections may include, but are not limited to, Sections 3.0, 9.0, 12.0 and 13.0. WSDOT and the CITY acknowledge that any costs, design work, and maintenance responsibility for this Community Enhancement feature will be borne by the CITY and the Community Enhancement feature shall be compatible with Section 4.3.

## **5.0 CITY OWNED UTILITIES**

- 5.1 The DESIGN-BUILDER will design and construct 2 additional 4 inch fiber conduits for the CITY along NE 132<sup>nd</sup> Street within the PROJECT limits, connected to existing CITY

communication system conduit with new small cable vaults, as shown in Exhibit G, Fiber Conduit Conceptual Plans and Specifications, attached hereto and by this reference made part of this AGREEMENT and as outlined in the PROJECT RFP.

- 5.2 The CITY will reimburse WSDOT for the lump sum amount of Forty-Seven Thousand Sixty-Nine Dollars (\$47,069) for direct and indirect costs of the design and construction of the CITY fiber conduit as identified in Exhibit H, Fiber Conduit Cost Estimate, attached hereto and by this reference made part of this AGREEMENT and in Section 13.0. WSDOT will be responsible for all such costs associated with its WSDOT fiber conduit.
- 5.3 WSDOT and the CITY will perform inspection and acceptance of the fiber conduit work, as described in Section 9.0 of this AGREEMENT.

## **6.0 STORM DRAINAGE**

- 6.1 WSDOT, working with its DESIGN-BUILDER, shall develop a Technical Information Report and Hydraulic Report that will include hydrologic/hydraulic analysis of all Stormwater Facilities, including water quality/detention facilities and conveyance systems, which convey runoff through the PROJECT site and discharge to downstream systems, streams, wetlands, and rivers.
- 6.2 WSDOT's DESIGN-BUILDER will evaluate facilities that convey offsite areas through WSDOT right of way. This evaluation will extend to a point one-quarter (1/4) of a mile downstream of the site, and upstream to a point where any backwater conditions cease. Potential impacts to be assessed include the following items at a minimum: changes in peak flow, changes in flood duration, bank erosion, and channel erosion changes from the PROJECT site. This evaluation will be documented in the Hydraulic Report discussed in Section 6.1.
- 6.3 WSDOT shall be responsible for maintenance of all Stormwater Facilities addressing the PROJECT highway facility runoff including mainline and ramp roadways within the limited access right of way.
- 6.4 The CITY shall be responsible for maintenance of all Stormwater Facilities addressing runoff from local street runoff within the limited access right of way as described in Chapter 47.24 RCW and will conform to the "CITY STREETS AS PART OF STATE HIGHWAYS" guidelines document, dated April 30, 1997, and as amended April 2, 2013. PROJECT maintenance items which may not be addressed in Chapter 47.24 RCW will be addressed in Section 12.0 of this AGREEMENT.
- 6.5 Stormwater Facility structures and the limits of each PARTY's maintenance responsibility for those structures shall be provided to the CITY to reflect any final design changes made by the DESIGN-BUILDER. WSDOT and the CITY will perform inspection and acceptance of the Stormwater Facilities, as described in Section 9.0 of this AGREEMENT.

6.6 The PARTIES maintenance responsibilities in Sections 6.3 and 6.4 shall continue and remain in effect after the termination of this AGREEMENT.

## **7.0 TRAFFIC OPERATIONS**

7.1 WSDOT and WSDOT's DESIGN-BUILDER will coordinate with the CITY to manage traffic flow during construction.

## **8.0 TRAFFIC CONTROL AND DETOUR PLAN APPROVAL PROCESS ON CITY STREETS**

8.1 WSDOT, working with its DESIGN-BUILDER, shall submit proposed road closures, detours, and traffic control plans involving CITY streets to the CITY for approval, as stated in the Maintenance of Traffic (MOT) Section 2.22 of the PROJECT's RFP, for which approval shall not be unreasonably withheld. The CITY shall review each submittal in accordance with the timelines set forth in Section 3.0 of this AGREEMENT, indicating either "approved," "approved with comments," or "not approved, contractor to revise and resubmit."

8.2 WSDOT, working cooperatively with the CITY, will develop time and date restrictions on detours, road closures, and sidewalk closures for inclusion in the PROJECT's RFP.

## **9.0 WORK WITHIN CITY RIGHT OF WAY OR PROJECT ELEMENTS TO BE MAINTAINED BY THE CITY**

9.1 WSDOT, working with its DESIGN-BUILDER, will notify the CITY at least fourteen (14) calendar days in advance of any work within the CITY right of way or on PROJECT elements to be maintained by the CITY at the completion of the PROJECT, as shown in Exhibit E, Right of Way Plans or Exhibit F, Project Maintenance Responsibilities, attached hereto and by this reference made part of this AGREEMENT. WSDOT will be responsible for the acquisition and all associated right of way for the PROJECT.

9.2 The CITY may provide an inspector, at the CITY's expense as funded through the CITY permit fees, to ensure compliance with CITY requirements for CITY owned elements of the PROJECT located within CITY owned right of way or PROJECT elements to be maintained by the CITY at the completion of the PROJECT.

9.2.1 The CITY Inspector shall notify WSDOT in writing of any work that does not conform with the PROJECT construction contract as soon as the non-conforming issue is known. The non-conforming issues shall be resolved by WSDOT, through its DESIGN-BUILDER, and in a manner it determines is in accordance with the PROJECT RFP and addenda and subject to the approval of the CITY, for which approval shall in no event be unreasonably withheld.

9.2.2 The CITY Inspector and/or the CITY Project Coordinator shall communicate, with WSDOT's DESIGN-BUILDER through WSDOT's I-405 Project Engineer and will follow WSDOT DESIGN-BUILDER's protocols when visiting the PROJECT site.

- 9.3 The CITY will take over ownership of the CITY PROJECT elements and be responsible for operations and maintenance costs as described herein, once the DESIGN-BUILDER work has been accepted by WSDOT and the CITY.
- 9.3.1 WSDOT will provide written notification of completion of work to the CITY. The CITY will provide their acceptance in writing within the timeframes and terms described in Section 3.0, for which acceptance shall not be unreasonably withheld. Satisfactory closure of all non-conforming issues and completion of the CITY requested punch list items shall provide reasonable basis for CITY approval and acceptance.
- 9.3.2 The CITY shall apply for a permit, franchise or an amendment to its current franchise for those new or modified CITY utility facilities that will be located within WSDOT's right of way. After receiving the application, WSDOT will issue the CITY a new or amended franchise.
- 9.3.3 Upon completion and acceptance of the work, the CITY shall be solely responsible for all future ownership, operation and maintenance costs of its facilities. WSDOT will be released from all future claims and demands, without WSDOT liability or expense, subject only to the provisions of Section 15.0, INDEMNIFICATION AND HOLD HARMLESS.
- 9.4 Puget Sound Energy shall be granted an easement on parcel 1-24608 in accordance with the terms of acquisition of this parcel. The parcel is identified in Exhibit E, Right of Way Plans, and shall be turned back to the CITY at the completion of the PROJECT. The exact location of this easement shall be determined during design for consistency with the PROJECT and subject to CITY review prior to approval.

## **10.0 PERMITS**

- 10.1 WSDOT, and/or its DESIGN-BUILDER, shall apply for and obtain all necessary permits for work within the CITY's jurisdiction, including, but not limited to, the following.
- 10.1.1 Exceptions to the hours for development activity (per Kirkland Zoning Code).
- 10.1.2 Noise Exemption approvals (per Kirkland Zoning Code).
- 10.1.3 Right of way use permits, which includes all road construction work within the CITY's right of way, including but not limited to, review of proposed road closures, haul routes, and design and construction of local road sidewalks, curbs, driveway curb cuts, pavement sections, utilities, and easements.
- 10.2 WSDOT will provide the CITY with documentation demonstrating substantive compliance with the requirements of the CITY's critical areas regulations in lieu of applying for critical area permits for all work within the limited access right of way and temporary construction easements.

- 10.3 WSDOT and/or its DESIGN-BUILDER will confirm with the CITY's Project Coordinator that all applications for permits necessary for the PROJECT are complete and all issues related to the permit have been resolved prior to permit submittal.
- 10.4 The CITY's Project Coordinator will work with WSDOT and/or its DESIGN-BUILDER to process all applications for permits necessary for PROJECT work within the CITY's jurisdiction.
- 10.5 The CITY shall review each permit submittal by WSDOT or WSDOT's DESIGN-BUILDER and return it to WSDOT, within fourteen (14) calendar days, as shown in Exhibit C, Permit and Review Process.

## **11.0 MITIGATION SITES**

- 11.1 The PARTIES have worked closely to locate advanced mitigation sites that assured maximum value to the environment. The PROJECT advanced mitigation sites are as follows.
  - 11.1.1 Permanent wetland impacts: off-site, at the WSDOT-owned Happy Valley Mitigation Site.
  - 11.1.2 Permanent stream impacts: on-site, through restored stream connection construction and various open channel segments with instream habitat features.
  - 11.1.3 Permanent wetland buffer and stream buffer impacts: on-site, on the southeast quadrant of the PROJECT, between northbound I-405 and Totem Lake Boulevard, and on the north side of Aegis Living Kirkland property.

## **12.0 MAINTENANCE RESPONSIBILITIES**

- 12.1 The PARTIES agree that, in general, financial and ongoing responsibility for maintenance of the PROJECT elements will not deviate from those described in Chapter 47.24 RCW and will conform to the "CITY STREETS AS PART OF STATE HIGHWAYS" guidelines document, dated April 30, 1997, and as amended April 2, 2013. PROJECT maintenance items not addressed by Chapter 47.24 RCW, are documented in Exhibit F, Project Maintenance Responsibilities, or will be addressed under a separate agreement.

## **13.0 PAYMENT**

- 13.1 In consideration for the CITY fiber conduit work satisfactorily performed under this AGREEMENT, the CITY will reimburse WSDOT for the lump sum amount of Forty-Seven Thousand Sixty-Nine Dollars (\$47,069), as shown in Exhibit G, Fiber Conduit Cost Estimate, attached hereto and by this reference made part of this AGREEMENT.

13.2 The CITY shall make progress payments within thirty (30) calendar days of receiving the monthly invoices from WSDOT during the construction of the fiber conduit.

#### **14.0 DISPUTES**

14.1 If disputes arise that are related to the application of this AGREEMENT, the PARTIES agree to work collaboratively to resolve disputes promptly and at the lowest following order:

14.1.1 The CITY's Project Coordinator and WSDOT's I-405 Project Engineer, or designee, shall jointly cooperate to informally resolve any disputes as quickly and efficiently as possible.

14.1.2 If the issue cannot be resolved at the level described above, WSDOT's I-405/SR 167 Construction Engineer, or designee, and the CITY's Public Works Director, or designee, shall jointly cooperate to informally resolve any disputes as quickly and efficiently as possible.

14.1.3 If dispute resolution is still not successful, the CITY's City Manager, or designee, and WSDOT's I-405/SR 167 Program Administrator, or designee, shall jointly cooperate to informally resolve any dispute in accordance with the procedures described in Section 14.2 and 14.3 below.

14.2 If unresolved, the CITY's City Manager, or designee, and WSDOT's I-405/SR 167 Program Administrator, or designee, shall notify each other in writing of any dispute needing resolution. They shall exercise their best efforts to meet together with appropriate staff from the CITY and WSDOT, if any, within seven (7) calendar days of receiving the written notice in order to resolve the dispute to the satisfaction of both PARTIES. Each PARTY agrees to compromise to the fullest extent reasonably possible in resolving the dispute to avoid delays and minimize costs.

14.3 If, after fourteen (14) calendar days of receipt of the written notice described in Section 14.2 above, the dispute is still unresolved, the CITY's City Manager and WSDOT's I-405/SR 167 Program Administrator shall each appoint a member to a dispute resolution panel; these two members shall select a third member not affiliated with either PARTY. The decision made by this panel shall be final and binding on the PARTIES to this AGREEMENT. WSDOT and the CITY shall each pay fifty (50) percent of the costs for the third member of the dispute resolution panel; however, each PARTY shall be responsible for their own costs and fees.

#### **15.0 INDEMNIFICATION AND HOLD HARMLESS**

15.1 Each PARTY shall protect, defend, indemnify, and save harmless the other PARTY, its officers, officials, employees, and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgments, and/or awards of damages (both to persons and/or property), arising out of, or in any way resulting from, each of the PARTIES' own intentional and negligent acts or omissions. No PARTY will

be required to indemnify, defend, or save harmless the other PARTY if the claim, suit, or action for injuries, death, or damages (both to persons and/or property) is caused by the sole negligence of the other PARTY, its officers, officials, employees, and agents, while acting within the scope of their employment as such. Where such claims, suits, or actions result from the concurrent or contributory negligence of the PARTIES, officers, officials, employees, and agents, while acting within the scope of their employment as such, and/or involve those matters covered by RCW 4.24.115, the defense and indemnity provided herein shall be valid and enforceable only to the extent of a PARTY'S own negligence.

- 15.2 WSDOT and the CITY agree that their obligations under this Section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, the PARTIES, by mutual negotiation, hereby waive, with respect to the other PARTY only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.
- 15.3 In the event either PARTY substantially prevails in any legal proceeding to enforce the provisions of this Section, all such fees, expenses, and costs, including reasonable attorney's fees, shall be recoverable from the other PARTY.
- 15.4 This indemnification and waiver shall survive the termination of this AGREEMENT.

**16.0 AMENDMENT**

- 16.1 Either PARTY may request modifications to this AGREEMENT.
  - 16.1.1 Such modifications shall be mutually agreed upon by written amendments and/or supplements to this AGREEMENT.
  - 16.1.2 No variation or alteration of the terms of this AGREEMENT shall be valid unless made in advance and in writing and signed by an authorized representative of WSDOT and the City Manager of the CITY hereto.

**17.0 ALL WRITINGS CONTAINED HEREIN**

- 17.1 This AGREEMENT contains all the terms and conditions agreed upon by the PARTIES to this AGREEMENT.
- 17.2 No other understanding, oral or otherwise, regarding the subject matter of this AGREEMENT shall be deemed to exist or to bind any of the PARTIES hereto.

**18.0 GOVERNANCE**

- 18.1 This AGREEMENT is entered into pursuant to, and under the authority granted by, the laws of the state of Washington and applicable federal laws.
- 18.2 The provisions of this AGREEMENT shall be construed to conform to those laws.



## **19.0 EFFECTIVENESS AND DURATION**

19.1 This AGREEMENT is effective upon execution by both PARTIES and shall remain in effect through the design and construction of the PROJECT.

## **20.0 SEVERABILITY**

20.1 If any provision of this AGREEMENT, or any provision of any document incorporated by reference, shall be held invalid, such invalidity shall not affect the other provisions of this AGREEMENT that can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this AGREEMENT, and to this end the provisions of this AGREEMENT are declared to be severable.

## **21.0 TERMINATION**

21.1 WSDOT may immediately terminate this AGREEMENT in whole, or from time to time in part, whenever WSDOT determines that such termination is in the best interests of the public or WSDOT. WSDOT shall exercise its best good faith effort in an attempt to provide written notice to the CITY in accordance with the time period listed in 21.2, unless extenuating circumstances necessitate immediate termination.

21.2 This AGREEMENT may be terminated for convenience by either PARTY upon thirty (30) calendar days advanced written notice to the other PARTY.

21.3 This AGREEMENT may be terminated, in part, by CITY with or without cause, by providing WSDOT with thirty (30) calendar days' advance written notice for termination of work described in Section 5.0 of this AGREEMENT.

21.4 Regardless of which PARTY terminates the AGREEMENT, CITY shall be responsible for reimbursing WSDOT for completed work described in Section 5.0 up to and through the date of termination. The PARTIES shall mutually agree, in writing, to the percent of work completed on the date of termination, and reimbursement shall occur in a proportional amount of the lump sum not to exceed the amount shown in Exhibit H, Fiber Conduit Cost Estimate.

21.5 If the AGREEMENT is terminated by CITY prior to fulfillment of the terms stated herein for Section 5.0 work, in addition to the terms in Section 21.4:

21.5.1 CITY shall be responsible for costs of non-cancelable obligations, including any redesigning, reengineering or re-estimating, if necessary, to terminate the Section 5.0 work and restore the work vicinity to a condition that meets the condition and standards in place at the initiation of construction of the PROJECT. The PARTIES shall mutually agree, in writing, to any associated costs prior to invoicing.

21.5.2 CITY acknowledges and agrees that such termination shall not relieve the CITY from its responsibility to design, remove, relocate and/or construct its facilities so as not to delay or conflict with WSDOT's PROJECT. WSDOT agrees to provide to the CITY all work-related documents upon final payment by the CITY.

21.6 If the AGREEMENT is terminated by WSDOT, WSDOT shall reimburse CITY for the costs of any non-cancelable obligations and shall fund, or reimburse CITY for, redesign, reengineering or re-estimating related to Section 5.0 work necessitated by WSDOT's termination to restore the work vicinity to a condition that meets the condition and standards in place at the initiation of construction of the PROJECT. The PARTIES shall mutually agree, in writing, to any associated costs prior to invoicing.

## **22.0 VENUE**

22.1 In the event that either PARTY deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the PARTIES hereto agree that any such action or proceeding shall be brought in the superior court situated in Thurston County, Washington, and only upon exhaustion of the dispute resolution process outlined in Section 14.0 of this AGREEMENT.

**IN WITNESS WHEREOF**, the PARTIES hereto have executed this AGREEMENT as of the latest date written below:

CITY OF KIRKLAND

STATE OF WASHINGTON  
DEPARTMENT OF TRANSPORTATION

\_\_\_\_\_  
By (signature):  
Kurt Triplett  
City Manager

\_\_\_\_\_  
By (signature):  
Lisa Hodgson  
I-405/SR 167 Program Administrator

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
By (print):

\_\_\_\_\_  
By (print):

\_\_\_\_\_  
By (signature):  
City Attorney

\_\_\_\_\_  
By (signature):  
Assistant Attorney General  
Office of the Attorney General

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

ATTEST:

\_\_\_\_\_  
By (print):

\_\_\_\_\_  
By (signature):  
City Clerk

\_\_\_\_\_  
Date:

## **EXHIBIT A GENERAL PROJECT DESCRIPTION**

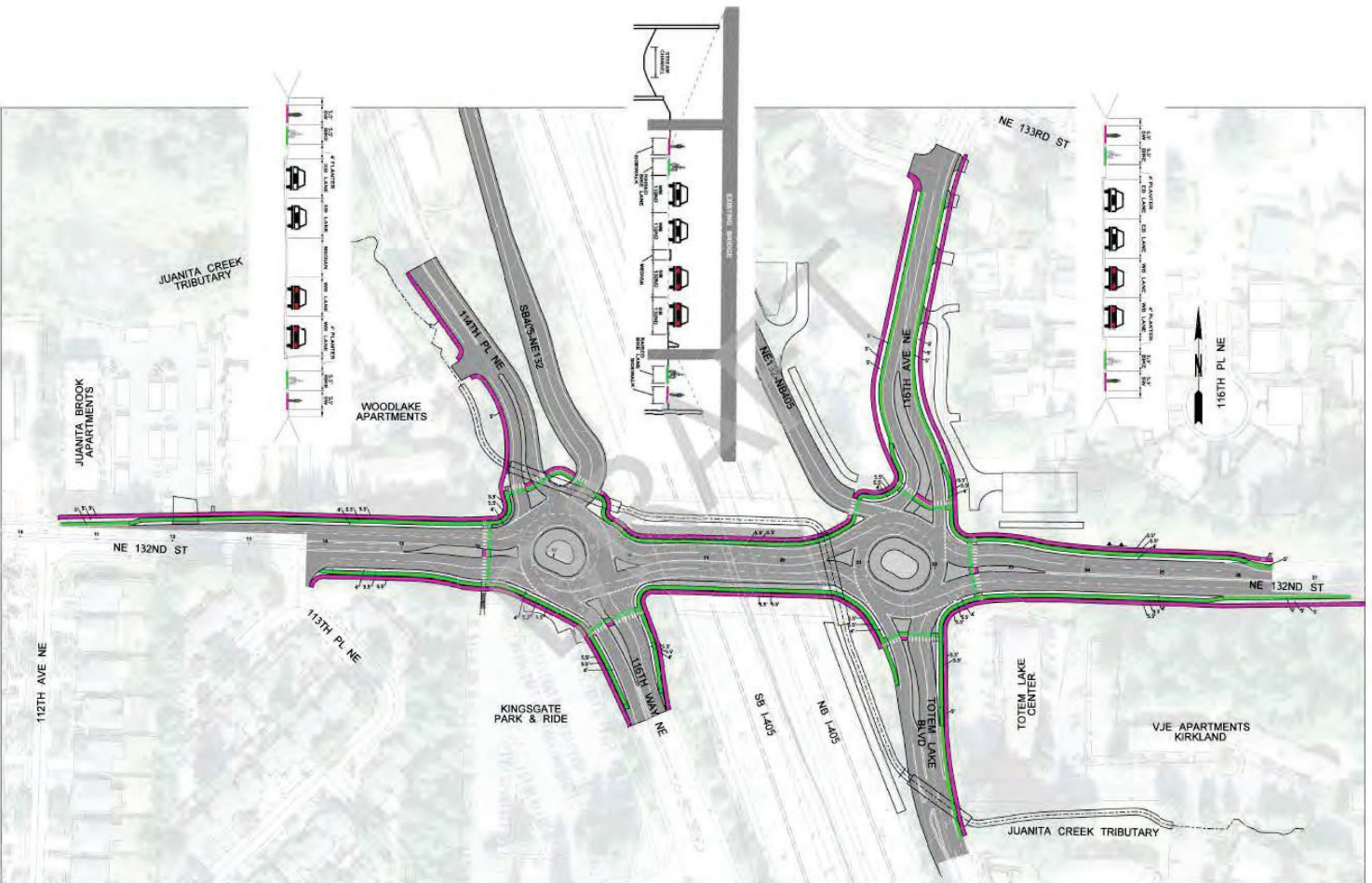
The PROJECT includes design and construction improvements in the I-405 Corridor from milepost 20.8 to 21.2. The primary elements of the PROJECT include the following:

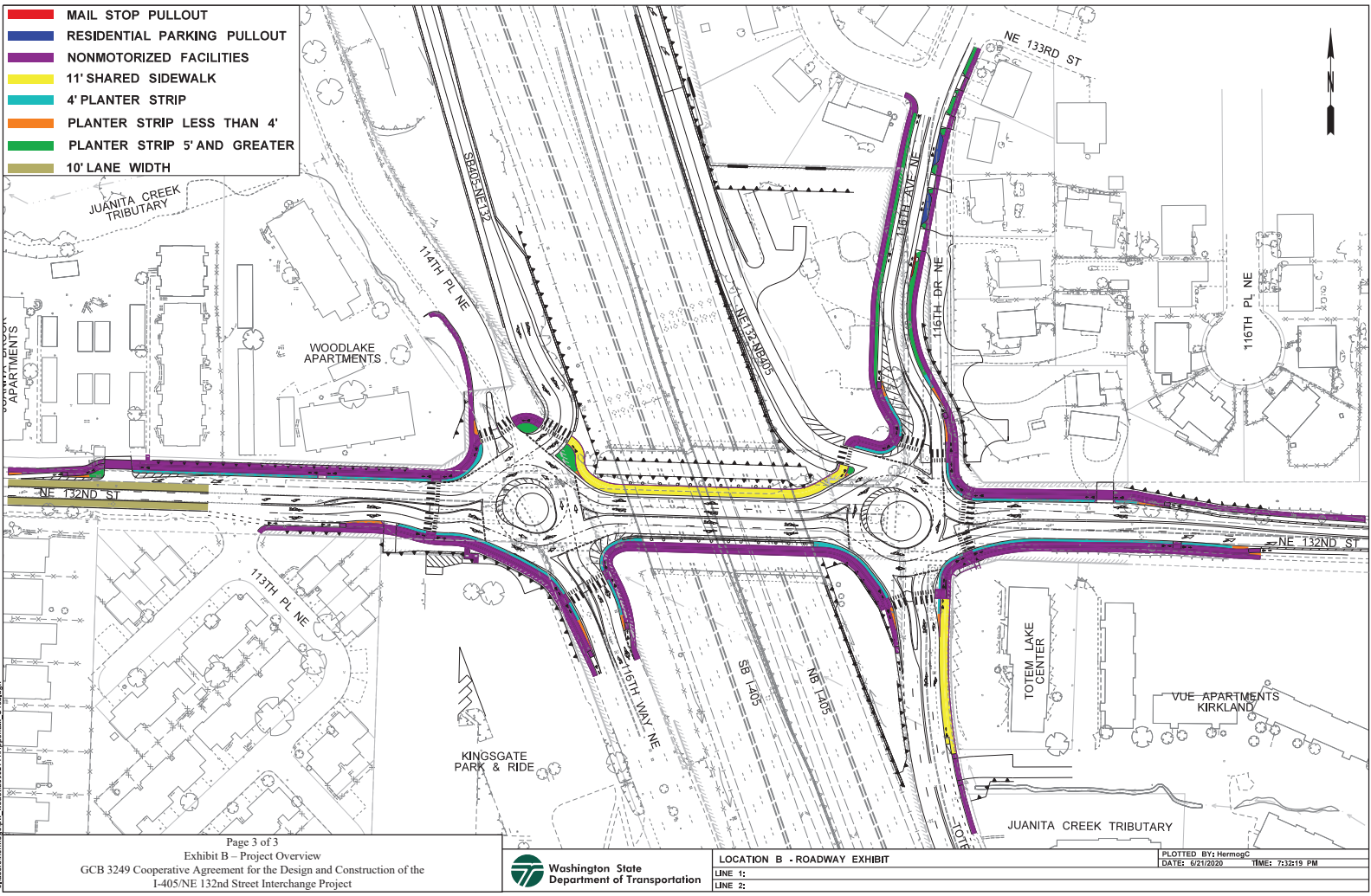
- New half-diamond interchange at NE 132nd Street in Kirkland. Construct southbound I-405 off-ramp to NE 132<sup>nd</sup> Street and northbound I-405 on-ramp from NE 132<sup>nd</sup> Street.
- Roundabouts at the intersections of the new ramps and NE 132nd Street to better manage traffic flow.
- Construct pedestrian and bicycle facilities and safety improvements on both sides of NE 132<sup>nd</sup> Street and adjacent roads as described in Exhibit D.
- Remove existing fish barrier culverts on Stream KL-12.
- Restore stream connection across I-405 on Stream KL-12. The connection will include a combination of open channel segments and culverts.
- Construct stormwater treatment and detention facilities to meet current standards.

### EXHIBIT B PROJECT OVERVIEW



# I-405 NE 132nd Street Interchange





- MAIL STOP PULLOUT
- RESIDENTIAL PARKING PULLOUT
- NONMOTORIZED FACILITIES
- 11' SHARED SIDEWALK
- 4' PLANTER STRIP
- PLANTER STRIP LESS THAN 4'
- PLANTER STRIP 5' AND GREATER
- 10' LANE WIDTH



LOCATION B - ROADWAY EXHIBIT  
 LINE 1:  
 LINE 2:

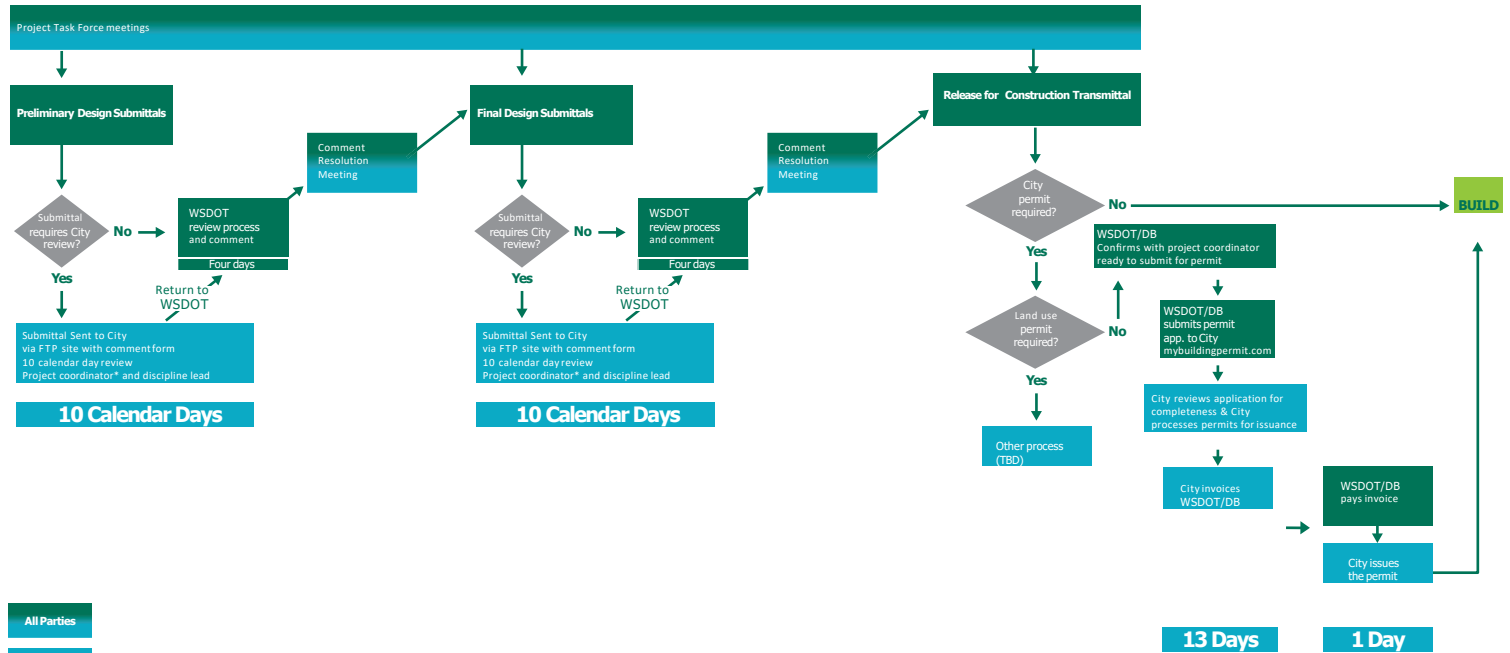
PLOTTED BY: HermogC  
 DATE: 6/21/2020 TIME: 7:32:19 PM

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**EXHIBIT C  
REVIEW AND PERMIT PROCESS**



**WSDOT/Kirkland I-405 Project City Review and Permit Process**



- All Parties
- City
- WSDOT

\*Project coordinator involved through design development and construction.

## EXHIBIT D PROJECT COMMITMENTS

The PARTIES agree to the following commitments, each of which is within the CITY's jurisdiction and within the PROJECT limits. The PARTIES recognize these commitments are based on conceptual PROJECT design and that future supplements or amendments to this AGREEMENT, or other new agreements, may be necessary to record final design decisions, update commitments based on final design and define cost estimates related to the design, construction and maintenance of the PROJECT.

WSDOT will:

- Maintain local access to properties along NE 132<sup>nd</sup> Street and other CITY streets related to the PROJECT during construction.
- Provide profile grade for driveways along 116th Avenue NE to match existing.
- Install green light poles along freeway on and off ramps and for all light poles at and between the roundabouts. Install galvanized poles at all other locations.
- Continue collaboration with the CITY regarding travel lane widths, which will be 11 feet, with the following exception:
  - NE 132nd Street between 112th Ave NE and 100 feet past 113th Ave NE, two lanes will be 10 feet, as shown in Exhibit B.
- Provide nonmotorized facilities on both sides of NE 132nd Street and other CITY streets as detailed in this Exhibit. Consistency will be maintained throughout NE 132nd Street, with a buffer/planter strip separating vehicular traffic from the raised bike lane and the sidewalk. Bicycles and pedestrians will be at the same raised level, but facilities will be delineated to clarify each mode's area. See Exhibit B for details and limits. Below are a few specifics and exceptions to note:
  - NE 132nd Street (west of I-405) – configuration for the nonmotorized elements west of the off-ramp terminal will be a 4-foot-wide planter strip except as noted in Exhibit B, a 5-foot-wide raised bike lane, a 1-foot-wide space for delineation, and a 5-foot-wide sidewalk.
  - NE 132nd Street (under I-405) – configuration for the nonmotorized elements underneath the I-405 structures between ramp terminals will be an 11-foot-wide active transportation facility of differing configurations. On the north side of the street, due to the limited space between the existing bridge piers, buffer/planter strips will not be installed under the existing bridge and the configuration will be an 11-foot-wide shared sidewalk. On the south side of NE 132nd Street, the existing pier columns will act as the buffer between vehicular traffic and nonmotorized elements and the configuration will be a 5-foot-wide raised bike lane, a 1-foot-wide space for delineation, and a 5-foot-wide sidewalk. Minimum shoulder widths underneath the I-405 structures will be 2 feet.
  - NE 132nd Street (east of I-405) – configuration for the nonmotorized elements east of the on-ramp terminal will be a 4-foot-wide planter strip except as noted in Exhibit B, a 5-foot-wide raised bike lane, a 1-foot-wide space for delineation, and a 5-foot-wide sidewalk.

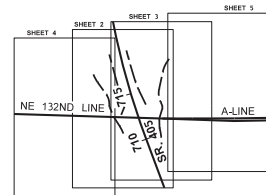
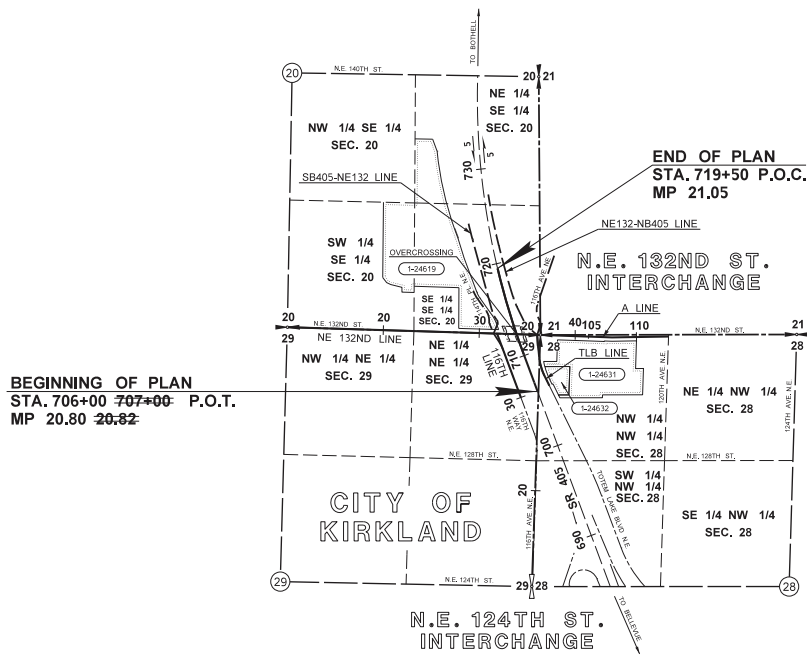
- 116th Way NE - configuration for the nonmotorized elements will transition from the NE 132nd Street design to match the existing roadway.
- 116th Avenue NE - configuration for the nonmotorized elements will transition from the NE 132nd Street design to a 5-foot-wide bike lane, with a 5-foot-wide planter strip, except as noted in Exhibit B, and a 5-foot-wide sidewalk on both sides of the street. Mail carrier and 7-foot-wide residential parking pullouts will be provided between driveways along the east side as shown in Exhibit B.
- 114th Place NE (entrance to Woodlake Apartments) – configuration will include a 5-foot-wide sidewalk section along the west side of the street only and no planter strip.
- Totem Lake Boulevard - configuration for the nonmotorized elements will transition from the NE 132nd Street design to an 11-foot-wide shared sidewalk along the east side of Totem Lake Boulevard to connect to the existing sidewalk.
- Crosswalks across NE 132nd Street between the two roundabouts will not be provided. Therefore, the east side of the NE 132nd Street /I-405 southbound off-ramp intersection, and the west side of the NE 132nd Street/I-405 northbound on-ramp intersection, will not have crossings (see Exhibit B).
- Median Island/Pedestrian & Bicycle Refuge Area – the minimum width of the refuge areas will be increased from the WSDOT standard of six (6) feet to eight (8) feet.

The CITY will:

- Provide WSDOT with copies of all permits, franchises and/or ordinances within the PROJECT limits, for facilities within CITY owned right of way that are incorporated into the PROJECT, or in areas defined as being turned back to the CITY at the completion of the PROJECT.
- Encourage and enforce Franchise and other Utility permits to the extent possible in support of WSDOT and WSDOT’s DESIGN-BUILDER to construct the proposed improvements as required.
- Provide WSDOT with leases, easements, permits and other necessary agreements for permanent installation of PROJECT elements within CITY right of way and jurisdiction to construct the proposed improvements as required.

**EXHIBIT E  
RIGHT OF WAY PLANS**

T.26N. R.5E. W.M.



SHEET LAYOUT DIAGRAM  
NOT TO SCALE

VICINITY MAP AND TOTAL PARCEL DETAILS

TOTAL LENGTH OF PLAN = 0.25 MILE

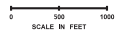
SR 405  
N.E. 132ND ST. INTERCHANGE VIC.

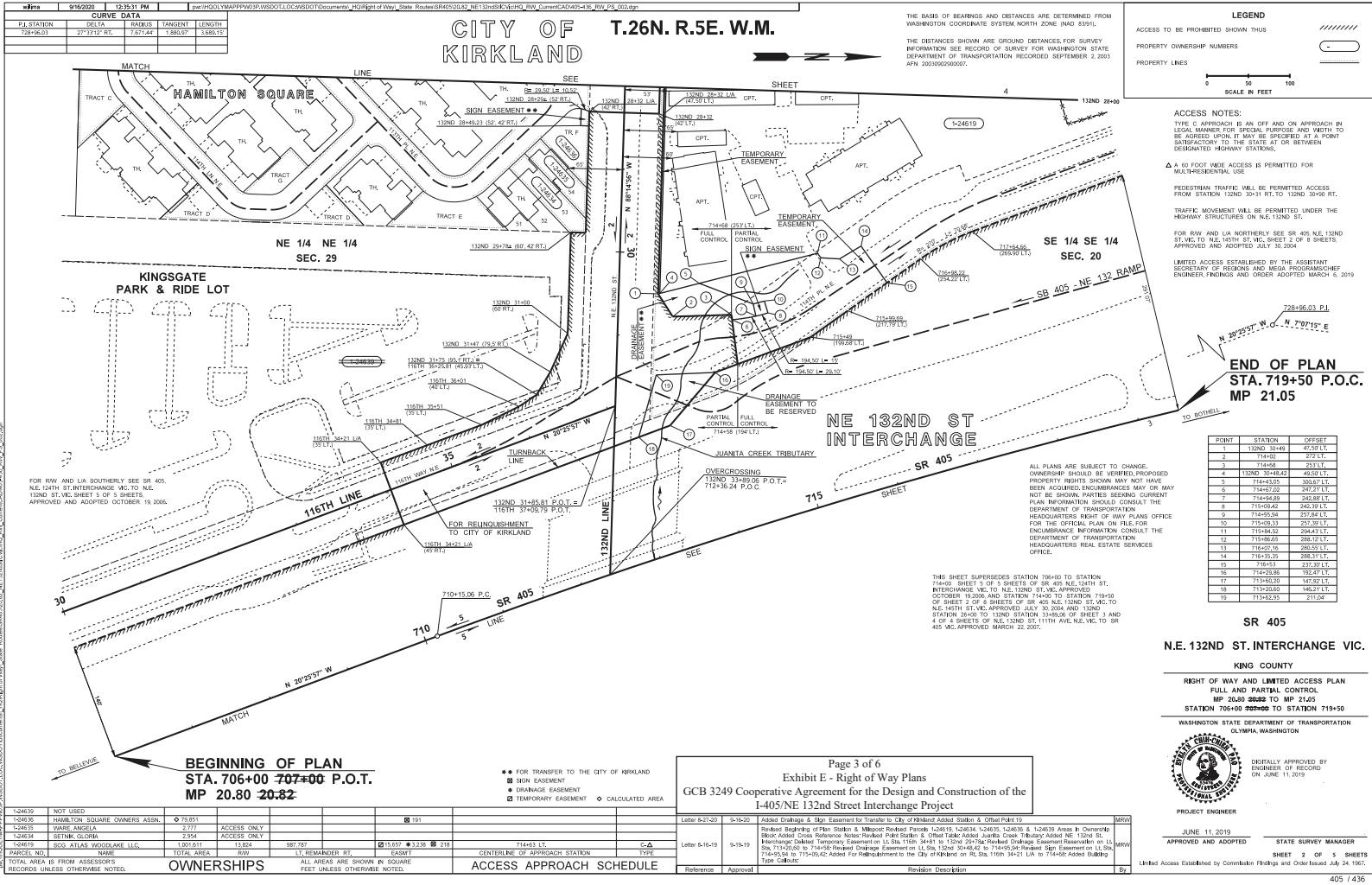
KING COUNTY  
RIGHT OF WAY AND LIMITED ACCESS PLAN  
VICINITY MAP AND  
TOTAL PARCEL DETAILS  
MP 20.80 TO MP 21.05  
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION  
OLYMPIA, WASHINGTON



PROJECT ENGINEER  
JUNE 11, 2019  
APPROVED AND ADOPTED  
STATE SURVEY MANAGER  
SHEET 1 OF 5 SHEETS

<p>LEGEND</p> <p>PROPERTY OWNERSHIP NUMBERS</p> <p>PROPERTY LINES</p>		<p>Page 2 of 6 Exhibit E - Right of Way Plans GCB 3249 Cooperative Agreement for the Design and Construction of the I-405/NE 132nd Street Interchange Project</p>	
Letter	6-16-19	Revision	Right of Way of Plat Station 4, Waiparua Asses NE 132ND ST. Line, NE 132ND Line, 132TH Line, TLB Line & A-Line Asses, Section 20, Quarter Section 28, NE 132nd Street Layout Diagram
Reference	Approval	Revision	Description





PL. STATION	BEVIA	PARVUS	TANGENT	LENGTH
238+00.00	27°13'12" E	725.24	1,880.07	1,880.17

**CITY OF KIRKLAND T.26N. R.5E. W.M.**

THE BASE OF BEARINGS AND DISTANCES ARE DETERMINED FROM WASHINGTON COORDINATE SYSTEM NORTH ZONE (NAD 83).  
 THE DISTANCES SHOWN ARE GROUND DISTANCES FOR SURVEY INFORMATION SEE RECORD OF SURVEY FOR WASHINGTON STATE DEPARTMENT OF TRANSPORTATION RECORDED SEPTEMBER 2, 2003 APN: 200300000000.

**LEGEND**

ACCESS TO BE PROHIBITED SHOWN THUS

PROPERTY OWNERSHIP NUMBERS

PROPERTY LINES

SCALE IN FEET

0 50 100

**ACCESS NOTES:**

TYPE 'C' APPROACH IS AN OFF AND ON APPROACH BY LEGAL MEANS FOR SPECIAL PURPOSE AND WIDTH TO BE DETERMINED UPON. IT MAY BE SEVERED AT A POINT SATISFACTORY TO THE STATE AT OR BETWEEN DESIGNATED HIGHWAY STATIONS.

Δ A 60 FOOT WIDE ACCESS IS PERMITTED FOR MULTISECTORIAL USE

PEDESTRIAN TRAFFIC WILL BE PERMITTED ACCESS FROM STATION 132D 30+31 RT. TO 132D 30+50 RT.

TRAFFIC MOVEMENT WILL BE PERMITTED UNDER THE HIGHWAY STRUCTURES ON NE 132ND ST.

FOR ROW AND LIA NORTHERLY SEE SR 405 NE 132ND ST. VC TO NE 107TH ST. VC, SHEET 2 OF 3 SHEETS APPROVED AND ADOPTED JULY 30, 2004

LIMITED ACCESS ESTABLISHED BY THE ASSISTANT SECRETARY OF RECORDS AND REGS. PROGRAMS/CHIEF ENGINEER FININGS AND ORDER ADOPTED MARCH 5, 2019

**END OF PLAN STA. 719+00 P.O.C. MP 21.05**

POINT	STATION	OFFSET
1	132ND 30+40	42.00 FT.
2	714+02	277 FT.
3	714+04	281 FT.
4	132ND 30+48.42	49.52 FT.
5	714+03.05	300.57 FT.
6	714+02.22	307.11 FT.
7	714+02.89	342.88 FT.
8	714+02.62	342.97 FT.
9	714+05.04	257.84 FT.
10	715+00.33	257.30 FT.
11	715+04.35	264.11 FT.
12	715+08.25	288.12 FT.
13	716+03.15	295.51 FT.
14	716+15.35	388.37 FT.
15	716+31	237.30 FT.
16	714+26.85	192.47 FT.
17	713+65.20	145.82 FT.
18	713+20.00	145.82 FT.
19	713+42.55	211.54 FT.

**SR 405 N.E. 132ND ST. INTERCHANGE VIC. KING COUNTY**

**RIGHT OF WAY AND LIMITED ACCESS PLAN FULL AND PARTIAL CONTROL MP 20.80 20.82 TO MP 21.05 STATION 706+00 707+00 TO STATION 719+00**

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION OLYMPIA, WASHINGTON



**PROJECT ENGINEER**

JUNE 11, 2019

**APPROVED AND ADORPTED** STATE SURVEY MANAGER

Sheet 2 of 3 SHEETS

United Areas Established by Commission Order and Adopted July 24, 1967.

405 / 7435

FOR ROW AND LIA SOUTHERLY SEE SR 405 N.E. 104TH ST. INTERCHANGE, VC TO N.E. 132ND ST. VC, SHEET 1 OF 3 SHEETS APPROVED AND ADOPTED OCTOBER 19, 2004

ALL PLANS ARE SUBJECT TO CHANGE. OWNERSHIP SHOULD BE VERIFIED. PROPOSED PROPERTY RIGHTS SHOWN MAY NOT HAVE BEEN ACQUIRED. ENCUMBRANCES MAY OR MAY NOT BE SHOWN. PARTIES SEEKING CURRENT PLAN INFORMATION SHOULD CONSULT THE DEPARTMENT OF TRANSPORTATION HEADQUARTERS. RIGHT OF WAY PLANS OFFICE FOR THE OFFICIAL PLAN ON FILE FOR ENCUMBRANCE INFORMATION CONSULT THE DEPARTMENT OF TRANSPORTATION HEADQUARTERS REAL ESTATE SERVICES OFFICE.

THIS SHEET SUPERSEDES STATION 706+00 TO STATION 714+00 SHEET 3 OF 3 SHEETS OF SR 405 N.E. 104TH ST. INTERCHANGE VIC TO N.E. 132ND ST. VC APPROVED OCTOBER 19, 2004 AND STATION 714+00 TO STATION 719+00 OF SHEET 3 OF 3 SHEETS OF SR 405 N.E. 132ND ST. VC TO N.E. 104TH ST. VC APPROVED JULY 30, 2004 AND 132ND STREET JUMP TO 132ND STATION 134+00 OF SHEET 1 AND 4 OF 2 SHEETS OF N.E. 132ND ST. 11TH AVE. VIC. TO SR 405 N.E. APPROVED MARCH 22, 2007.

**BEGINNING OF PLAN STA. 706+00 707+00 P.O.T. MP 20.80 20.82**

••• FOR TRANSFER TO THE CITY OF KIRKLAND  
 ■ SIGN EASEMENT  
 ■ DRAINAGE EASEMENT  
 ■ TEMPORARY EASEMENT  
 ◆ CALCULATED AREA

TRACT NO.	OWNER	TOTAL AREA	REMARKS	STATUS	AREA
124036	NOT USED				191
124038	HAMILTON SQUARE OWNERS ASSN.	79.851			
124039	WARR, ANGELA	2.777	ACCESS ONLY		
124034	SETRAK, GLOEVA	2.904	ACCESS ONLY		
124019	SOG ATLAS WOODLAKE LLC	1,007.611	13.824	887.787	15.457

**OWNERSHIPS**

TOTAL AREA IS FROM ASSESSORS RECORDS UNLESS OTHERWISE NOTED.

ALL AREAS ARE SHOWN IN SQUARE FEET UNLESS OTHERWISE NOTED.

TRACT NO.	NAME	TYPE	AREA
124036	116TH LINE	CENTRAL	191

**ACCESS APPROACH SCHEDULE**

Page 3 of 6  
 Exhibit E - Right of Way Plans  
 GCB 3249 Cooperative Agreement for the Design and Construction of the I-405/NE 132nd Street Interchange Project

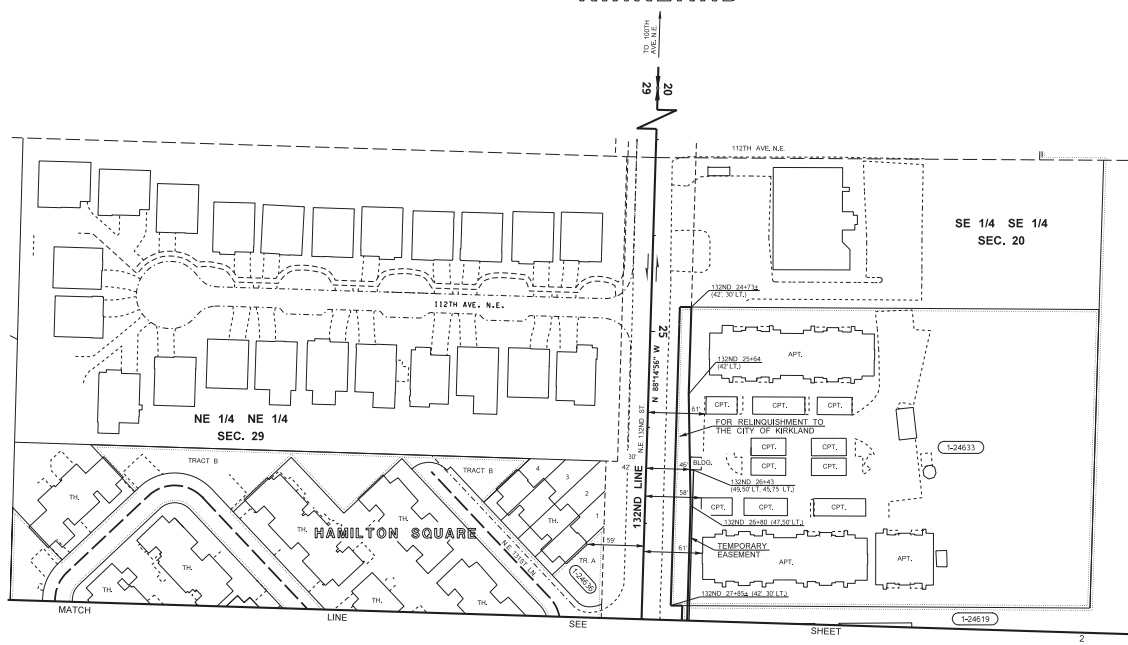
Letter	Date	Description	By
Letter 8/27/20	8/16/20	Added Drainage & Sign Easement for Transfer to City of Kirkland Access Station & Other P&H 19	SR00
Letter 5/16/19	5/16/19	Revised Right-of-Way Station & Midpoint Revised Parcel 124019, 124034, 124035, 124036, 124039 Areas In Ownership of Kirkland County Reference: Revised Right-of-Way Station & Other P&H: Added Juanita Creek Tributary Access NE 132nd St. Drainage Outfall Temporary Easement on L.S. 11th, 34+81 to 132nd St. 706+00 Drainage Easement Reservation on L.S. 11th, 713+00 to 714+00 Revised Drainage Easement on L.S. 11th, 30+42 to 31+14 (20'00' Revised) Sign Easement on L.S. 11th, 714+00 to 715+00 Revised For Right-of-Way to the City of Kirkland on R.L. 5th, 10th 34+21 LA to 714+00 Added Drainage	SR00



T.26N. R.5E. W.M.  
CITY OF  
KIRKLAND



THE BASIS OF BEARINGS AND DISTANCES ARE DETERMINED FROM WASHINGTON COORDINATE SYSTEM NORTH ZONE 18N 8301.  
THE DISTANCES SHOWN ARE GROUND DISTANCES FOR SURVEY INFORMATION SEE RECORD OF SURVEY FOR WASHINGTON STATE DEPARTMENT OF TRANSPORTATION RECORDED SEPTEMBER 2, 2003 APN 200302000007.



ALL PLANS ARE SUBJECT TO CHANGE. OWNERSHIP SHOULD BE VERIFIED. PROPOSED PROPERTY RIGHTS SHOWN MAY NOT HAVE BEEN ACQUIRED. ENCUMBRANCES MAY OR MAY NOT BE SHOWN. PARTIES SEEKING CURRENT PLAN INFORMATION SHOULD CONSULT THE DEPARTMENT OF TRANSPORTATION HEADQUARTERS RIGHT OF WAY PLANS OFFICE FOR THE OFFICIAL PLAN ON FILE. FOR ENCUMBRANCE INFORMATION CONSULT THE DEPARTMENT OF TRANSPORTATION HEADQUARTERS REAL ESTATE SERVICES OFFICE.

THIS SHEET SUPERSEDES 132ND STATION 21+00 TO 132ND STATION 26+00 OF SHEET 2 OF 4 SHEETS AND 132ND STATION 26+00 TO 132ND STATION 31+00 OF SHEET 3 OF 4 SHEETS OF NE 132ND ST. 113TH AVE. N.E. VIC. TO SR 405 VIC. APPROVED MARCH 22, 2007.

SR 405  
N.E. 132ND ST. INTERCHANGE VIC.

KING COUNTY  
RIGHT OF WAY AND LIMITED ACCESS PLAN  
STATION 132ND 23+00 TO STATION 132ND 28+00  
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION  
OLYMPIA, WASHINGTON



PROJECT ENGINEER  
JUNE 11, 2019  
APPROVED AND ADOPTED STATE SURVEY MANAGER  
SHEET 4 OF 5 SHEETS

v9fms 9192019 7:50:28 AM p:\HOLD\MAPPP\9192019\03\WSDOT\Documents\HQ\Right of Way\_Site\_Routes\SR405\31.52\_NE132ND\KIRKLAND\_RV\_Curran\CAD\405-19\_RV\_PS\_054.dwg

TEMPORARY CONSTRUCTION EASEMENT

OWNER	ADDRESS	APR. ACRES	SQ. FEET	REMARKS	DATE
124619	SEE SHEET 2				
124619	SEE SHEET 2				
124633	GEE, THOMAS & JEANNE	130.824	4,820	131.190	3/17
				LT. REMAINDER BY PART	

TOTAL AREA IS FROM ASSESSOR'S RECORDS UNLESS OTHERWISE NOTED.

OWNERSHIPS

LEGEND

PROPERTY OWNERSHIP NUMBERS

PROPERTY LINES

SCALE IN FEET  
0 50 100

Page 5 of 6  
Exhibit E - Right of Way Plans  
GCB 3249 Cooperative Agreement for the Design and Construction of the I-405/NE 132nd Street Interchange Project

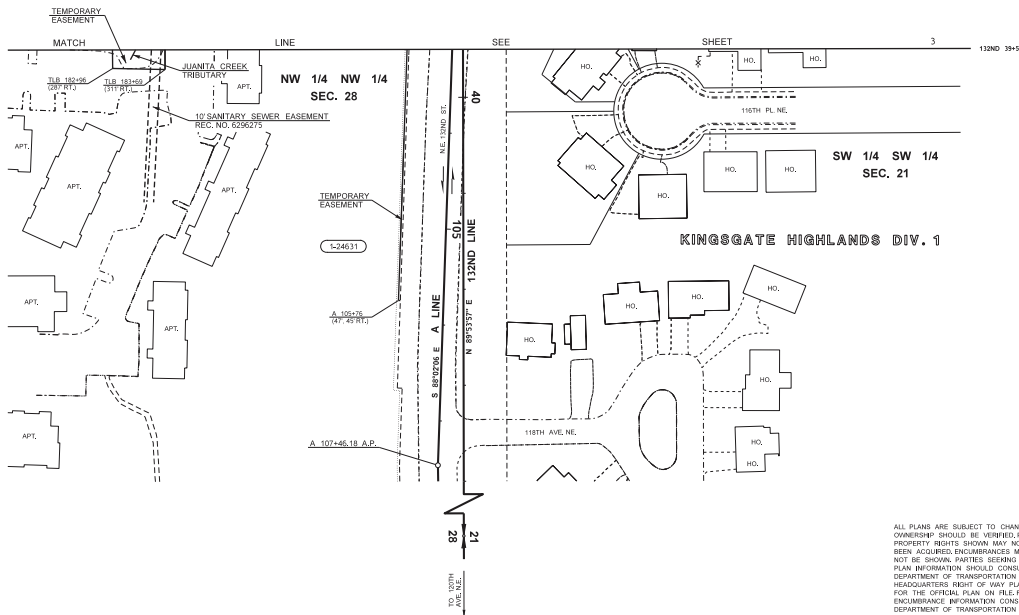
Letter	Date	By	Reference	Approval	Revision Description
	5-16-19				
	5-16-19				



T.26N. R.5E. W.M.  
CITY OF  
KIRKLAND



THE BASE OF BEARINGS AND DISTANCES ARE DETERMINED FROM WASHINGTON COORDINATE SYSTEM NORTH ZONE 18N 8301.  
THE DISTANCES SHOWN ARE GROUND DISTANCES FOR SURVEY INFORMATION SEE RECORD OF SURVEY FOR WASHINGTON STATE DEPARTMENT OF TRANSPORTATION RECORDED SEPTEMBER 2, 2003 #N 20030200007.



ALL PLANS ARE SUBJECT TO CHANGE. OWNERSHIP SHOULD BE VERIFIED. PROPOSED PROPERTY RIGHTS SHOWN MAY NOT HAVE BEEN ACQUIRED. ENCUMBRANCES MAY OR MAY NOT BE SHOWN. PARTIES SEEKING CURRENT PLAN INFORMATION SHOULD CONSULT THE DEPARTMENT OF TRANSPORTATION HEADQUARTERS RIGHT OF WAY PLANS OFFICE FOR THE OFFICIAL PLAN ON FILE FOR ENCUMBRANCE INFORMATION. CONSULT THE DEPARTMENT OF TRANSPORTATION HEADQUARTERS REAL ESTATE SERVICES OFFICE.

SR 405  
N.E. 132ND ST. INTERCHANGE VIC.

KING COUNTY  
RIGHT OF WAY AND LIMITED ACCESS PLAN  
STATION NE 132ND 39+50 TO STATION NE 132ND 44+00 232723  
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION  
OLYMPIA, WASHINGTON



DIGITALLY APPROVED BY  
ENGINEER OF RECORD  
ON JUNE 11, 2019

PROJECT ENGINEER  
JUNE 11, 2019  
APPROVED AND ADOPTED STATE SURVEY MASTER  
SHEET 5 OF 5 SHEETS

TRACER NO.	SEE SHEET	NAME	TOTAL AREA	RSU	L.V. REMAINDER BY	EXEMPT
124631	SEE SHEET 3					
TOTAL AREA IS FROM ASSESSOR'S RECORDS UNLESS OTHERWISE NOTED.						

**OWNERSHIPS**

ALL AREAS ARE SHOWN IN SQUARE FEET UNLESS OTHERWISE NOTED.

**LEGEND**

PROPERTY OWNERSHIP NUMBERS

PROPERTY LINES

SCALE IN FEET  
0 50 100

Page 6 of 6  
Exhibit E - Right of Way Plans  
GCB 3249 Cooperative Agreement for the Design and Construction of the I-405/NE 132nd Street Interchange Project

Letter 2-26-20	3-6-20	Added 10' Sanitary Sewer Rec. No. 629675 on R/S Sta. T.L.B. 184+75. M.L.	mlw
Letter 6-16-19	5-19-19	Added Section Calculator Adjust. Ch. of Kingsgate ADRIAN BUILDING TYPE CALIBRE Parallel Section 31 & 32 Line to Control Agreement Line Caliber Exp. 21 Term. Estimated Caliber Parallel Exp. Station 11: 116. Block	mlw
Reference	Approval	Revision Description	By

**EXHIBIT F**  
**PROJECT MAINTENANCE RESPONSIBILITIES**

This matrix addresses maintenance responsibilities on NE 132nd Street, 116th Way NE, 116th Avenue NE, and Totem Lake Boulevard within limited access after PROJECT construction completion. WSDOT is responsible for all other maintenance responsibilities within the I-405 right of way as described in this AGREEMENT and shown in the table and conceptual design graphic below. All CITY maintained elements will be constructed to CITY Standards or agreed to alternative, as specified in Section 4.0 of this AGREEMENT.

<b>Maintenance Item</b> <i>(reference table, paragraph from RCW)</i>	<b>CITY</b>	<b>WSDOT</b>
Roadway Surface <i>(limited access on 132nd St 1, 1)</i>	X	
Roadway Shoulders <i>(limited access on 132nd St 1, 2)</i>	X	
Bike Lanes <i>(1, 2)</i>	X	
Curb, gutter and Sidewalk <i>(1, 4)</i>	X	
ADA Features: Curb Ramps, Landings and Truncated Domes. <i>(1, 29)</i>	X	
Curbing within roundabouts: i.e. Splitter Islands. <i>(1, 27)</i>	X	
Roundabout Island Apron - I-405 CSS Baseline Concept <i>(1, 27)</i>	X	
Walls / Slopes within I-405 Right of Way supporting I-405 <i>(1, 3)</i>		X
Cross Culverts/Streams within I-405 Right of Way located under CITY Streets as shown in Exhibit F graphic <sup>#</sup>	X	
Cross Culverts/Streams within I-405 Right of Way not located under CITY streets as shown in Exhibit F graphic <sup>#</sup>		X
Pavement Markings and Striping <i>(1, 11)</i>	X	
Crosswalks <i>(1, 11)</i>	X	
Stormwater Facilities located along local roads managing runoff from local roads and associated Maintenance Access Points	X	
Stormwater Facilities located within I-405 Right of Way managing runoff from WSDOT roads and associated Maintenance Access Points		X

Maintenance Item <i>(reference table, paragraph from RCW)</i>	CITY	WSDOT
Gates/Fencing along WSDOT Right of Way and around Stormwater Facilities within WSDOT Right of Way		X
Gates/Fencing around CITY Stormwater Pond and Stormwater Detention Facilities outside WSDOT Right of Way	X	
Fencing Around Fish Passage <sup>%</sup>		X
I-405 Directional/Guide Signs, CITY Specifications	X	
I-405 Directional/Guide Signs, WSDOT Specifications		X
Regulatory and Warning Signs located along local roads, CITY Specifications	X	
Regulatory and Warning Signs located on I-405 mainline and ramps, WSDOT Specifications		X
Rapid Flashing Beacons for pedestrians at the Roundabout <i>(see Note 12)</i>		X
Street lighting on poles	X	
Pedestrian lighting on poles	X	
WSDOT Traffic Data Loops supporting Traffic Data Stations or ramp meter information for I-405.		X
WSDOT Traffic Cameras		X
CITY Traffic Cameras and Data Loops	X	
Street Cleaning	X	
Snow and Ice Removal	X	
Landscaping (hardscape or softscape) within roundabout island <sup>&amp;</sup>	X	
Planter Strips including landscaping, street trees and irrigation	X	
Noxious Weeds within I-405 Right as shown in Exhibit F graphic.	X	X
Right of way encroachments within I-405 Right of Way outside of fenced Right of Way.	X	

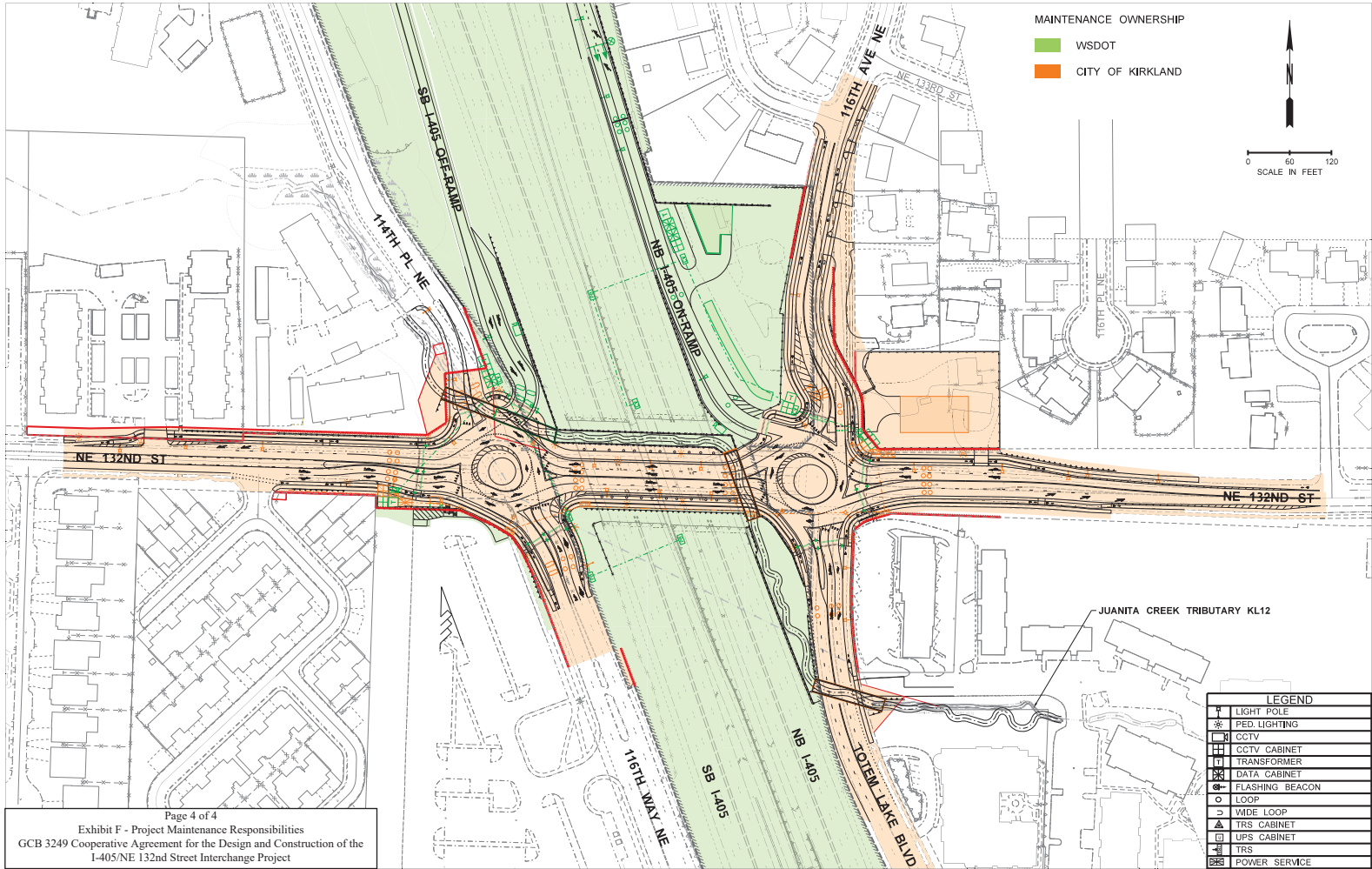
<sup>#</sup> - Kirkland will provide structural and general maintenance for culverts 1, 2, and the western half of 3. WSDOT will provide maintenance for open stream channels within limited access and structural/general maintenance for the

eastern half of culvert 3. WSDOT will maintain responsibility for fish passability for all elements except culvert 3 as outlined in the federal injunction.

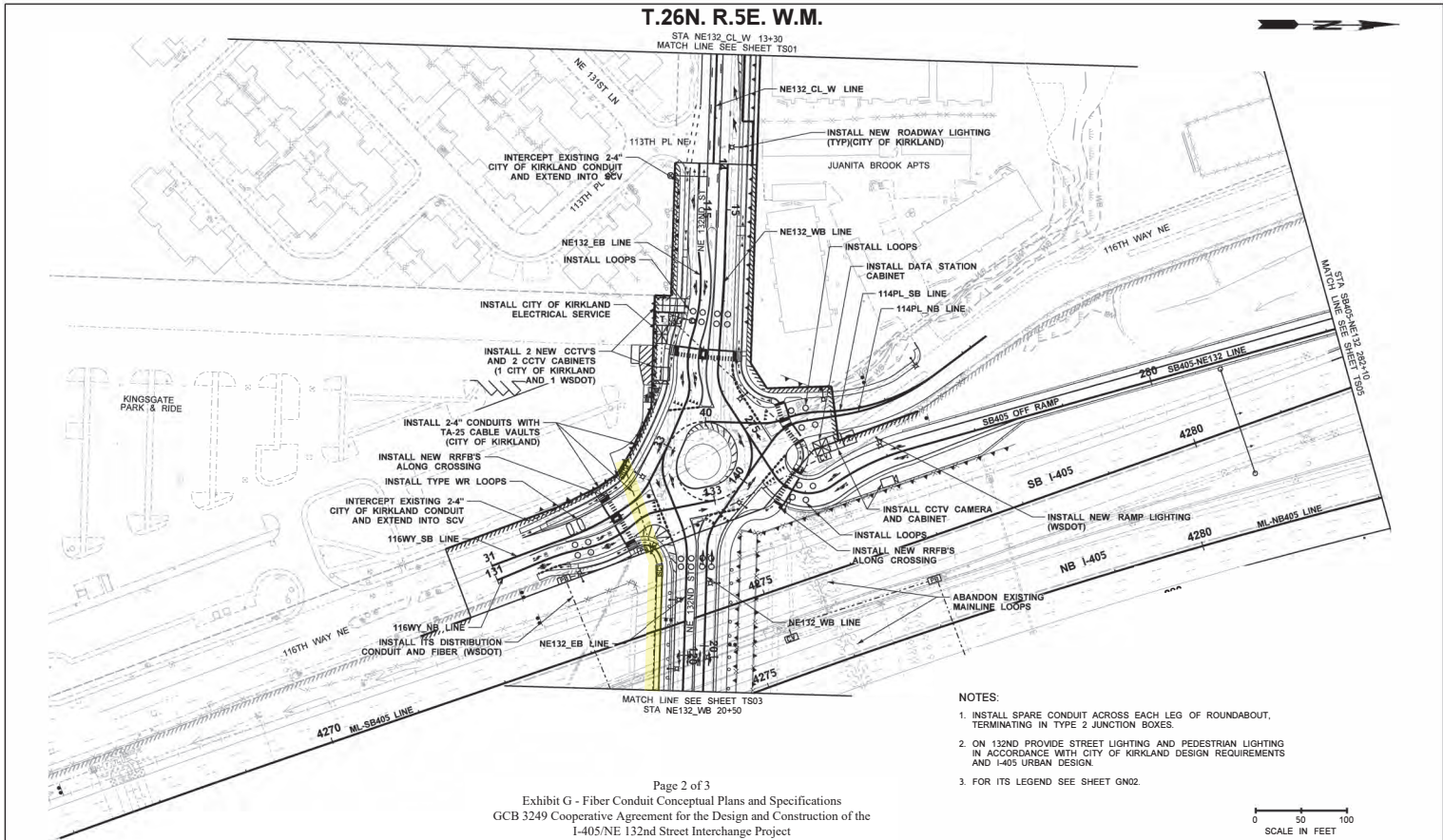
& - Kirkland requested roundabout islands be hardscaped or paved in an effort to reduce maintenance.

% - Except in locations where fencing is outside limited access, attached to culverts maintained by the City of Kirkland, or is intended to serve as fall protection from a culvert maintained by the City of Kirkland.

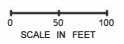
***Maintenance Responsibility on NE 132nd Street, NE 116th Way NE, 114th Place NE, 116th Ave NE, and Totem Lake Boulevard within limited access.***



**EXHIBIT G**  
**FIBER CONDUIT CONCEPTUAL PLANS AND SPECIFICATIONS**



- NOTES:
1. INSTALL SPARE CONDUIT ACROSS EACH LEG OF ROUNDABOUT, TERMINATING IN TYPE 2 JUNCTION BOXES.
  2. ON 132ND PROVIDE STREET LIGHTING AND PEDESTRIAN LIGHTING IN ACCORDANCE WITH CITY OF KIRKLAND DESIGN REQUIREMENTS AND I-405 URBAN DESIGN.
  3. FOR ITS LEGEND SEE SHEET GN02.



Page 2 of 3  
 Exhibit G - Fiber Conduit Conceptual Plans and Specifications  
 GCB 3249 Cooperative Agreement for the Design and Construction of the  
 I-405/NE 132nd Street Interchange Project

FILE NAME	c:\users\h\h\az\p_wsdot\0143598\XL5464_PS_100_TS02.dgn		
TIME	2:56:51 PM		
DATE	9/17/2020		
PLOTTED BY	h\h\az		
DESIGNED BY	Z. HAJIFATHALI		
ENTERED BY	Z. HAJIFATHALI		
CHECKED BY	J. PRZYCHODZEN		
PROJ. ENGR.	D. GIRALDO		
REGIONAL ADM.	L. HODGSON	REVISION	DATE BY
REGION	10	STATE	WA
FED.AID PROJ.NO.			
JOB NUMBER	XL5464		
CONTRACT NO.			
LOCATION NO.			

**CONCEPTUAL DESIGN**  
**15% FINAL RFP REVIEW**  
**NOT FOR CONSTRUCTION**



**I-405**  
**NE 132ND STREET INTERCHANGE**  
**PROJECT**  
**ITS PLAN**

**TS02**  
 SHEET  
 50  
 OF  
 68  
 SHEETS





**EXHIBIT H  
FIBER CONDUIT COST ESTIMATE**

	Qty.	Unit Measure	Unit Cost	Material Cost	Labor Qty.	Labor Unit	Unit Cost	Labor Cost	Total Cost
<b>Small Cable Vault – St. Plan J-90.21-01 (Galvanized)</b>	2	Ea.	\$2,000	\$4,000	8	Hr.	\$90	\$720	\$4,720
<b>PVC Schedule 80 Conduit w/ coupling Betterment (2 x 4” with 4 innerduct)</b>	1090	LF	\$17.67	\$19,260	142	Hr.	\$90	\$12,780	\$32,040
<b>Existing PVC Conduit Credit (2”)</b>	(545)	LF	\$2.33	(\$1,270)	49	Hr.	\$90	(\$4,410)	(\$5,680)
<b>48 SM (Loose Tube)</b>	545	LF	\$0.93	\$505	5	Hr.	\$90	\$450	\$955
<b>Single Mode Splice Case</b>	2	EA	735	\$1,470	6	Hr.	\$90	\$540	\$2,010
<b>Splice (per strand)</b>	48	EA	0	\$0	12	Hr.	\$90	\$1,080	\$1,080
<b>Subtotal</b>									<b>\$35,125</b>
Sales Tax (10%)									\$3,513
Design & Engineering (10%)									\$3,513
Construction Management (10%)									\$3,513
Contingency (4%)									\$1,405
<b>Total</b>									<b>\$47,069</b>

**EXHIBIT I**  
**GCB 3250**

**GCB 3250**

**DESIGN-BUILD COOPERATIVE AGREEMENT  
For the City of Kirkland Project Coordinator  
for the  
I-405/NE 132<sup>nd</sup> Street Interchange Project**

**THIS Agreement** (AGREEMENT) is made and entered into by the City of Kirkland (CITY) and the Washington State Department of Transportation (WSDOT), collectively referred to as the “PARTIES” and individually referred to as the “PARTY.”

Recitals

- A. WSDOT, in the interest of providing improved access in the I-405 Corridor, proposes improvements along I-405 within Kirkland in a project known as the I-405/NE 132<sup>nd</sup> Street Interchange Project (PROJECT).
- B. The proposed PROJECT will require WSDOT to perform certain work on CITY facilities.
- C. WSDOT will construct the PROJECT using the design-build method of project delivery.
- D. The design-build method of project delivery is flexible and allows for the development and finalization of the design after the contract is awarded, unlike the typical design-bid-build method of project delivery.
- E. The PARTIES entered into GCB 3249, Cooperative Agreement for the Design and Construction of the PROJECT.
- F. The design of project elements in the design-build method of project delivery moves faster than in the typical design-bid-build method of project delivery, necessitating expedited CITY review of the PROJECT design elements.
- G. As part of the PROJECT, the PARTIES have found it beneficial to have a CITY Project Coordinator to serve as a liaison for the CITY and to expedite review of PROJECT submittals.
- H. Pursuant to the terms of agreement GCB 3249, WSDOT has committed to reimburse the CITY for costs that are directly related to services rendered solely for the PROJECT by a CITY Project Coordinator.

**NOW, THEREFORE**, pursuant to Revised Code of Washington (RCW) 47.28.140, and in consideration of the terms, conditions, covenants, and performances contained herein, or attached Exhibit A by this reference incorporated and made a part hereof,

**IT IS MUTUALLY AGREED AS FOLLOWS:**

## **1.0 DESIGNATED REPRESENTATIVES**

- 1.1 The CITY Project Coordinator will serve as the CITY's PROJECT liaison.
- 1.2 WSDOT's I-405 Project Engineer will serve as WSDOT's PROJECT liaison.

## **2.0 GENERAL**

- 2.1 WSDOT and the CITY agree that it is to the benefit of both PARTIES for WSDOT to fund the temporary position of CITY Project Coordinator for time spent on the PROJECT, in order to facilitate communication and coordination between WSDOT and the CITY.
- 2.2 The individual serving in the capacity of CITY Project Coordinator shall be a Project Engineer or greater.
- 2.3 The CITY shall consult with WSDOT on its choice of the individual(s) chosen to serve in the CITY Project Coordinator position. The CITY and WSDOT shall mutually agree in writing on the individual(s) who will fill the CITY Project Coordinator position, prior to the start of any work by the CITY Project Coordinator.
- 2.4 The CITY may not change the individual serving in the capacity of CITY Project Coordinator at any time without first discussing these changes with WSDOT and reaching a prior, written mutual agreement between the CITY and WSDOT as outlined in Section 2.3.
- 2.5 The CITY Project Coordinator shall consult with WSDOT's I-405 Project Engineer, on a basis to be mutually agreed upon by WSDOT's I-405 Project Engineer and the CITY, for the purpose of PROJECT activity and priority direction.
- 2.6 WSDOT shall only fund those hours worked by the CITY Project Coordinator for activities directly related to the PROJECT. All other hours not directly related to the PROJECT worked by the person serving as CITY Project Coordinator shall be paid by the CITY.
- 2.7 The PARTIES agree that WSDOT shall pay for work by the CITY Project Coordinator, as outlined in Section 7.0.
- 2.8 The CITY may require the CITY Project Coordinator to work in excess of 40 hours per week. Even if the CITY Project Coordinator works more than 40 hours per week on PROJECT-related activities, the CITY shall bill WSDOT, to the nearest thirty (30) minute increment, at the agreed upon all-inclusive hourly rate outlined in Section 7.0.
- 2.9 In the event the CITY Project Coordinator is absent, the CITY will assign a designee to act in the stead of the CITY Project Coordinator. The designee shall also be subject to

the terms and conditions of Section 2.2. The CITY's designee acting on behalf of the CITY Project Coordinator shall serve no more than ten (10) consecutive business days. If the CITY Project Coordinator is absent for more than ten (10) consecutive business days, the CITY shall name a replacement, temporary or otherwise, subject to the terms and conditions outlined in Sections 2.2 through 2.4.

- 2.10 If WSDOT is unable to resolve to its satisfaction a dispute regarding the CITY Project Coordinator for documented non-performance of assigned work tasks, upon following the dispute resolution process specified in Section 8.0, WSDOT shall have the authority to request a replacement to fill the CITY Project Coordinator position.
- 2.10.1 WSDOT's written request for replacement shall be submitted to the CITY, and the CITY shall have thirty (30) calendar days to comply. The CITY shall name a replacement CITY Project Coordinator subject to the terms and conditions outlined in Sections 2.2 through 2.4.
- 2.10.2 In the event that the CITY does not comply within thirty (30) calendar days, and the PARTIES do not mutually agree in writing to an extension of the thirty (30) calendar days, this AGREEMENT will be resolved through the dispute resolution process specified in Section 8.0.

### **3.0 CITY RESPONSIBILITIES**

- 3.1 The CITY agrees to pay the individual(s) serving in the CITY Project Coordinator position and administer all employee benefits in accordance with the CITY's employment policies.
- 3.2 The CITY agrees that the individual(s) serving in the CITY Project Coordinator position shall be required to submit a monthly activity report to WSDOT of actual hours worked performing the tasks listed in Section 5.0. The activity report shall include a daily accounting of specific activities performed and specific hours worked to accomplish the tasks for the PROJECT. The activity report and corresponding invoice shall be submitted to WSDOT by the fifteenth (15) day of the month following any month in which the CITY Project Coordinator had at least thirty (30) minutes of work to report. WSDOT will review the hours worked and, if accurate, will approve payment of the invoice as agreed in Section 7.0.
- 3.3 The CITY Project Coordinator will be responsible for facilitating all CITY PROJECT-related communication between WSDOT and CITY staff as well as expediting CITY review of all PROJECT-related submittals, and assisting with the process of applying for and obtaining any necessary permits from the CITY for PROJECT work within the CITY's jurisdiction. This coordination of efforts with WSDOT will take place via WSDOT's I-405 Project Engineer.

#### **4.0 WSDOT RESPONSIBILITIES**

- 4.1 WSDOT's I-405 Project Engineer, or designee, will be responsible for facilitating all WSDOT PROJECT-related communication between the CITY Project Coordinator and WSDOT staff as well as providing PROJECT-related submittals to the CITY Project Coordinator. This coordination of efforts with the CITY will take place via the CITY Project Coordinator.

#### **5.0 SCOPE OF WORK**

- 5.1 The CITY Project Coordinator shall serve as a liaison between WSDOT's I-405 Project Engineer and CITY staff, from award of the PROJECT design-build contract until completion of the PROJECT, which is estimated to be between July 2021 and December 2024.
- 5.2 PROJECT design-build task force meetings, including WSDOT, its Design-Builder, other stakeholder agencies and their representatives, will be held to expedite PROJECT reviews, track PROJECT progress, emerging issues and to provide a forum for innovative solutions. The CITY Project Coordinator shall represent the CITY in design-build task force meetings and ongoing informal reviews during the design and construction of the PROJECT, during the timeframe estimated in Section 5.1. The CITY Project Coordinator shall be responsible for informing the appropriate CITY staff of discussions and decisions made at design-build task force meetings, or the CITY Project Coordinator, at their discretion, may invite appropriate CITY staff as subject matter experts to attend design-build task force meetings.
- 5.3 The CITY Project Coordinator shall circulate PROJECT submittals to appropriate CITY staff and ensure timely CITY review. The CITY Project Coordinator shall be responsible for expediting those reviews, in accordance with the specific timeframes and conditions agreed upon in GCB 3249.
- 5.4 The CITY Project Coordinator will work with WSDOT and/or its Design-Builder to process all applications for permits necessary for PROJECT work within the CITY's jurisdiction.

#### **6.0 SUPERVISION AND INDEPENDENT CAPACITY**

- 6.1 The CITY Project Coordinator engaged in the performance of this AGREEMENT shall continue to be an employee of the CITY and shall not be considered, for any purpose, to be an employee of WSDOT.
- 6.2 The CITY shall be responsible for the supervision of the CITY Project Coordinator.

## 7.0 PAYMENT

- 7.1 WSDOT, in consideration of the satisfactory performance of work to be done by individual(s) serving in the CITY Project Coordinator position, agrees to reimburse the CITY for the actual direct and related indirect costs the CITY incurs for such work. Each individual shall bill an all-inclusive hourly rate, which includes all costs and benefits outlined in Sections 7.2 for a **Project Engineer** or greater. The all-inclusive hourly rate shall be billed, to the nearest thirty (30) minute increment, for all hours worked in order to perform the specific tasks listed in Section 5.0. The actual per hour all-inclusive rate shall serve as full compensation to the CITY for work performed by any individual serving in the CITY Project Coordinator position.
- 7.2 The PARTIES agree that the all-inclusive hourly rate shall be considered to include, but not be limited to, all costs associated with administrative costs, travel expenses, as well as medical insurance, retirement contributions, sick leave and vacation, and labor and industry payments. All costs necessary for the performance of the work that may exceed the all-inclusive hourly rate shall be borne solely by the CITY.
- 7.3 The PARTIES agree the maximum payable amount estimate for this AGREEMENT is based on the estimated staff rates and maximum hours for the work, as provided in the Estimate, Exhibit A. The maximum amount payable by WSDOT to the CITY under this AGREEMENT is Two Hundred Two Thousand One Hundred Twenty-Five dollars (\$202,125).
- 7.4 The CITY agrees to submit, not more than once a month, a billing to WSDOT summarizing the hours worked each day by the CITY Project Coordinator. The monthly billing shall specify hours worked for the PROJECT. The monthly activity report specifying the hours worked, as described in Section 3.2 of this AGREEMENT, shall be submitted as an attachment to the monthly billing.
- 7.5 Upon receipt of the monthly billing and the accompanying activity report, and upon WSDOT written concurrence of the hours worked, WSDOT agrees to reimburse the CITY within thirty (30) calendar days of receipt of an invoice.

## 8.0 DISPUTE RESOLUTION

- 8.1 In the event that issues arise that are not addressed in this AGREEMENT, the PARTIES agree to work collaboratively to resolve disputes promptly and at the lowest organizational level. The process to informally resolve the situation shall proceed in the following order:
- 8.1.1 The CITY's Project Coordinator and WSDOT's I-405 Project Engineer, or designee, shall jointly cooperate to informally resolve any disputes as quickly and efficiently as possible.

- 8.1.2 If the issue cannot be resolved at this level, WSDOT's I-405/SR 167 Construction Engineer, or designee, and the CITY's Public Works Director, or designee, shall jointly cooperate to informally resolve any disputes as quickly and efficiently as possible.
- 8.1.3 If dispute resolution is still not successful, WSDOT's I-405/SR 167 Program Administrator, or designee, and the CITY's City Manager, or designee, shall jointly cooperate to informally resolve any disputes as quickly and efficiently as possible.

## **9.0 INDEMNIFICATION**

- 9.1 The PARTIES shall protect, defend, indemnify, and hold harmless each other and their employees, authorized agents, and/or contractors while acting within the scope of their employment as such, from any and all costs, claims, judgments, and/or awards of damages (both to persons and/or property), arising out of, or in any way resulting from, each of the PARTY's obligations to be performed pursuant to the provisions of this AGREEMENT. The PARTIES shall not be required to indemnify, defend, or hold harmless the other PARTY if the claim, suit, or action for injuries, death, or damages (both to persons and/or property) is caused by the negligence of the other PARTY; provided that, if such claims, suits, or actions result from the concurrent or contributory negligence of (a) WSDOT, its employees, authorized agents, or contractors and (b) the CITY, its employees, authorized agents, or contractors, and/or involves those actions covered by RCW 4.24.115, the indemnity provided herein shall be valid and enforceable only to the extent of the negligence of each PARTY, its employees, authorized agents, and/or contractors.
- 9.2 WSDOT and the CITY agree that their obligations under this Section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, the PARTIES, by mutual negotiation, hereby waive, with respect to the other PARTY only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.
- 9.3 This indemnification and waiver shall survive the termination of this AGREEMENT.

## **10.0 INDEPENDENT STATUS**

- 10.1 In the performance of this AGREEMENT, the PARTIES will be acting in their governmental capacities and not as agents, employees, partners, joint ventures, or associates of one another.
- 10.2 The PARTIES intend that an independent contractor relationship will be created by this AGREEMENT. The employees or agents of one PARTY shall not be deemed or construed to be the employees or agents of the other PARTY for any purpose whatsoever.
- 10.3 Neither the CITY, nor any CITY Project Coordinator, shall make any claim of right, privilege, or benefit that would accrue to a WSDOT employee under chapter 41.06 RCW



or Title 51 RCW.

## **11.0 AMENDMENT**

11.1 This AGREEMENT may be modified or amended upon mutual agreement of the PARTIES via an amendment executed in accordance with Section 11.2, if the CITY Project Coordinator position is deemed necessary beyond the maximum amount payable outlined in Section 7.3.

11.2 Either PARTY may request modifications to this AGREEMENT. Such modifications shall be mutually agreed upon by written amendments and/or supplements to this AGREEMENT. No variation or alteration of the terms of this AGREEMENT shall be valid unless made in writing and signed by authorized representatives of the PARTIES hereto.

## **12.0 ALL WRITINGS CONTAINED HEREIN**

12.1 This AGREEMENT contains all the terms and conditions agreed upon by the PARTIES to this AGREEMENT.

12.2 No other understanding, oral or otherwise, regarding the subject matter of this AGREEMENT shall be deemed to exist or to bind any of the PARTIES hereto.

## **13.0 GOVERNANCE**

13.1 This AGREEMENT is entered into pursuant to, and under the authority granted by, the laws of the State of Washington and applicable federal laws.

13.2 The provisions of this AGREEMENT shall be construed to conform to those laws.

## **14.0 EFFECTIVENESS AND DURATION**

14.1 This AGREEMENT is effective upon execution by both PARTIES and will remain in effect until completion of the PROJECT construction contract, or until GCB 3249 is terminated pursuant to the termination clauses of that agreement, whichever occurs earlier.

## **15.0 SEVERABILITY**

15.1 If any provision of this AGREEMENT, or any provision of any document incorporated by reference, shall be held invalid, such invalidity shall not affect the other provisions of this AGREEMENT that can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this AGREEMENT, and to this end the provisions of this AGREEMENT are declared to be severable.

## **16.0 TERMINATION**

- 16.1 This AGREEMENT may be terminated for convenience by either PARTY upon thirty (30) calendar days advanced written notice to the other PARTY.
- 16.2 WSDOT shall be responsible for reimbursing the CITY for all hours worked by the CITY Project Coordinator under the terms of this AGREEMENT prior to the date of termination, provided that the CITY complies with Sections 3.2 and 7.0 herein. WSDOT shall not be responsible for reimbursing the CITY for any hours worked by the CITY Project Coordinator after the date of termination of this AGREEMENT, even if that work is directly related to the PROJECT.

## **17.0 VENUE**

- 17.1 In the event that either PARTY deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the PARTIES hereto agree that any such action or proceeding shall be brought in the superior court situated in Thurston County, Washington.

DRAFT

**IN WITNESS WHEREOF**, the PARTIES hereto have executed this AGREEMENT as of the latest written date below:

CITY OF KIRKLAND

STATE OF WASHINGTON  
DEPARTMENT OF TRANSPORTATION

\_\_\_\_\_  
By (signature):  
Kurt Triplett  
City Manager

\_\_\_\_\_  
By (signature):  
Lisa Hodgson  
I-405/SR 167 Program Administrator

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
By (print):

\_\_\_\_\_  
By (print):

\_\_\_\_\_  
By (signature):  
City Attorney

\_\_\_\_\_  
By (signature):  
Assistant Attorney General  
Office of the Attorney General

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

ATTEST:

\_\_\_\_\_  
By (print):

\_\_\_\_\_  
By (signature):

\_\_\_\_\_  
Date:

**EXHIBIT A  
 PROJECT COORDINATOR ESTIMATE**

The below estimate encompasses Project Coordinator costs associated with the PROJECT.

<b>Project Phase</b>	<b>Estimated duration (years)</b>	<b>Project Coordinator FTE estimate per phase</b>	<b>Estimated hours per phase (duration x 2080 hr./yr. x FTE)</b>
Design	1.5	0.250	780
Construction	2.0	0.100	416
Total hours:			1196
Estimated Senior Project Engineer hourly rate:			\$169
Total:			\$202,125

DRAFT

**GCB 3250****DESIGN-BUILD COOPERATIVE AGREEMENT  
For the City of Kirkland Project Coordinator  
for the  
I-405/NE 132<sup>nd</sup> Street Interchange Project**

**THIS Agreement** (AGREEMENT) is made and entered into by the City of Kirkland (CITY) and the Washington State Department of Transportation (WSDOT), collectively referred to as the “PARTIES” and individually referred to as the “PARTY.”

**Recitals**

- A. WSDOT, in the interest of providing improved access in the I-405 Corridor, proposes improvements along I-405 within Kirkland in a project known as the I-405/NE 132<sup>nd</sup> Street Interchange Project (PROJECT).
- B. The proposed PROJECT will require WSDOT to perform certain work on CITY facilities.
- C. WSDOT will construct the PROJECT using the design-build method of project delivery.
- D. The design-build method of project delivery is flexible and allows for the development and finalization of the design after the contract is awarded, unlike the typical design-bid-build method of project delivery.
- E. The PARTIES entered into GCB 3249, Cooperative Agreement for the Design and Construction of the PROJECT.
- F. The design of project elements in the design-build method of project delivery moves faster than in the typical design-bid-build method of project delivery, necessitating expedited CITY review of the PROJECT design elements.
- G. As part of the PROJECT, the PARTIES have found it beneficial to have a CITY Project Coordinator to serve as a liaison for the CITY and to expedite review of PROJECT submittals.
- H. Pursuant to the terms of agreement GCB 3249, WSDOT has committed to reimburse the CITY for costs that are directly related to services rendered solely for the PROJECT by a CITY Project Coordinator.

**NOW, THEREFORE**, pursuant to Revised Code of Washington (RCW) 47.28.140, and in consideration of the terms, conditions, covenants, and performances contained herein, or attached Exhibit A by this reference incorporated and made a part hereof,

**IT IS MUTUALLY AGREED AS FOLLOWS:**

**1.0 DESIGNATED REPRESENTATIVES**

- 1.1 The CITY Project Coordinator will serve as the CITY's PROJECT liaison.
- 1.2 WSDOT's I-405 Project Engineer will serve as WSDOT's PROJECT liaison.

**2.0 GENERAL**

- 2.1 WSDOT and the CITY agree that it is to the benefit of both PARTIES for WSDOT to fund the temporary position of CITY Project Coordinator for time spent on the PROJECT, in order to facilitate communication and coordination between WSDOT and the CITY.
- 2.2 The individual serving in the capacity of CITY Project Coordinator shall be a Project Engineer or greater.
- 2.3 The CITY shall consult with WSDOT on its choice of the individual(s) chosen to serve in the CITY Project Coordinator position. The CITY and WSDOT shall mutually agree in writing on the individual(s) who will fill the CITY Project Coordinator position, prior to the start of any work by the CITY Project Coordinator.
- 2.4 The CITY may not change the individual serving in the capacity of CITY Project Coordinator at any time without first discussing these changes with WSDOT and reaching a prior, written mutual agreement between the CITY and WSDOT as outlined in Section 2.3.
- 2.5 The CITY Project Coordinator shall consult with WSDOT's I-405 Project Engineer, on a basis to be mutually agreed upon by WSDOT's I-405 Project Engineer and the CITY, for the purpose of PROJECT activity and priority direction.
- 2.6 WSDOT shall only fund those hours worked by the CITY Project Coordinator for activities directly related to the PROJECT. All other hours not directly related to the PROJECT worked by the person serving as CITY Project Coordinator shall be paid by the CITY.
- 2.7 The PARTIES agree that WSDOT shall pay for work by the CITY Project Coordinator, as outlined in Section 7.0.
- 2.8 The CITY may require the CITY Project Coordinator to work in excess of 40 hours per week. Even if the CITY Project Coordinator works more than 40 hours per week on PROJECT-related activities, the CITY shall bill WSDOT, to the nearest thirty (30) minute increment, at the agreed upon all-inclusive hourly rate outlined in Section 7.0.
- 2.9 In the event the CITY Project Coordinator is absent, the CITY will assign a designee to act in the stead of the CITY Project Coordinator. The designee shall also be subject to

the terms and conditions of Section 2.2. The CITY's designee acting on behalf of the CITY Project Coordinator shall serve no more than ten (10) consecutive business days. If the CITY Project Coordinator is absent for more than ten (10) consecutive business days, the CITY shall name a replacement, temporary or otherwise, subject to the terms and conditions outlined in Sections 2.2 through 2.4.

- 2.10 If WSDOT is unable to resolve to its satisfaction a dispute regarding the CITY Project Coordinator for documented non-performance of assigned work tasks, upon following the dispute resolution process specified in Section 8.0, WSDOT shall have the authority to request a replacement to fill the CITY Project Coordinator position.
  - 2.10.1 WSDOT's written request for replacement shall be submitted to the CITY, and the CITY shall have thirty (30) calendar days to comply. The CITY shall name a replacement CITY Project Coordinator subject to the terms and conditions outlined in Sections 2.2 through 2.4.
  - 2.10.2 In the event that the CITY does not comply within thirty (30) calendar days, and the PARTIES do not mutually agree in writing to an extension of the thirty (30) calendar days, this AGREEMENT will be resolved through the dispute resolution process specified in Section 8.0.

### **3.0 CITY RESPONSIBILITIES**

- 3.1 The CITY agrees to pay the individual(s) serving in the CITY Project Coordinator position and administer all employee benefits in accordance with the CITY's employment policies.
- 3.2 The CITY agrees that the individual(s) serving in the CITY Project Coordinator position shall be required to submit a monthly activity report to WSDOT of actual hours worked performing the tasks listed in Section 5.0. The activity report shall include a daily accounting of specific activities performed and specific hours worked to accomplish the tasks for the PROJECT. The activity report and corresponding invoice shall be submitted to WSDOT by the fifteenth (15) day of the month following any month in which the CITY Project Coordinator had at least thirty (30) minutes of work to report. WSDOT will review the hours worked and, if accurate, will approve payment of the invoice as agreed in Section 7.0.
- 3.3 The CITY Project Coordinator will be responsible for facilitating all CITY PROJECT-related communication between WSDOT and CITY staff as well as expediting CITY review of all PROJECT-related submittals, and assisting with the process of applying for and obtaining any necessary permits from the CITY for PROJECT work within the CITY's jurisdiction. This coordination of efforts with WSDOT will take place via WSDOT's I-405 Project Engineer.

#### **4.0 WSDOT RESPONSIBILITIES**

4.1 WSDOT's I-405 Project Engineer, or designee, will be responsible for facilitating all WSDOT PROJECT-related communication between the CITY Project Coordinator and WSDOT staff as well as providing PROJECT-related submittals to the CITY Project Coordinator. This coordination of efforts with the CITY will take place via the CITY Project Coordinator.

#### **5.0 SCOPE OF WORK**

5.1 The CITY Project Coordinator shall serve as a liaison between WSDOT's I-405 Project Engineer and CITY staff, from award of the PROJECT design-build contract until completion of the PROJECT, which is estimated to be between July 2021 and December 2024.

5.2 PROJECT design-build task force meetings, including WSDOT, its Design-Builder, other stakeholder agencies and their representatives, will be held to expedite PROJECT reviews, track PROJECT progress, emerging issues and to provide a forum for innovative solutions. The CITY Project Coordinator shall represent the CITY in design-build task force meetings and ongoing informal reviews during the design and construction of the PROJECT, during the timeframe estimated in Section 5.1. The CITY Project Coordinator shall be responsible for informing the appropriate CITY staff of discussions and decisions made at design-build task force meetings, or the CITY Project Coordinator, at their discretion, may invite appropriate CITY staff as subject matter experts to attend design-build task force meetings.

5.3 The CITY Project Coordinator shall circulate PROJECT submittals to appropriate CITY staff and ensure timely CITY review. The CITY Project Coordinator shall be responsible for expediting those reviews, in accordance with the specific timeframes and conditions agreed upon in GCB 3249.

5.4 The CITY Project Coordinator will work with WSDOT and/or its Design-Builder to process all applications for permits necessary for PROJECT work within the CITY's jurisdiction.

#### **6.0 SUPERVISION AND INDEPENDENT CAPACITY**

6.1 The CITY Project Coordinator engaged in the performance of this AGREEMENT shall continue to be an employee of the CITY and shall not be considered, for any purpose, to be an employee of WSDOT.

6.2 The CITY shall be responsible for the supervision of the CITY Project Coordinator.



## **7.0 PAYMENT**

- 7.1 WSDOT, in consideration of the satisfactory performance of work to be done by individual(s) serving in the CITY Project Coordinator position, agrees to reimburse the CITY for the actual direct and related indirect costs the CITY incurs for such work. Each individual shall bill an all-inclusive hourly rate, which includes all costs and benefits outlined in Section 7.2 for a **Project Engineer** or greater. The all-inclusive hourly rate shall be billed, to the nearest thirty (30) minute increment, for all hours worked in order to perform the specific tasks listed in Section 5.0. The actual per hour all-inclusive rate shall serve as full compensation to the CITY for work performed by any individual serving in the CITY Project Coordinator position.
- 7.2 The PARTIES agree that the all-inclusive hourly rate shall be considered to include, but not be limited to, all costs associated with administrative costs, travel expenses, as well as medical insurance, retirement contributions, sick leave and vacation, and labor and industry payments. All costs necessary for the performance of the work that may exceed the all-inclusive hourly rate shall be borne solely by the CITY.
- 7.3 The PARTIES agree the maximum payable amount estimate for this AGREEMENT is based on the estimated staff rates and maximum hours for the work, as provided in the Estimate, Exhibit A. The maximum amount payable by WSDOT to the CITY under this AGREEMENT is Two Hundred Two Thousand One Hundred Twenty-Five dollars (\$202,125).
- 7.4 The CITY agrees to submit, not more than once a month, a billing to WSDOT summarizing the hours worked each day by the CITY Project Coordinator. The monthly billing shall specify hours worked for the PROJECT. The monthly activity report specifying the hours worked, as described in Section 3.2 of this AGREEMENT, shall be submitted as an attachment to the monthly billing.
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## **8.0 DISPUTE RESOLUTION**

- 8.1 In the event that issues arise that are not addressed in this AGREEMENT, the PARTIES agree to work collaboratively to resolve disputes promptly and at the lowest organizational level. The process to informally resolve the situation shall proceed in the following order:
- 8.1.1 The CITY's Project Coordinator and WSDOT's I-405 Project Engineer, or designee, shall jointly cooperate to informally resolve any disputes as quickly and efficiently as possible.

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- 8.1.3 If dispute resolution is still not successful, WSDOT's I-405/SR 167 Program Administrator, or designee, and the CITY's City Manager, or designee, shall jointly cooperate to informally resolve any disputes as quickly and efficiently as possible.

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- 9.1 The PARTIES shall protect, defend, indemnify, and hold harmless each other and their employees, authorized agents, and/or contractors while acting within the scope of their employment as such, from any and all costs, claims, judgments, and/or awards of damages (both to persons and/or property), arising out of, or in any way resulting from, each of the PARTY's obligations to be performed pursuant to the provisions of this AGREEMENT. The PARTIES shall not be required to indemnify, defend, or hold harmless the other PARTY if the claim, suit, or action for injuries, death, or damages (both to persons and/or property) is caused by the negligence of the other PARTY; provided that, if such claims, suits, or actions result from the concurrent or contributory negligence of (a) WSDOT, its employees, authorized agents, or contractors and (b) the CITY, its employees, authorized agents, or contractors, and/or involves those actions covered by RCW 4.24.115, the indemnity provided herein shall be valid and enforceable only to the extent of the negligence of each PARTY, its employees, authorized agents, and/or contractors.
- 9.2 WSDOT and the CITY agree that their obligations under this Section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, the PARTIES, by mutual negotiation, hereby waive, with respect to the other PARTY only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.
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- 10.2 The PARTIES intend that an independent contractor relationship will be created by this AGREEMENT. The employees or agents of one PARTY shall not be deemed or construed to be the employees or agents of the other PARTY for any purpose whatsoever.
- 10.3 Neither the CITY, nor any CITY Project Coordinator, shall make any claim of right, privilege, or benefit that would accrue to a WSDOT employee under chapter 41.06 RCW

or Title 51 RCW.

## **11.0 AMENDMENT**

11.1 This AGREEMENT may be modified or amended upon mutual agreement of the PARTIES via an amendment executed in accordance with Section 11.2, if the CITY Project Coordinator position is deemed necessary beyond the maximum amount payable outlined in Section 7.3.

11.2 Either PARTY may request modifications to this AGREEMENT. Such modifications shall be mutually agreed upon by written amendments and/or supplements to this AGREEMENT. No variation or alteration of the terms of this AGREEMENT shall be valid unless made in writing and signed by authorized representatives of the PARTIES hereto.

## **12.0 ALL WRITINGS CONTAINED HEREIN**

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12.2 No other understanding, oral or otherwise, regarding the subject matter of this AGREEMENT shall be deemed to exist or to bind any of the PARTIES hereto.

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13.2 The provisions of this AGREEMENT shall be construed to conform to those laws.

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14.1 This AGREEMENT is effective upon execution by both PARTIES and will remain in effect until completion of the PROJECT construction contract, or until GCB 3249 is terminated pursuant to the termination clauses of that agreement, whichever occurs earlier.

## **15.0 SEVERABILITY**

15.1 If any provision of this AGREEMENT, or any provision of any document incorporated by reference, shall be held invalid, such invalidity shall not affect the other provisions of this AGREEMENT that can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this AGREEMENT, and to this end the provisions of this AGREEMENT are declared to be severable.

**16.0 TERMINATION**

- 16.1 This AGREEMENT may be terminated for convenience by either PARTY upon thirty (30) calendar days advanced written notice to the other PARTY.
- 16.2 WSDOT shall be responsible for reimbursing the CITY for all hours worked by the CITY Project Coordinator under the terms of this AGREEMENT prior to the date of termination, provided that the CITY complies with Sections 3.2 and 7.0 herein. WSDOT shall not be responsible for reimbursing the CITY for any hours worked by the CITY Project Coordinator after the date of termination of this AGREEMENT, even if that work is directly related to the PROJECT.

**17.0 VENUE**

- 17.1 In the event that either PARTY deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the PARTIES hereto agree that any such action or proceeding shall be brought in the superior court situated in Thurston County, Washington.

**IN WITNESS WHEREOF**, the PARTIES hereto have executed this AGREEMENT as of the latest written date below:

CITY OF KIRKLAND

STATE OF WASHINGTON  
DEPARTMENT OF TRANSPORTATION

\_\_\_\_\_  
By (signature):  
Kurt Triplett  
City Manager

\_\_\_\_\_  
By (signature):  
Lisa Hodgson  
I-405/SR 167 Program Administrator

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
By (print):

\_\_\_\_\_  
By (print):

\_\_\_\_\_  
By (signature):  
City Attorney

\_\_\_\_\_  
By (signature):  
Assistant Attorney General  
Office of the Attorney General

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

ATTEST:

\_\_\_\_\_  
By (print):

\_\_\_\_\_  
By (signature):

\_\_\_\_\_  
Date:

**EXHIBIT A  
PROJECT COORDINATOR ESTIMATE**

The below estimate encompasses Project Coordinator costs associated with the PROJECT.

<b>Project Phase</b>	<b>Estimated duration (years)</b>	<b>Project Coordinator FTE estimate per phase</b>	<b>Estimated hours per phase (duration x 2080 hr./yr. x FTE)</b>
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Construction	2.0	0.100	416
Total hours:			1196
Estimated Senior Project Engineer hourly rate:			\$169
Total:			\$202,125



**CITY OF KIRKLAND**  
**Planning and Building Department**  
**123 5th Avenue, Kirkland, WA 98033**  
**425.587.3600- [www.kirklandwa.gov](http://www.kirklandwa.gov)**

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** David Barnes, Senior Planner  
Adam Weinstein, Planning and Building Director

**Date:** November 6, 2020

**Subject:** Final Review of Kirkland Sustainability Master Plan

**Recommendation**

Review the final draft of the Sustainability Master Plan (see Attachment 1) and adopting Resolution. Provide comments or ask questions of staff as preparations are made for final adoption on at the December 8 City Council meeting. Staff recommends that the Council carefully reviews the "Implementation" section (Pages 73-93) that outlines priority actions and timelines for implementing the Plan.

**Background**

In January 2019, the City embarked on the development of a Sustainability Master Plan (SMP) which is included in the 2019-2020 City Work Program and is intended to identify best practices that allow Kirkland's many sustainability strategies to be implemented and measured, along with other actions needed to achieve a livable and sustainable community.

At the [February 4, 2020 City Council Study Session](#), staff reintroduced the guiding principles for the SMP and discussed the format and overall organization of the plan, including the plan's thematic sections.

At the [August 4, 2020 City Council Meeting](#), staff presented a high-level overview of the draft SMP. Because Council comments at this meeting focused on big-picture elements of the SMP, staff created a Council Comment Matrix to assist in a more detailed examination of the plan's actions and policy-related questions.

At the [September 15, 2020 City Council Study Session](#) staff presented and Council discussed and provided direction on eight policy related questions from the SMP Council Comment Matrix. At the conclusion of the study session, staff asked Council to identify the remaining issues they would like to discuss at a future Council meeting.

At the [October 20, 2020 City Council Meeting](#), staff presented twelve items from the Council Comment Matrix.

Following the October 20, 2020 Council meeting, staff compiled Council feedback from the previous meetings and updated the Council Comment Matrix (see Attachment 2) and the draft SMP.

### **Policy Discussions**

The following 20 items (discussed during the September 15 and October 20, 2020 Council meetings) were identified for Council discussion and direction to resolve and develop appropriate revisions to the draft SMP. The items are called out below with a summarized response which explains how staff addressed the Council feedback. The full text of goals or actions are memorialized in the disposition column of the updated Council Comment Matrix (see Attachment 2)

#### **1. Electrification of Vehicles**

Proposed Action ES- 4.6: Consider policy to dedicate % of fuel tax toward support of electrification of transportation, such as building additional charging stations at city facilities and parks.

- Since the fuel tax cannot be used for this purpose, the item was addressed by revising this action that directs the City to develop a policy to establish revenue source to support electrification of transportation.

#### **2. Active Transportation**

Action LT-4.10: Develop alternative standards for safe pedestrian travel when building sidewalks is prohibitive.

- Added a revised version of this new action to the SMP that will help the City develop criteria for alternative sidewalk configurations for safe pedestrian travel when traditional sidewalks are infeasible

#### **3. Energy Supply**

Action ES-2.2: Consider supporting the formation of an Eastside Public Utility District that secures 100% renewable electricity that is equitably priced for the entire community, if Puget Sound Energy is not meeting its CETA goals

- Item was addressed by revising this action to provide a report to the Council at a future date that addresses the costs, benefits, complexities, and risks regarding an Eastside Public Utility District.

#### **4. Distributed Renewal Energy**

Proposed Action ES- 3.3: Consider revisions to remove barriers and provide incentives for solar in land use regulations.

- This action was added to the SMP as written to encourage solar system installations. Glare from solar facilities would be evaluated as part of this work program task.



**5. New Construction and Development**

Proposed Action BI-2.2: Consider requirement for buildings in business districts to be built to high performing building standards.

- The action was revised to include consider both incentives and requirements to promote high performing building standards in business districts

**6. New Construction and Development**

Proposed Action BI-2.3: Require buildings as part of Council-approved Master Plans/Development Agreements/Planned Unit Developments to be high performing green buildings, charger ready, no pipeline gas.

- Revised action to use incentives to encourage and not require high performing green buildings for Council approved projects.

**7. New Construction and Development (Withdrawn)**

Proposed Action BI-2.4: Consider policy for performance standards for ARCH-constructed affordable housing.

- Discussed this action, which was withdrawn. Staff will provide energy performance industry contacts to ARCH for consideration of how these projects can be more energy efficient.

**8. Active Transportation (AT)**

Proposed Action LT- 4.8: Update markings for all bicycle lanes that are not protected by 2025.

- This action was revised to provide direction to update the markings for all bicycle lanes that are not protected, consistent with current standards.

**9. Waste Reduction (Objection Withdrawn)**

Proposed Action SM 3.2: Enact policy to ~~support reduction of~~ eliminate single use food serviceware, including straws and utensils

- The original language of this action was retained to support the reduction of single use food serviceware, including straws and utensils.

**10. Green Business**

Proposed Action SB-1.4: Support reduction of or elimination of gas-powered landscaping equipment.

- This goal was added after clarifying it is focused solely on municipal operations. Also, the City would "explore" a reduction or elimination.

### **11. Conservation and Stewardship**

Proposed Goal EV-7 and Action EV-7.1: Explore the elimination of all use of synthetic pesticides in City operations and designate all parks with playgrounds as pesticide free parks.

- Goal EV-7 was revised to aspire to eliminate the use of synthetic pesticides on city properties. Staff notes that it may be more difficult to eliminate synthetic pesticides on certain types of public properties like roads.
- Action EV-7.1 was revised and the city will explore designating parks and playgrounds as synthetic pesticide free.

### **12. Conservation and Stewardship**

Proposed Goal and Action: As Council in parallel is adopting our framework to respond to Racial Justice issues and Black Lives Matter, I think we will want to have a goal and action in this plan regarding undoing systemic racism.

- A new goal and action have been created that are designed to continue the work to achieve the intent of City of Kirkland Resolution R-5434.

### **13. Conservation and Stewardship**

Proposed Action EV-7.2: Add improvements to CIP that eliminate the need for pesticide use.

- This action was revised to clarify that City projects should be designed to eliminate the need for synthetic pesticides.

### **14. City Operations**

Proposed Action SG-5.5: Consider appointing a citizen Sustainability Commission by 2025 to advise City Council on implementation status of this plan and recommendations for future revisions as conditions change.

- This action was revised to consider involving community members (including Boards and Commissions) in advising City Council on implementation of this plan and future revisions.

### **15. Access to Parks and Open Space**

Proposed Action EV 9.1: Conduct an accessibility review of parks, and recreation facilities and facilities with the 2021 update of the Parks, Recreation and Open Space (PROS) Plan for the purpose of creating an action plan for needed improvements

- This action was revised to insert language to undertake an accessibility and inclusivity review with all future PROS plan updates.

## 16. Access to Parks and Open Space

Proposed Action EV 8.1: "Sign the national "10-minute walk" initiative.

- This policy was revised to cross reference a similar goal in the PROS plan, which is to ensure that all community members are within a ¼ mile or 10-minute walk from a park.

## 17. Recycling and Composting

Proposed Action SM- 4.5: Increase multi-family and commercial recycling and Composting.

- This action was revised to memorialize that the City can look at innovative measures to increase multi-family and commercial recycling and composting.

## 18. Sustainable Food Systems

Proposed Goal HC-1: Increase the number and geographic diversity of P-Patches or other types of community gardens by 100% by 2025, and another 100% by 2030

- This goal was revised to be more ambitious to add five more p-patches or community gardening spaces by 2025, and to double it by 2030.

## 19. Buildings and Infrastructure - Electrification

Council Comment: Some of the recommendations or goals could lead to increased housing costs. Given our sensitivity and priority around housing affordability, can the plan somehow identify those items that could lead to higher housing costs over time? Obviously, those costs would need to be weighed against the public benefits that are gained. For example, how do the net zero requirements impact overall housing costs?

- Information was presented about costs and benefits and more information will be provided as part of future work plan items on the effects of building electrification and net-zero energy buildings on housing affordability.

## 20. Implementation Plan

Council Comment: I am really interested in an Action Plan, what are the next steps in the process, what are the timelines, and what are the costs?

- The implementation matrix in the draft SMP will be a useful guide that can help us prioritize based on cost, ease of completing the action and staff capacity.
- Cost/benefit information will accompany proposals to implement the elements of the plan and policies and actions will be implemented as resources allow.

- Staff will provide an annual progress update at a Council meeting and at a sustainability summit.
- The SMP should have a major update every 10 years and a minor update every 5 years, but could also be amended when technology, legislative and other changes happen that require adjustments/updates.

### **Public Feedback**

The community can provide comment to staff and Council up until Council adoption of this plan. Staff created a Public Comment Matrix (see Attachment 3) to summarize public comment for Council consideration. Staff has addressed many of the community's comments in the draft plan and will keep a separate list to consider addressing these comments in the future.

### **Next Steps**

Staff is seeking final comments and input to the SMP and the adopting Resolution. Staff will incorporate any Council comments into the final draft SMP and present the Plan and resolution for adoption at the December 8 Council meeting.

### **Attachments**

1. Draft SMP
2. Council Comment Matrix
3. Public Comment Summary



# CITY OF KIRKLAND SUSTAINABILITY MASTER PLAN

**Draft November 2020**



**ADOPTED:**

Resolution R-5457

# Acknowledgments

## City Council

Penny Sweet, Mayor  
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Neal Black, Councilmember  
Kelli Curtis, Councilmember  
Amy Falcone, Councilmember  
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For more information please visit:  
[https://www.kirklandwa.gov/depart/CMO/Neighborhood\\_Services/Sustainability\\_Master\\_Plan.htm](https://www.kirklandwa.gov/depart/CMO/Neighborhood_Services/Sustainability_Master_Plan.htm)

Or contact:  
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#### Kirkland Business Roundtable

#### Kirkland Chamber of Commerce

*The City of Kirkland would like to thank and recognize the efforts of all community groups and community members who gave their time and energy to bring this plan to life.*

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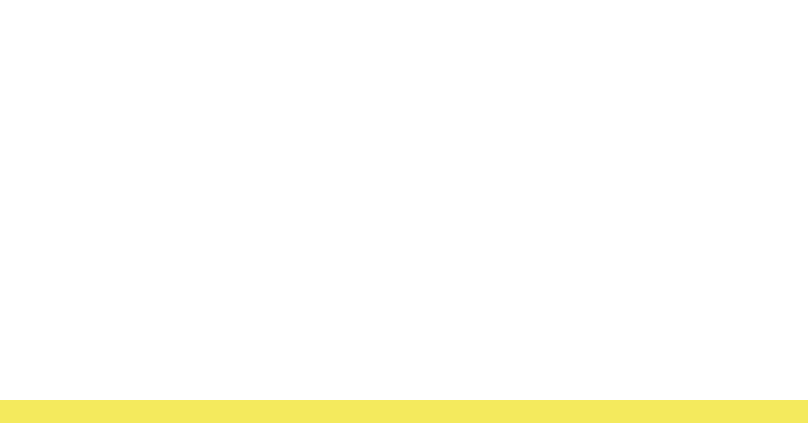
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Appendix  
[Sustainability Master Plan Themed Resident Engagement Report](#)





# EXECUTIVE SUMMARY

The primary purpose of the City of Kirkland's Sustainability Master Plan (SMP) can be found in the definition of the word sustainability, which is about meeting the needs of the present without compromising the ability of future generations to meet their needs. The major needs of the community are cleaner air and water, healthier food to eat, expanding housing options that allow people of all economic means to live here, and furthering a more equitable and socially just city that is welcoming and inclusive of all people. The creation of the SMP is the fulfillment of a 2019-2020 Council work plan goal, which was derived from the Environment Element of Kirkland's Comprehensive Plan and builds on Kirkland's progressive environmental heritage.

Additionally, the SMP seeks to coordinate the many existing City master plans, policies, programs and actions that encompass environmental issues. The SMP helps the community articulate where we are now, where we should be, and establishes goals and implementable actions that put the City on a clear path to achieve sustainability for future generations to come.

## A Plan Informed by the Community

Extensive outreach was performed in the community and internally to City staff to learn what we should be focused on to create a more sustainable Kirkland and the action steps that we could take to achieve this goal. Staff utilized the Themed Resident Engagement Kirkland (TREK) methodology and, with the assistance of the City Manager's Office, hosted two major events, conducted nine focus groups, and published an online survey. All of these provided for robust public participation in the creation of the SMP.

The second major outreach event was a Sustainability Summit held as part of the City's annual City Hall for All event. Conducted in a similar style as the Sustainability Forum, this event focused on showing the community what staff had done with the information that was provided at the Sustainability Forum and small focus group outreach. Notably, staff was able to also share what actions the City already undertakes to further sustainability in Kirkland and the overall region. The City Hall for All event also included a Sustainability Fair in the Peter Kirk Room, where community members could learn what actions they could take to reduce their impacts on the environment.



Residents provided input on community environmental goals at the Sustainability Summit

After these major outreach events, staff continued to work with a group of local community members that are also involved in environmental issues and in conjunction with groups such as the Sierra Club and People for Climate Action - Kirkland. This group of committed citizens served as a sounding board for the many good ideas generated by the community and contributed immensely to the development of this plan.

# Sustainability Master Plan Key Recommendations

The plan is divided into eight focus areas. The following list of recommendations highlights the ideas that garnered the most support and excitement in the community:



## Energy Supply and Emissions

It is imperative that the energy the community uses is renewable and consistently gets cleaner until it is free from all pollutants. This can be achieved by sourcing electricity that is not produced by combustion of fossil fuels. This conversion should be done to the maximum extent possible by 2030 to avoid the worst impact from Climate Change as the world works towards achieving zero community greenhouse gas (GHG) emissions.

- Secure carbon-free electricity for the community
- Reduce the use of natural gas in buildings and convert existing systems to clean electric
- Reduce vehicle miles traveled



## Buildings and Infrastructure

Buildings and related infrastructure not only use a great deal of natural and human made materials, but their construction and operation are responsible for over one third of the community's GHG emissions. Since water is a precious and essential resource, we should ensure we don't use more than required as it is also being impacted by climate change.

- Incentivize construction of high-performing, low energy use zero-emission structures
- Increase water efficiency in all buildings and infrastructure
- Retrofit existing buildings to reduce energy use



## Land Use and Transportation

Transportation alone accounts for about half of Kirkland's community greenhouse gas emissions. Efficient land use and transportation patterns can be optimized to use the land we have more efficiently, and to help the community improve air quality, reduce congestion by driving less, and utilize many cleaner transportation options such as biking, walking, transit use and carpooling.

- Employ Smart Growth principles in all City planning practices and codes
- Ensure that people of all ages and abilities can comfortably get around by walking or bicycling
- Reduce the average amount each person drives by 20% by 2030 and 50% by 2050
- Grow the annual number of weekday transit riders by 20% each year



## Natural Environment and Ecosystems

Air, water, land, plants and animals and the entire ecosystem that supports them are vital to human health and contribute immensely to the community's quality of life.

- Protect and enhance the water quality of Kirkland's streams, lakes and wetlands
- Make sure that all residents can walk to a park or open space
- With the community's help, restore at least 500 acres of City-owned natural areas and open space park lands by 2035
- Meet the overall goal of citywide 40% tree canopy cover goal by 2026
- Eliminate the discretionary use of synthetic pesticides in parks by 2025
- Manage Kirkland's urban forest resource for optimal health, climate resiliency and social equity

## Sustainable Material Management

Reducing consumption and waste by reusing materials and fixing items instead of replacing or discarding them helps us transition to a system where everything is reused or recycled.

- Achieve zero waste by 2030
- Compost all food and yard waste
- Reuse material and recycle the rest
- Support product stewardship

## Sustainable Governance

Responsible governance helps foster decisions that are good for the environment, social equity, and the economy.

- Integrate sustainability into every major decision the City makes
- Coordinate sustainability programs and policies across all City departments
- Ensure processes for public participation are fair, accessible, and inclusive
- Build community resiliency
- Maintain the City's responsible fiscal practices

## Sustainable Business

Local businesses, both small and large, contribute extensively to the livelihood of the community and enhance Kirkland's sense of place. The city can assist businesses to become more sustainable and help rebuild the local economy through local and regional partnerships.

- Provide personalized environmental technical support to businesses
- Develop a diversified, equitable and resilient local green economy

## Healthy Community

Communities that have access to the necessities of life such as food, water, housing, jobs and opportunities are happier and healthier. It is important for all members of the community to feel they belong and that their city is equitable and socially just.

- Double the number of P-Patches or other community gardens by 2025, and again by 2030
- Reduce how much potable water each person in Kirkland uses by 10% by 2025 and 20% by 2030
- Help refugees and immigrants, people of color and economically struggling residents access the resources they need to thrive
- Build a community that helps young people become engaged, competent and responsible members of the community
- Make Kirkland a safe, inclusive, and welcoming place for all people
- Expand housing options for all income levels
- Provide more recreation facilities

## Putting the Plan into Action

Many of the Sustainability Master Plan's goals have time horizons of approximately ten years and there are others that will take longer to achieve. It is therefore essential that the actions in this plan are carefully monitored and measured and updates are provided to the community every two years. This will help ensure that City operations and the community are working together in partnership towards a truly sustainable future for all.



# INTRODUCTION TO PLAN

The Sustainability Master Plan is not the first time the City has created a plan that addressed environmental issues in Kirkland. The Natural Resources Management Plan was adopted in 2002 and many other plans since then have touched on issues such as climate, stormwater, transportation and housing which are inextricably connected to sustainability. This plan is different from all the previously adopted City plans because it pulls together all these broad areas into one plan.

Goals are organized by **focus areas**, which are broken down into manageable, bite sized pieces called **elements**. The elements represent distinct, yet related pieces of the focus areas and establish goals and actions for each element. The goals are meant to be measurable so that the progress of each prioritized action can be demonstrated and documented. This allows the City and the community to be held accountable for the success of the goal achievement and the flexibility to change the actions, if the desired results are not reached. The elements, goals and actions in the focus area of the plan are not simple to achieve. They will take diligence, coordination and prioritization of funding and in many cases direct action from the community.

The **policy section** is meant to help push the boundaries of current City policies and demonstrate leadership among other cities and the region. They are bold, aspirational policies that can be considered for adoption as they are written. This section can serve to challenge our current policies and push the City and the community even closer to sustainability.

The **implementation section** of this plan is intended to help decision-makers prioritize the completion and funding of identified actions. The implementation matrix is a master matrix of all potential actions that could be attempted. They are broken into focus areas and have been evaluated by City staff and provided an overall weighted score to help decision makers prioritize which actions to take first.

To integrate **sustainable decision-making** into the City's processes, the plan introduces a new tool called the sustainable decision-making matrix (SDMM). The SDMM is a weighted decision-making tool that helps all City departments make more informed decision on projects, programs, policies and actions in all City operations and is intended to institutionalize sustainability throughout the organization.





# FOCUS AREAS

The eight focus areas organizing the City's environmental goals are broad in nature but represent some of the most important aspects of sustainability.

Each focus area is further broken down into elements that define specific goals. Each element is described, and its current status explained provides context to both the user and reader.

In addition, each element establishes measurable goals, and provide actions designed to achieve the goals. Policy citations show how the City's existing polices support this plan, and callouts of actions provide examples of what the City is currently doing to further the goals of the plan.

# Guide to the Focus Area Chapters

This plan is designed to be intuitive to read and is meant to educate the reader not only on what the city plans on doing to address sustainability in the future, but also what the city has done in the past, and why it has chosen to address sustainability in these ways.

## Focus Area Introduction

- The color is unique for each Focus Area, used throughout the plan
- Title of Focus Area
- Icon of Focus Area, used throughout the plan
- Description of the Focus Area
- Description of how the Focus Area is related to sustainability
- List of all the Elements of the Focus Area

## Focus Area Pages

- Element Heading
- Definition of the Element
- Explanation of where the city currently stands in addressing the Element
- Each Element contains supporting Goals
- Actions to achieve Goals

- Callouts provide extra information, such as a definition of a specific term, information about a program, or an example
- Existing policy support for Element goals
- Context for Goals



# ENERGY SUPPLY + EMISSIONS

The type of energy the community sources and uses greatly affects pollution levels, greenhouse gas emissions, and self sufficiency in a turbulent energy market.



According to the 2018 Intergovernmental Panel on Climate Change report (IPCC), on a world-wide basis we have approximately 10 years (until 2030) to convert all our energy supply to clean, renewable resources such as wind, solar and hydro, to prevent the worst effects of climate change. If this conversion does not happen within this timeline, the greenhouse gas (GHG) emissions from combusting fossil fuels could lead to much more extreme impacts such as sea level rise, heatwaves, storm events, failed food crops, disease, and loss of human life.

This conversion cannot happen overnight, and it must begin now with the creation of new wind and solar farms and the rapid discontinuance of fossil fuel use. Many of the issues related to energy supply are not in our direct control. Fortunately we do have influence on outcomes. We don't know how bad the impacts will be of not reaching the world-wide GHG emission reductions; but the risks of inaction or too little action directly conflict with sustainability. Therefore, we should make every effort to meet these GHG reduction goals in order to create an equitable community where future generations will be able to meet their own needs. We look to achieve these goals through work on Five Elements in this Focus Area:

- 1. Community GHG Emissions**
- 2. Purchased Electricity**
- 3. Distributive Renewable Energy**
- 4. Electrification of Vehicles**
- 5. Purchased Pipeline Gas**



# ENERGY SUPPLY & EMISSIONS FOCUS AREA ELEMENTS

## 1. Community GHG Emissions

**What is it?** Community Greenhouse Gas (GHG) Emissions are the result of combusting fossil fuels such as gasoline, diesel, coal, and pipeline gas (also known as natural gas). In order to reduce carbon emissions to reach goal levels it will be important to switch to carbon-free electricity, reduce use of gas in our homes and businesses and reduce the use of gas-powered vehicles.

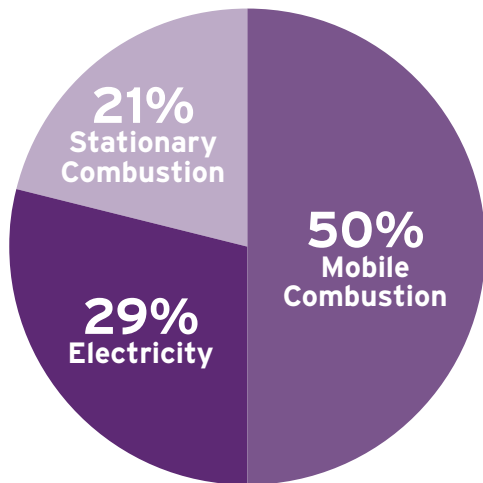


Figure 1. 2017 Kirkland community emissions breakdown by source

**Existing Policy Support:** Kirkland Comprehensive Plan

**Policy E-5.1:** Achieve the City's greenhouse gas emission reductions as compared to a 2007 baseline:

- 25 percent by 2020
- 50 percent by 2030
- 80 percent by 2050

**Where are we now?** As of 2017, community GHG emissions were 640,900 **MTCO<sub>2</sub>e (metric tons of carbon dioxide equivalent)** a year, which represents achieving a reduction of 22 percent from the 2007 baseline. These emissions are associated with three different sources as follows:

- **50% or 329,000 MTCO<sub>2</sub>e from Mobile Combustion:** Emissions from vehicles traveling in and through Kirkland (gas and diesel)
- **21% or 138,000 MTCO<sub>2</sub>e from Stationary Combustion:** Emissions from natural gas used for heat and other gas appliances
- **29% or 188,000 MTCO<sub>2</sub>e from Electricity:** Emissions from energy used for buildings and infrastructure such as streetlights, signals, and pump station.

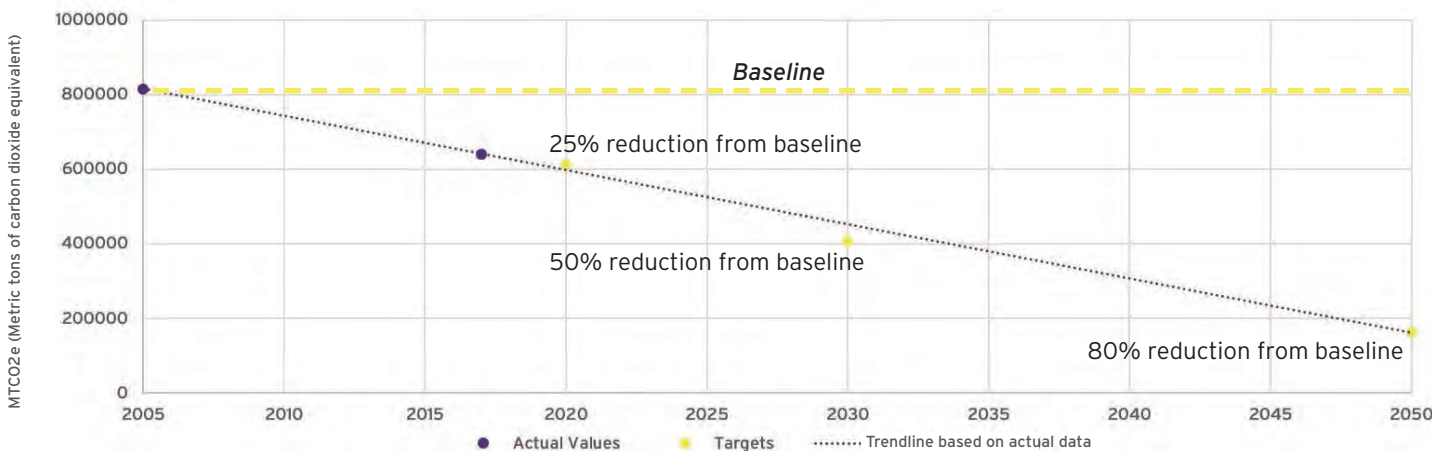


Figure 2. Community emissions targets compared with 2005 baseline and 2017 data.

# ENERGY SUPPLY + EMISSIONS



## Goal ES-1 Prioritize community GHG emissions reduction to achieve City Comprehensive Plan and K4C Goals

- **Action ES-1.1** Factor emissions reduction into budget processes and decision making
- **Action ES 1.2** Work with community members to create public/private partnerships to reduce emissions
- **Action ES 1.3** Work with K4C and lobby State Legislature to enact laws to further reduce GHG emissions
- **Action ES 1.4** Update Kirkland comprehensive plan climate goals regularly to be consistent with updated state and regional goals
- **Action ES 1.5** Support state or regional clean fuel standard

## 2. Purchased Electricity

**What is it?** The electricity that is supplied for purchase by the local contracted utility, currently Puget Sound Energy (PSE).

**Where are we now?** Purchased electricity offered throughout the city is 40% **carbon free** as of 2019 but the remainder still contributes 29% of community GHG emissions. Most carbon free electricity offered by PSE comes from hydro electric and wind power facilities. The City has secured renewable electricity for City operations via PSE's Green Direct Program.

### Existing Policy Support: [Kirkland Comprehensive Plan](#)

**Policy E-5.7:** Pursue 100 percent renewable energy use by 2050 through regional collaboration

### Why Carbon Free?



**Carbon free** electricity sources bring more stable prices and are a cheaper alternative to fossil fuels in the long run because fossil fuels are heavily subsidized. Carbon free energy is better for air quality and public health as it does not rely on combustion to create energy and helps lower emissions for the entire community.

## Goal ES-2 Ensure that purchased energy is 100% carbon free by 2030

- **Actions ES-2.1** Establish a plan to have 100% renewable energy for the community, and work with utility provider (currently PSE) and other stakeholders to establish plan
- **Actions ES-2.2** Provide a report to the City Council on the costs, benefits, complexities and risks of the formation of an Eastside public utility district that secures 100% renewable electricity that is equitably priced for the entire community





### 3. Distributive Renewable Energy

**What is it?** Solar panel systems that are designed to feed directly into the electrical energy grid.

**Where are we now?** There are currently no city programs to encourage **community or individual solar installations**. Kirkland's two Solarize Kirkland campaigns resulted in 291 customers with individual solar installations generating a total of 3 MW of power each year. There are no community solar installations in the City of Kirkland.

#### Goal ES-3 Add an additional 10 Mega Watts (MW) of combined individual and community distributive solar by 2030

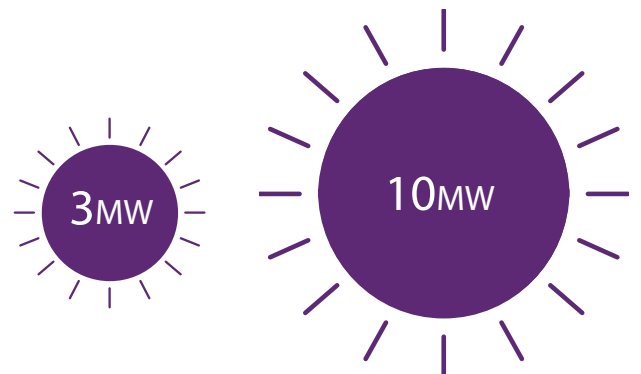
- **Action ES-3.1** In cooperation with environmental groups and solar installers, develop a marketing program to Kirkland residents and businesses to encourage installation of solar systems on or at their property
- **Action ES-3.2** Work with King County and other members of the K4C to establish a region wide program for successful implementation of community solar. Program will include a focus on low income residents and those in low and moderate income housing
- **Action ES-3.3** Consider revisions to remove barriers and provide incentives for solar in land use regulations
- **Action ES-3.4** Support innovative financing mechanisms for distributed energy improvements

- **Individual Solar Installations** are owned by a single entity or business and installed on a private building and
- **Community Solar Installations** are owned by members of the community and typically installed on a public building.

#### Why Community Solar?



Not all homes are suitable for solar power, and renters may also be interested in choosing clean energy. Community solar installations allow people who cannot install their own arrays or who can not afford a full array to purchase a share in a larger solar array. Community solar provides flexibility.



**10MW of solar energy could power 1,000 homes over the course of one year**





## 4. Electrification of Vehicles

**What is it?** Reduce use of fossil fuels and reduce GHG emissions from mobile combustion by providing the required infrastructure, expanding use of electric vehicles and charging stations across the City, including at major activity centers.

**Where are we now?** Mobile combustion makes up 50% of Kirkland's annual Community GHG emissions with a total output of 329,000 MTCO<sub>2e</sub> as of 2017. There is no policy or code that requires public or private electric charging stations to be built with new private development, although the City has installed several electric vehicle chargers in the Central Business District.

### Goal ES-4 Reduce GHG emissions from vehicles 25% by 2030

- **Action ES-4.1** Support engagement and partnerships with utilities and organizations to develop regional pilots to incentivize the transition to electric vehicle ownership for all sectors, through development of infrastructure, education, and grants and incentives
- **Action ES-4.2** Enact local code and programs to create incentives or require electric vehicle charging station retrofits in existing buildings or on development sites
- **Action ES-4.3** Require EV charging stations with all new developments or redevelopment projects at a minimum ratio of one EV charger for 10% of all required parking stalls, and require 20% of required parking stalls to be charger-ready for more EV chargers in the future
- **Action ES-4.4** For homes with off-street parking, require all new residential (single-family, duplex and townhomes) with offstreet parking to provide

Washington State Code requires certain new construction to be built with electric charging station capability at a ratio of 10% of all required parking stalls.



Electric vehicle charging stations at the Marina Parking Lot in downtown Kirkland.

City of Seattle requires all new homes with off-street parking to be "charger-ready" - wired to support a Level 2 EV charger. Twenty percent of multifamily development parking spaces must be "EV-ready."

one EV-ready electrical outlet per unit and require all multi-family developments to provide EV-ready electrical outlets for 20% of required parking spaces. The electrical outlets shall provide at least one 208/240 volt branched circuit that is ready to connect to an electric vehicle.

- **Action ES-4.5** Support state and regional requirements for electric delivery vehicles and TNCs
- **Action ES-4.6** Develop a policy to establish a revenue source toward support of electrification of transportation, such as building additional charging stations at city facilities and parks



## 5. Purchased Pipeline Gas

**What is it?** Pipeline gas (also known as natural gas) that is supplied for purchase by the local contracted utility, currently Puget Sound Energy (PSE). Many communities are targeting the reduction of pipeline gas to both reduce GHG emissions and to address safety concerns for human health from indoor exposure to pipeline gas, pipeline leaks and explosions, and environmental impacts associated with pipeline gas extraction.

**Where are we now?** Pipeline gas makes up 21% of Community GHG Emissions and contributes 138,000 MTCO<sub>2</sub>e annually. There are 23,000 individual gas customers within the City of Kirkland, and 95% of these customers are residential homes which use almost 3/4 of all pipeline gas in the city.

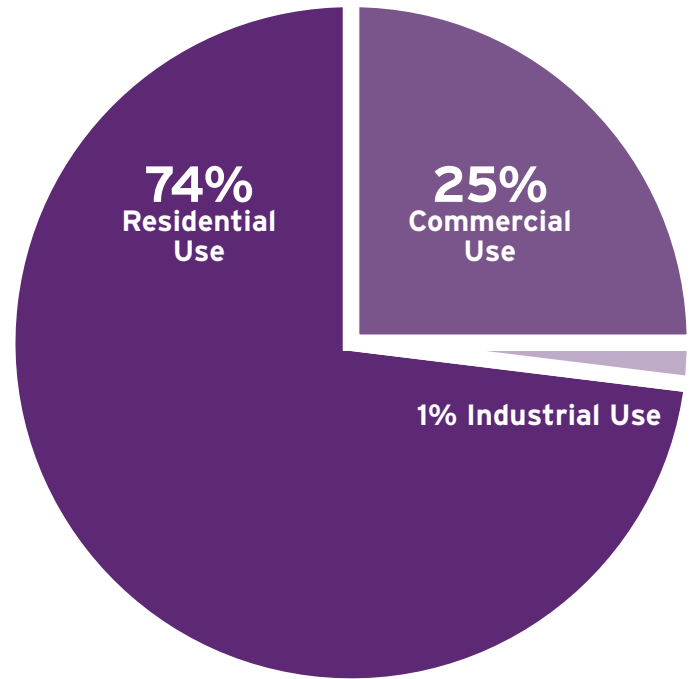


Figure 3. Kirkland pipeline gas usage by user type

**Goal ES-5 Reduce emissions of pipeline gas and other fossil fuels from all buildings by 20% by 2025 and 50% by 2030, as compared to a 2017 baseline**

- **Action ES-5.1** Establish a public/private partnership to educate gas account users about how to reduce gas usage
- **Action ES-5.2** Establish a public/private partnership or incentive program to convert existing gas heating systems and other appliances to energy efficient electric systems
- **Action ES-5.3** Explore requiring all new construction to be built with only electric systems



20%  
reduction  
over 8  
years

50%  
reduction  
over 13  
years

# BUILDINGS + INFRASTRUCTURE

All building types and infrastructure within the City have the potential to use much less energy and resources than current codes require if constructed with sustainable design or retrofitted



Existing and new buildings account for 50% of the energy used city-wide and the GHG emissions from this source accounts for approximately 206,000 MTCO<sub>2</sub>e. The Washington State Energy Code regulates the efficiency of all new structures, but existing buildings that have been built under older codes represent a tremendous opportunity to not only reduce energy use and save users money, but also reduce related GHG emissions.

To achieve the City's ambitious reduction goals, the buildings that house people and business in Kirkland must be as efficient as possible to reduce the amount of renewable energy capacity that will need to be created to serve the community's energy needs. If existing demand for energy is not reduced, it will take longer to achieve emission reduction goals while lower-income households will continue to be burdened by higher energy costs. We look to achieve these goals through work on **Three Elements** of this Focus Area:

- 1. New Construction + Development**
- 2. Existing Buildings**
- 3. Water Efficiency**

# BUILDINGS + INFRASTRUCTURE

## FOCUS AREA ELEMENTS



### 1. New Construction + Development

**What is it?** The design and construction of new development.

**Where are we now?** There is no requirement for **Net Zero Energy** or **High Performing Green Building** design for new development. Kirkland's Green Building Program includes incentives for Single Family Development that meets certain criteria.

Over 300 energy efficient homes have been built in Kirkland through the City's Green Building Program since its inception in 2008.

There is no equivalent program for commercial or multifamily development but some large-scale projects may be required to provide an energy efficiency plan on a case by case basis. There are many programs to certify a building as a high performing green building such as Leadership in Energy and Environmental Design (LEED), Build Green, Passive House and the International Living Future's Living Building Challenge.

**Existing Policy Support:** Kirkland Comprehensive Plan

**Policy E-4.1:** Expand City programs that promote sustainable building certifications and require them when appropriate

**Policy E-4.6:** Work with regional partners such as Regional Code Collaborative (RCC) to build on the Washington State Energy Code, leading the way to "net-zero carbon" buildings through innovation in local codes, ordinances, and related partnerships



The Arete multifamily development includes Eco Flats that target Built Green and LEED Platinum standards.



A modern duplex in Kirkland.





### ■ Goal BI-1 Certify all new construction as High Performing Green Buildings by 2025

- **Action BI-1.1** Restructure City of Kirkland Priority Green Building program to incentivize net zero energy buildings in single family, commercial and multi-family buildings
- **Action BI-1.2** Create public/private partnerships to encourage and educate builders to create energy efficient structures

**High Performing Green Buildings** are those which deliver a relatively higher level of energy-efficiency performance than that required by building codes or other regulations.

### ■ Goal BI-2 Increase the resilience of the built environment by requiring 50% of new construction to be Certified Net Zero Energy by 2025 and 100% of new construction to be certified Net Zero Energy by 2030

- **Action BI-2.1** Continue to build market demand for net-zero energy buildings through incentives, education, demonstration projects, partnerships and recognition
- **Action BI-2.2** Consider requirements and incentives for buildings in business districts to be built to high performing building standards
- **Action BI-2.3** Encourage and incentivize buildings that are part of Council-approved Master Plans/Development Agreements/Planned Unit Developments to be high-performing green buildings that are charger ready

A **Net Zero Energy** building is a building with zero net energy consumption, meaning the total amount of energy used by the building on an annual basis is equal to the amount of renewable energy created on the site or by other renewable energy sources.

### Why Net Zero Development?



The value of **Net Zero** development is multi-faceted. Net Zero buildings produce as much renewable energy as they consume and therefore do not increase pollution in the community, reducing health impacts. This kind of development is designed to very high energy efficiency standards, and costs less to operate. By incentivizing more net zero development we ensure future generations can be energy independent.



Kirkland's Google campus was built to be resource efficient, targeting LEED Platinum standards.

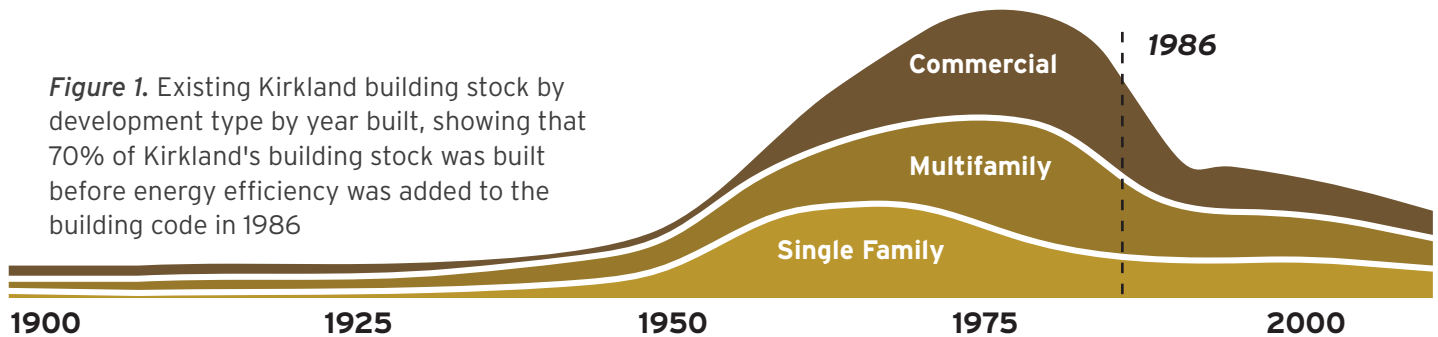


## 2. Existing Buildings

**What is it?** Any existing building such as a commercial building, residential structure or single-family home has great potential to become more energy efficient because energy code requirements are more stringent now than in the past.

**Where are we now?** 70% of the building stock in Kirkland was built before 1986. The Washington State Building Code began taking energy efficiency into consideration in 1986. These older buildings present a big opportunity to increase energy efficiency and reduce energy bills.

*Figure 1.* Existing Kirkland building stock by development type by year built, showing that 70% of Kirkland's building stock was built before energy efficiency was added to the building code in 1986



### Goal BI-3 Achieve the K4C Goal to reduce energy use in all existing buildings by 25% by 2030 and 45% by 2050 compared to a 2017 baseline

- **Action BI-3.1** Create an incentive program to share energy efficiency savings with building owners and tenants in multi-family housing
- **Action BI-3.2** Work with K4C to adopt State required energy performance benchmarking and disclosure ordinances for an annual reporting program for commercial buildings, and explore options for multifamily buildings
- **Action BI-3.3** Work with K4C to implement C-PACER legislation approved by the State Legislature
- **Action BI-3.4** Work with the K4C to implement energy performance ratings for all homes at time of sale so that prospective buyers can make informed decisions about energy costs and carbon emissions
- **Action BI-3.5** Work with K4C, energy efficiency contractors and interested parties to establish a program to assist homeowners in identifying and selecting appropriate and cost effective energy improvements

C-PACER or Commercial-Property Assessed Clean Energy Resilience legislation will provide owners with a means to access less expensive capital, over a longer term, with the opportunity for costs to be offset from energy savings

The City of Portland requires those selling single-family homes to disclose a Home Energy Score with any listing or public posting about the house.



### 3. Water Efficiency

**What is it?** Increasing water efficiency means reducing water wastage by measuring the amount of water required for a purpose compared with the water actually used.

**Where are we now?** According to the United States Environmental Protection Agency (EPA), water use in buildings accounts for over 70% of water use on a national basis and the average household uses more than 300 gallons per day. Water efficiency measures such as low flow fixtures and certified appliances help demonstrate that it is possible to use existing water resources, rather than develop new and more expensive sources.

**Existing Policy Support:** [Kirkland Comprehensive Plan](#)

**Policy E-4.7:** Work with regional partners to pursue 100 percent use of a combination of reclaimed, harvested, grey and black water for the community's needs.

**Goal BI-4 Reduce water use in buildings by 10% by 2025 and 20% by 2030 as compared to a 2019 baseline**

- **Action BI-4.1** Create an incentive program to promote EPA's Water Sense fixtures or Energy Star appliances in new and existing structures utilizing a new or existing public/private partnership
- **Action BI-4.2** Revise the City's Green Building program to require greater water efficiency than required by green building certifications such as LEED, Built Green and Passive House
- **Action BI-4.3** Revise the Kirkland Municipal Code to require greater water efficiency outside of existing structures (such as required for landscaping, water features, and public infrastructure)



Kirkland Urban, in downtown Kirkland, opened its first phase in 2019, including retail, office, and multi-family.



# BUILDINGS + INFRASTRUCTURE

# LAND USE + TRANSPORTATION

How people travel and  
land is developed



A key issue in sustainability is the relationship between land use and transportation, as many historic transportation related investments have fostered sprawling, auto-dominated environments. The transportation sector is one of the largest contributors to anthropogenic U.S. greenhouse gas (GHG) emissions and pollution. Transportation accounted for the largest portion (28%) of total U.S. GHG emissions in 2016. In Kirkland, vehicles account for (50%) of the community's GHG emissions. Between 1990 and 2016, GHG emissions in the transportation sector increased more in absolute terms than any other sector (electricity generation, industry, agriculture, residential, or commercial).

Reducing vehicle emissions and other pollutants enhances public health, especially for vulnerable community members. One way to accomplish this is to reduce both the number and length of trips people take in automobiles, particularly single occupancy trips. We look to achieve these goals through work on **Four Elements** of this Focus Area:

1. **Smart Compact Growth**
2. **Active Transportation**
3. **Public Transportation**
4. **Shared Mobility**

# LAND USE & TRANSPORTATION FOCUS AREA ELEMENTS



## 1. Smart Compact Growth

**What is it?** Smart growth is an approach to development that encourages a mix of building types and uses, diverse housing and transportation options, development within existing neighborhoods, and community engagement.

**Where are we now?** Kirkland first adopted Smart Growth Planning Polices in the late 1980s and early 1990s. The City currently uses two strategies to implement Smart Compact Growth: **10-Minute Neighborhoods**, and **Transit Oriented Development**.

### Goal LT-1 Employ Smart Growth principles in all City planning practices

- **Action LT-1.1** Engage in a Smart Growth policy and Smart Growth zoning code scrub

### Goal LT-2 Increase access to existing 10-Minute Neighborhoods in Kirkland

- **Action LT-2.1** Continue to work with public works department to align new pedestrian connections with the 10-Minute Neighborhood concept
- **Action LT-2.2** Create public/private partnerships to educate the community on the benefits of 10-Minute Neighborhoods and smart growth
- **Action LT-2.3** Increase housing density along major transit corridors
- **Action LT-2.4** Support important infill in neighborhoods encouraging a variety of needed businesses such as medical and professional offices

### Existing Policy Support: Kirkland Comprehensive Plan

**Policy LU-3.1:** Create and maintain neighborhoods that allow residents and employees to walk or bicycle to places that meet their daily needs.

**Walk Friendly Communities** is a nationally recognized organization that rates walkability in cities based on a number of factors including planning polices, engineering, and education

**10-minute Neighborhoods** are walkable communities with two vital characteristics: Destinations and Accessibility. Basic needs are satisfied within a 10 minute walk, and the community can conveniently get to those destinations.



Example of a 10-minute Neighborhood

# LAND USE + TRANSPORTATION



**Goal LT-3** Achieve the K4C goal of reducing driving per capita by 20% by 2030 and 50% by 2050, compared to 2017 levels

- **Action LT-3.1** Partner with local businesses to subsidize programs to increase access to transit
- **Action LT-3.2** Create public private partnerships and work with large employers to find creative transportation solutions for commuters
- **Action LT-3.3** For new development, increase bicycle parking requirements and require amenities for employees such as showers, lockers and secure storage
- **Action LT-3.4** Evaluate parking requirements to reduce parking minimums in areas well served by transit
- **Action LT-3.5** Remove parking minimums in 10 minute neighborhoods

**Transit Oriented Development (TOD):** a type of community development that includes a mixture of housing, office, retail and/or other amenities integrated into a walkable neighborhood and located within a half-mile of quality public transportation. TOD's support the increased use of transit and reduce reliance on single-occupant vehicles.

Apartments at the South Kirkland Park and Ride make it easy for residents to take transit.





## LAND USE + TRANSPORTATION

### 2. Active Transportation

**What is it?** Active Transportation refers to people walking and bicycling. Walking also includes using a wheelchair or other assistive device and bicycling includes using regular pedal bikes, electric assist bicycles (e-bikes), tricycles, or adaptive bicycles.

All types of walking or bicycling trips matter. This covers trips for recreation or transportation including trips to access another form of transportation, such as walking or bicycling to the bus.

**Where are we now?** As of 2020 the City of Kirkland is updating the Active Transportation Plan and is developing Safer Routes to School Action Plans. The City has also received a bronze rating from Walk Friendly Communities and from Bicycle Friendly Communities.

97% of school walk routes along major roads have sidewalks on at least one side of the street. Actions LT-4.4 and 4.5 are part of the implementation of the Safer Routes to Schools Action Plan

**Existing Plan Support:** Kirkland Transportation Master Plan

**Policy T-1.4:** Prioritize, design and construct pedestrian facilities in a manner that supports the pedestrian goal and other goals in the TMP.

**Policy T-2.4:** Implement elements and programs that make cycling easier.

#### Active Transportation Plan



Kirkland upkeeps an Active Transportation Plan which guides the city in building new Pedestrian and Bicycle Infrastructure. Between 2009 and 2019 Kirkland added over 15,000 linear feet of new sidewalk. Almost 70% of the 2015 planned bike lane network is complete and the City has begun work on expanding the **Neighborhood Greenways** network. The City prioritizes new infrastructure that separates active transportation from motor vehicles and is designed to feel comfortable for people of all ages and abilities.





# LAND USE + TRANSPORTATION



## Goal LT-4 Ensure that people of all ages and abilities can comfortably get to where they need to go by walking or bicycling

- **Action LT-4.1** Coordinate with the Active Transportation Plan to align projects and priorities with the Sustainability Master Plan
- **Action LT-4.2** Strive to achieve a platinum status with Walk Friendly Communities or equivalent
- **Action LT-4.3** Strive to achieve a platinum status with Bicycle Friendly Communities or equivalent
- **Action LT-4.4** Coordinate with the school district to increase the number of students who receive walk and bike education
- **Action LT-4.5** Increase the number of students walking and biking, through implementation of the Safer Routes to Schools Plan
- **Action LT-4.6** Make it safe and easy to travel between neighborhoods, schools, business districts, parks and green spaces through implementation of the Active Transportation Plan, when adopted
- **Action LT-4.7** Prioritize walk and bike access to high frequency transit service
- **Action LT-4.8** Update markings for all bicycle lanes that are not protected, consistent with current standards

**Protected Bike Lanes** are an exclusive bicycle facility within or adjacent to the roadway but separated from motor vehicle traffic by a physical barrier or change in elevation.

Bike boxes at intersections protect cyclists by allowing them to move to the front of the queue during the red light cycle, giving them time to make it through the green light and making them more visible to cars.

## Getting to Platinum...



The City has been recognized by two national organizations for its efforts in creating a safe environment for pedestrians and bicyclists. The Bicycle Friendly Community Program recognizes places, through a Bronze to Diamond designation rating, that meet certain standards for bicycling improvements through engineering, education, enforcement, evaluation and encouragement. Walk Friendly Communities rates walkability in cities based on factors including planning policies, engineering, and education.



**BICYCLE FRIENDLY COMMUNITY**



- **Action LT-4.9** Complete the Greenway network by 2030
- **Action LT-4.10** Develop criteria for alternative sidewalk configurations for safe pedestrian travel when traditional sidewalks are infeasible

**Neighborhood Greenways** are well-connected low speed, low volume neighborhood roadways that prioritize pedestrian and bicycle travel with traffic calming treatments and improved arterial crossings.





## LAND USE + TRANSPORTATION

### 3. Public Transit

**What is it?** Taking Transit includes taking local or regional buses and light rail but also includes special needs transportation services such as ADA paratransit services.

**Where are we now?** Average weekday transit boardings represent an indicator of trends in transit ridership on Metro buses. A good measure for public transit ridership in Kirkland would be to maintain the annual average weekday ridership growth and compare it with King County Metro ridership growth. From 2017 to 2020, Kirkland had an average of 14.7% growth in its annual weekday ridership.

#### ■ Goal LT-5 Grow annual average weekday transit ridership by 10% each year

- **Action LT-5.1** Promote public transit use by offering incentives and providing a comprehensive transportation demand management (TDM) program that utilizes a variety of modes, serves diverse populations, and covers many geographic areas (funding is needed to support these actions)
- **Action LT-5.2** Explore public/private partnerships for first mile-last mile strategies including bike share, scooter share, and automated shuttles
- **Action LT-5.3** Work with regional transit agencies to provide an equitable and inclusive access to fare payment options
- **Action LT-5.4** Work with transit agencies on honing and increasing service to Kirkland in accordance with Metro Connects and Kirkland Transit Implementation Plan



### Transportation's Health Impacts



As identified by Centers for Disease Control and Prevention (CDC), transportation and public health are linked in several areas including:

- **Air pollution and associated respiratory and heart diseases.** Increased availability of public transit can help decrease traffic congestion and vehicle miles traveled in automobiles. This decrease helps lower air pollution known to cause health problems. Locating facilities like schools and active transportation routes away from the most heavily trafficked roads may also help reduce exposure to air pollution.
- **Environmental justice/social equity.** Highways have historically been built through low-income areas of cities without consideration of the vulnerable populations living there. Addressing the potential health effects of a proposed transportation project, plan, or policy before it is built or implemented can ensure that the health of residents is not compromised. Creating safe biking and walking access to key destinations helps residents get where they need to go regardless of income, age or ability.



## 4. Shared Mobility

**What is it?** Refers to the shared use of a vehicle, bicycle, or other transportation mode. It is a transportation strategy that allows users to access transportation services on an as-needed basis.

**Where are we now?** There are several existing shared mobility programs in Kirkland such as community van and community ride. Also, Kirkland Green Trip program offers ride-matching platform and other tools to find, plan, and schedule a shared ride. These programs are created in partnership with King County Metro.

### Goal LT-6 Promote current shared mobility programs and services

- **Action LT-6.1** Encourage carpooling and using shared mobility by providing incentives and ride-matching tools and services

*Kirkland Green Trip* is a one-stop resource to plan the most sustainable trips to and from work, school, and home with the goal of reducing environmental impacts caused by traffic, helping those who live and work in Kirkland thrive and earn incentives.

### Goal LT-7 Establish new shared mobility options

- **Action LT-7.1** Create partnerships with regional transit agencies and explore new public/private-partnerships
- **Action LT-7.2** Provide innovative transit solutions along the Cross Kirkland Corridor and the connections from I-405 to downtown Kirkland



Kirkland Community Van is a rideshare pilot program in partnership with King County Metro to provide community members with a new way to share a ride to popular destinations when bus service can't meet their needs.



# LAND USE + TRANSPORTATION

# NATURAL ENVIRONMENT + ECOSYSTEMS

All critical areas such as streams, wetlands and Lake Washington, areas like parks and open space, and existing natural resources including air quality, surface water quality, tree canopy, open space and ecosystem biodiversity



A healthy, functioning natural environment is essential to life. We rely on wetlands to receive our excess water and cleanse it. Streams provide a place for plants and animals to exist in an urban environment, and support salmon, whose presence informs us about our water quality. The urban forest provides shade, processes our carbon dioxide, sequesters our carbon and cleans the air. Our parks and open spaces provide beauty and are places for all of us to enjoy and relax. The natural environment and the many benefits it provides must be protected and enhanced to maintain a sustainable community.

We look to achieve these goals through work on **Four Elements** of this Focus Area:

- 1. Sustainable Urban Waterways**
- 2. Conservation + Stewardship**
- 3. Access to Parks + Open Space**
- 4. Sustainable Urban Forestry**



# NATURAL ENV. + ECOSYSTEMS FOCUS AREA ELEMENTS

## 1. Sustainable Urban Waterways

**What is it?** Sustainable urban waterways are fishable, swimmable and encompassed within healthy watersheds. These characteristics are achieved by improved water quality, reduced peak flows and restored fish passage and fish habitat.

**Where are we now?** Kirkland is compliant with the National Pollutant Discharge Elimination System (NPDES) Municipal Stormwater permit, which controls the impact of pollutants on our creeks and lakes. The City also developed the Surface Water Master Plan that combines permit requirements and additional efforts to support salmon recovery, flood reduction, and watershed restoration.

**Existing Policy Support:** [Kirkland Comprehensive Plan](#)

**Policy E-1.9:** Using a watershed-based approach, both locally and regionally, apply best available science in formulating regulations, incentives, and programs to maintain and improve the quality of Kirkland's water resources.

**Existing Policy Support:** [Surface Water Master Plan](#)

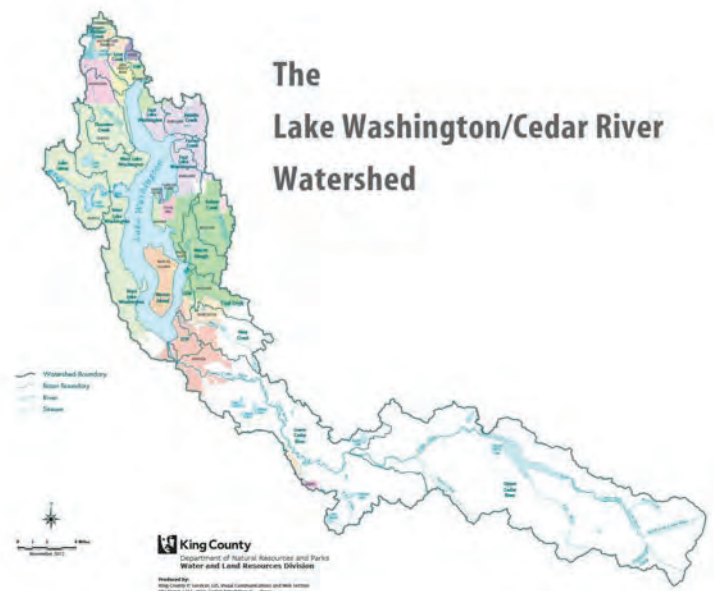
The Surface Water Master Plan outlines priorities and needs of surface water related work activities that take place in Kirkland.

### A Watershed Perspective



A **watershed** is an area of land that drains to a particular water body. Most of Kirkland is within the Lake Washington watershed. That means Kirkland influences how clean and healthy Lake Washington is for humans and wildlife because rain carries pollution from wherever it falls. Other cities along the lake are also in the Lake Washington watershed, so it's vital to work together to protect the lake's water quality and watershed health. City of Kirkland actively partners with other agencies, including:

- Stormwater Action Monitoring (SAM)
- Stormwater Outreach for Regional Municipalities (STORM)
- King County Flood District
- King Conservation District
- The regional NPDES permit coordinators group
- Lake Washington Watershed Salmon Recovery Council





### ■ Goal EV-1 Protect and enhance the water quality of Kirkland's streams, lakes and wetlands

- **Action EV-1.1** Continue NPDES permit compliance, including developing an interdisciplinary team to support the assessment of watersheds and prioritization of future protection or enhancement measures
- **Action EV-1.2** Proactively identify and reduce pollutants of concern in Kirkland's impaired streams and monitor progress
- **Action EV-1.3** Assess and prioritize watersheds and actions that will improve water quality. Build and apply a decision-making matrix for ecological/watershed activities. Incorporate public input into assessment and prioritization process. Ensure that actions are equitably applied throughout the city.



Blue Heron finding refuge in a natural green space along Juanita Creek in Kirkland.

### ■ Goal EV-2 Protect and enhance Kirkland's watersheds and aquatic habitat conditions

- **Action EV-2.1** Continue to fund projects to make culverts fish passable. Prioritize streams based on potential fish use/topography/flow/habitat availability.
- **Action EV-2.2** Develop action plans for stormwater retrofit and water quality management strategies. Ensure that actions are equitably applied throughout the city.
- **Action EV-2.3** Actively involve the community in the protection of Kirkland's aquatic resources. Ensure that information and opportunities are accessible to the broader community.



A volunteer applies a marker to a storm drain, raising awareness that everything that goes down a storm drain flows untreated into Lake Washington.

### ■ Goal EV-3 Protect and maintain the City's surface water and stormwater infrastructure for optimal performance

- **Action EV-3.1** Inspect and maintain public stormwater infrastructure including catch basins, pipes, ditches, and detention/retention facilities to protect water quality and prevent flooding
- **Action EV-3.2** Develop and implement a proactive approach to replace aging stormwater infrastructure that includes identification of "critical" system elements



# NATURAL ENVIRONMENT + ECOSYSTEMS

## Goal EV-4 Reduce threats to public infrastructure or private property due to flooding

- **Action EV-4.1** Evaluate stormwater infrastructure capacity through modeling and TV inspection, and either clear observed debris and obstructions or develop projects to address capacity problems
- **Action EV-4.2** Construct flood reduction projects within 5 years of identification for problems that occur more frequently than every 10 years
- **Action EV-4.3** Review development proposals for both potential flood impacts to the project, and for downstream impacts from the project, and require mitigation of impacts as appropriate

## 2. Conservation + Stewardship

**What is it?** Provide key ecosystem services and opportunities for residents to connect with nature throughout the City by restoring urban forests, creeks, wetlands, and other critical habitats.

**Where are we now?** As of 2019, more than 119 acres of City owned natural areas and open space park lands have been enrolled in a continuous cycle of restoration.

**Existing Policy Support:** [Parks, Recreation & Open Space Plan](#)

**Policy 7.1: Natural Area Preservation.** Preserve significant natural areas to meet outdoor recreation needs, provide opportunities for residents to connect with nature, and meet habitat protection needs.



Volunteers at a Green Kirkland Partnership event at Juanita Bay Park. Photo by Jim Hunt.

Current area in restoration  
**119 acres**

2035 goal restoration area  
**500 acres**

Over  
**3X**  
current  
total over  
15 years



# NATURAL ENVIRONMENT + ECOSYSTEMS



## Goal EV-5 Engage the community in the restoration of at least 500 acres of City owned natural areas and open space park lands by 2035

- **Action EV-5.1** Recruit and train additional Stewards to lead volunteer habitat restoration events in parks and natural areas
- **Action EV-5.2** Grow the Green Kirkland Partnership volunteer force at a rate that meets or exceeds the rate of the City's annual population growth
- **Action EV-5.3** Contract a year-round Washington Conservation Corps (WCC) crew to work in critical areas (wetlands, streams, steep slopes) across all City parks, open spaces, and natural areas

## Goal EV-6 Eliminate the discretionary use (not required for the control of aggressive stinging insects or regulated noxious weeds) of synthetic pesticides in parks by 2025

- **Action EV-6.1** Establish a cross department **Integrated Pest Management** (IPM) team to review and update City IPM policies and practices, prioritize treatment locations, and ensure maintenance activities take place as needed in previously treated locations
- **Action EV-6.2** Utilize the ArcCollector application to map and track the treatment of noxious weeds requiring treatment across all City owned lands

**Integrated Pest Management** uses a combination of strategies to deal with weeds and pests while minimizing risks to people, animals and the environment. Methods the City uses include physical removal, prevention, mechanical, and chemical.

## Goal EV-7 Aspire to eliminate the use of synthetic pesticides on City properties

- **Action EV-7.1** Explore designating all parks with playgrounds as synthetic pesticide-free parks. Consider using community groups to assist with maintenance
- **Action EV-7.2** Design City projects that eliminate the need for synthetic pesticides
- **Action EV-7.3** Design City public landscaping that requires less maintenance, water and pesticides
- **Action EV-7.4** Regularly evaluate alternative products in lieu of synthetic pesticides
- **Action EV-7.5** Explore changes to maintenance standards to avoid use of synthetic pesticides

### Why Do Weeds Need to Be Controlled in Public Spaces?



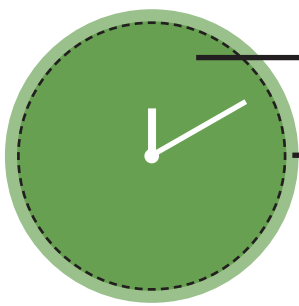
- Effectively reduce populations of invasive, noxious weeds
- Create safe sightlines for people walking, biking, and driving
- Protect sidewalks and streets from damage
- Eliminate safety hazards in public walking, bicycling or play areas
- Restore, create, and protect environmentally valuable areas



## 3. Access to Parks + Open Space

**What is it?** Kirkland's Parks, Recreation and Open Space Plan articulates a service level that specifies that Kirkland residents should live within a ¼ mile radius of a neighborhood park. Additionally, parks and recreation across the country is spearheading a national campaign to ensure all people live within a 10-minute walk to a park.

**Where are we now?** 75% of Kirkland residents are within a ¼ mile radius of a neighborhood park. According to the Trust for Public Land, 92% of residents live within a 10-minute walk of a park.



**92% of Kirkland residents live within a 10-minute walk of a park**

**All Kirkland residents - target goal**

**Goal EV-8 Ensure that all residents have equal access to healthy parks and open space within walking distance**

- **Action EV 8.1** Proactively seek and acquire parkland to create new parks, prioritizing park development in areas where service level deficiencies exist (where households are more than 1/4 mile from a developed park), and in areas of the City facing population growth through residential and commercial development

**Goal EV-9 Ensure that all residents live within a 10-minute walk to parks**

- **Action EV 9.1** Achieve the Kirkland Parks, Recreation and Open Space Plan neighborhood park system goal which ensures every resident is within 1/4 mile or 10 minute walking distance of a park
- **Action EV 9.2** Work with GIS to create dataset for privately owned public parks and public plazas in the city

**Existing Policy Support:** Parks, Recreation & Open Space Plan

**Policy 5.5: Universal Access & Inclusion.** Strive to reduce barriers to participation and provide universal access to facilities and programs.

Strive to reduce barriers to participation and provide universal access to facilities and programs.

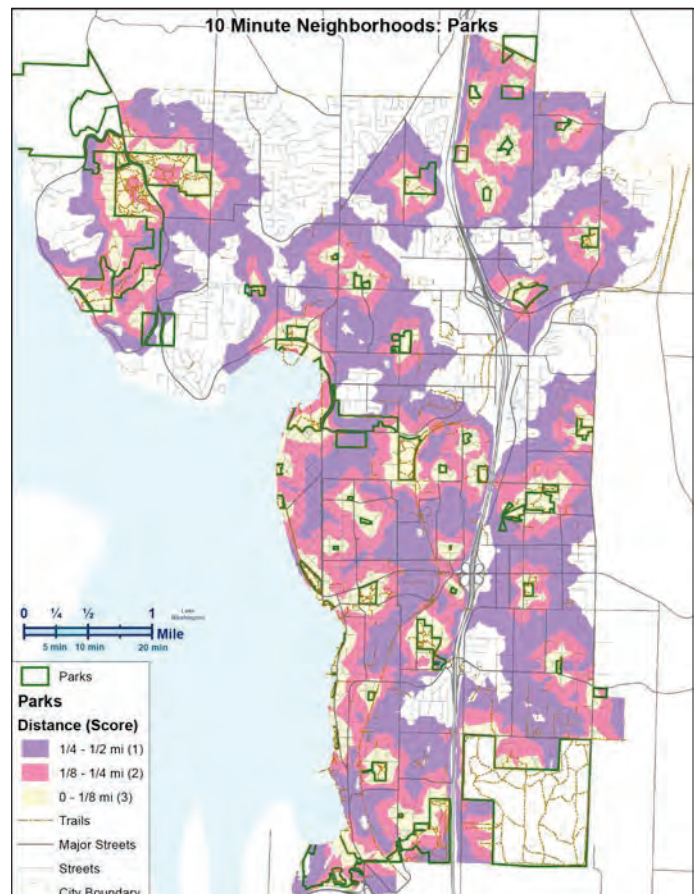


Figure 4. Distance to neighborhood Kirkland parks in 2014.



**Goal EV-10** Continually improve parks to meet the active and passive recreational needs of Kirkland residents by reducing barriers to participation and providing universal access to facilities and programs where possible

- **Action EV 10.1** Conduct an accessibility and inclusivity review of parks, and recreational facilities and facilities with the update of all future Parks and Open Space Plans for the purpose of creating an action plan for needed improvements.
- **Action EV 10.2** Integrate an accessibility and inclusivity capital project fund into the Parks and Community Services capital improvement program
- **Action EV 10.3** Update the Park, Recreation and Open Space Plan every six years

### Why is Park Access Important for Sustainability?



Parks and green spaces are an important component of sustainability and should be accessible and usable by all members of the community. It is more equitable to distribute parks and green spaces throughout the City, ensuring all community members can walk to them in ten minutes or less.



Rendering of updates at Juanita Beach Park in 2020, with a new bathhouse and picnic areas, and a playground accessible for all abilities.

Walkway at Edith Moulton Park.





## 4. Sustainable Urban Forest

**What is it?** A sustainable urban forest is more resilient to stressors when it consists of healthy trees with diverse age and species characteristics. Greater urban forest resiliency and biodiversity can be achieved through management efforts that include mature tree preservation, proper tree care and tree planting with species diversity objectives.

**Where are we now?** In 2018, citywide tree canopy cover was assessed at 38 percent. When compared to canopy cover in 2010, that's a 272-acre loss of canopy cover, mostly occurring in single family residential areas.

By joining 14 cities in a partnership with the King Conservation District, Kirkland acquired its most recent tree canopy cover assessment, including canopy data by census block. Kirkland also participated in a 2018 modeling project studying the impact of canopy cover on stormwater capacity as one of four pilot cities in the Puget Sound region.

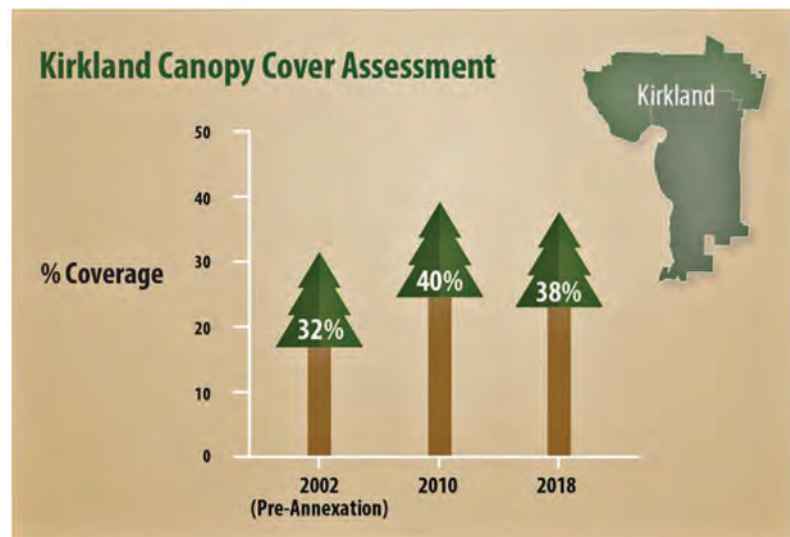
A 2018 field study showed that development activities pose challenges to retaining larger, mature trees. Trees in Kirkland's active parks were inventoried in 2015 to enable a more proactive management approach. Street trees on Kirkland collector and arterial streets were inventoried in 2017, providing data on approximately 32% of Kirkland's street trees.

Amendments to the City's tree ordinance to simplify the code and result in a broader diversity of tree ages for long-term succession are expected to be completed by mid-2020. Related enforcement codes were adopted in early 2020. The 2014-2109 Urban Forest Work Plan identified tree planting objectives that have not been initiated, with the exception of a pilot tree give-away.

**Existing Policy Support:** Kirkland Comprehensive Plan

**Policy E-2.1:** Strive to achieve a healthy, resilient urban forest with an overall 40 percent tree canopy coverage.

**Policy E-2.2:** Implement the Urban Forestry Strategic Management Plan.



By earning Growth Awards for 10 consecutive years, Kirkland was recognized as a Sterling Tree City USA in 2018 and “regarded as a leader in community forestry” by the National Arbor Day Foundation.





**Goal EV-11 Examine trends in canopy gain or loss, identify priorities for meeting the overall goal of citywide 40% tree canopy cover goal by 2026 and develop strategies to manage Kirkland's urban forest resource for optimal health, climate resiliency and social equity**

- **Action EV-11.1** Formally recognize and support internal cross department collaborative planning to develop and implement sustainable urban forestry strategies for the broader community
- **Action EV-11.2** Incorporate into work plan recommendations from American Society of Landscape Architects (ASLA) Smart Policies for a Changing Climate and the Urban Forest Sustainability and Management Reenvironmental education, access to transportation and services, public health outcomes, and other challenges
- **Action EV-11.3** Ensure continued health and growth of public trees by improving the public tree maintenance program: provide adequate public tree maintenance resources and update and maintain the right-of-way tree inventory to manage for age/species diversity objectives
- **Action EV-11.4** Develop canopy enhancement strategies to mitigate public health impacts in areas that may be disproportionately affected by adverse environmental conditions which may directly, or indirectly, be associated with social disparities in income, homeownership, education, access to transportation and other services, public health outcomes, and other challenges
- **Action EV-11.5** Develop and implement tree planting programs in partnership with schools, regional agencies and nonprofits to increase tree canopy cover on private and public property, including rights-of-way, parks and natural areas
- **Action EV-11.6** Identify and prioritize climate-resilient tree species for public/private tree planting programs
- **Action EV-11.7** Dedicate resources for an ongoing, robust and inclusive public education framework that engages the community, increases awareness of long-range goals and code requirements, promotes stewardship of the urban forest, communicates the value and benefits of trees, and garners public support for the planting and preservation of trees citywide

### Why Are Trees Important?



Trees provide enormous environmental, economic, and social benefits, including:

- Improving air quality and producing oxygen
- Reducing the urban heat island effect
- Controlling stormwater runoff and soil erosion, thereby protecting water quality
- Contributing to reductions in crime and increased property values
- Enhancing resident health and well-being
- Providing wildlife habitat and migration corridors
- Building climate resiliency for the community





## NATURAL ENVIRONMENT + ECOSYSTEMS

- **Action EV-11.8** Evaluate pre-approved public works plans and look for opportunities for retention of right-of-way trees
- **Action EV-11.9** Create comprehensive inventory of existing and newly planted trees, including significant trees, in City spaces such as right of ways and parks. Create a city-wide tree planting program with set target areas and goals for canopy expansion in our City public spaces and residential areas
- **Action EV-11.10** Set commercial landscape design standards that use low-maintenance and waterwise plants.



# SUSTAINABLE MATERIALS MANAGEMENT

A systemic, holistic approach to using and reusing materials more productively over their entire life cycles, beginning at design and production, through use and reuse, and at the end-of-life through recovery and recycling



Sustainable Materials Management considers the entire life cycle of how we use materials, and their end of life. The ultimate goal is to achieve **zero waste of resources**. Waste management goals have historically focused on recycling efforts but we now know that just recycling is not the answer. Although many may think that switching to compostable or recyclable versions of single use products will be better for the environment, research shows that not to be the case. Environmental impacts are lessened by avoiding unnecessary single use items and prioritizing reusable options.

The City of Kirkland is an active participant in regional waste reduction and recycling efforts, and works to continually innovate and improve programs and offerings. This is done through a variety of recycling programs, like special recycling collection events for expanded polystyrene foam or free battery recycling drop offs, and education campaigns, like promoting participation in food scrap composting. The City aims to reduce the impacts of our residents' and business' waste on the environment. We look to achieve these goals through work on **Three Elements** of this Focus Area:

1. **Waste Reduction**
2. **Recycling and Composting**
3. **Product Stewardship**



# SUSTAINABLE MATERIAL MGMT. FOCUS AREA ELEMENTS

## 1. Waste Reduction

**What is it?** Waste reduction is the practice of creating less waste through preventing waste generation and changing consumption patterns to avoid the resources needed for recycling or disposal.

**How do we measure it?** *Waste generation* is the total amount of materials disposed of as trash and materials recycled or composted whereas *waste disposal* is only the amount of material disposed of as trash. These numbers are significant because they indicate overall consumption patterns, more than just what percentage of material is recycled. Kirkland seeks to achieve the waste generation and waste disposal goals in the King County Comprehensive Solid Waste Management Plan. Kirkland and other King County cities collaborate on an overall plan to reduce and manage waste.

**Where are we?** As of 2018, Kirkland's waste generation rate per capita is 19.9 lbs/week. The waste disposal rate per capita is 8.9 lbs/week.

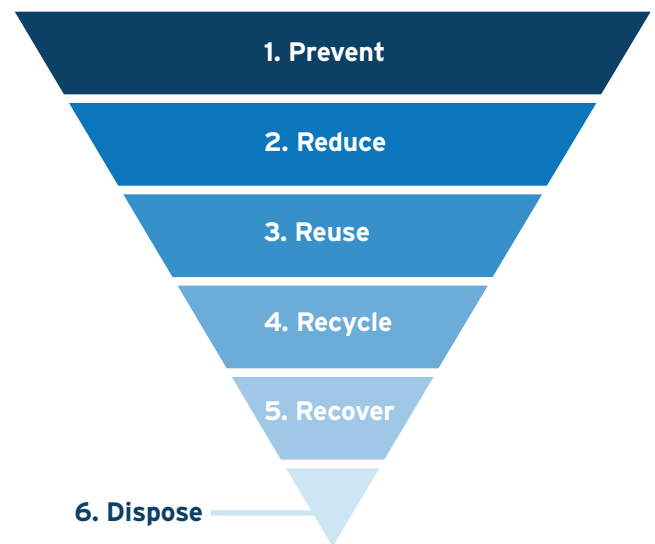
### Existing Policy Support: [Kirkland Comprehensive Plan](#)

**Policy PS-2.1:** Coordinate with the City's solid waste and recycling collection contractors and King County Solid Waste Division to ensure that the existing level of service standards are maintained or improved and waste reduction and recycling goals and targets are in compliance with the Draft 2013 King County Comprehensive Solid Waste Management Plan (SWMP) update.

## Managing Our Waste



The waste hierarchy prioritizes how we should handle our waste – preventing and reducing waste is the best choice, and throwing things away is the worst environmental choice.



Although recycling items instead of throwing them away allows the material to be turned into something else, recycling everything isn't the end goal for our waste. Reducing the amount of waste produced overall – whether trash, recycling, or compost – will make the most impact for the planet.

Reduce waste by preventing it in the first place, by choosing long-lasting products or skipping a purchase altogether, and by extending the life of possessions. Repairing items and reusing materials also promotes social equity and builds community.



# SUSTAINABLE MATERIALS MANAGEMENT



## Goal SM-1 Continue to achieve King County's Waste Generation rate target of 20.4 pounds per week per capita by 2030

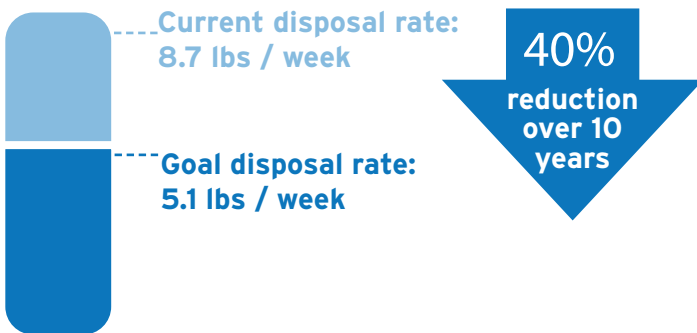
- **Action SM-1.1** Reduce consumer use of common single-use items - for example, by promoting use of reusable shopping and produce bags
- **Action SM-1.2** Lead by example by improving waste prevention and recycling in City operations, facilities, at sponsored events, and through the purchase of sustainable products
- **Action SM-1.3** Evaluate progress towards waste generation targets annually
- **Action SM-1.4** Set innovative rates to incentivize waste reduction, recycling and composting

Kirkland banned single use plastic bags in 2016 and is currently looking at other policy options to reduce single use food service ware.

The City is currently working on internal purchasing policies, and recently committed to purchasing only compostable food service ware for internal events.

## Goal SM-2 Achieve King County's waste disposal rate target of 5.1 pounds per week per capita by 2030

- **Action SM-2.1** Support repair and reuse activities throughout Kirkland and King County
- **Action SM-2.2** Evaluate progress towards waste disposal targets annually



Reuse events like repair cafes and costume swaps help residents keep items in use, and support the community by providing free options for members of the community in need.



# SUSTAINABLE MATERIALS MANAGEMENT

## ■ Goal SM-3 Reduce single use food service ware throughout City of Kirkland

- **Action SM 3.1** Eliminate the use of expanded polystyrene foam food service ware in food service establishments
- **Action SM 3.2** Enact policy to support reduction of single use food service ware, including straws and utensils
- **Action SM 3.3** Work directly with businesses to provide technical assistance and incentives to increase the use of durable products in food service

## 2. Recycling + Composting

**What is it?** **Recycling** is the process of collecting and processing materials and turning them into usable and marketable new products. **Composting** is the diversion of **organics** such as yard waste, food scraps, and food-soiled paper to a controlled biological decomposition process that creates a beneficial soil amendment.

**How do we measure it?** Recycling diversion rates can include a variety of things, although they typically measure the amount of materials recycled or composted, instead of landfilled. King County reports City recycling diversion rates as the weight of the amount recycled and composted out of weight of total waste.

**Where are we now?** Kirkland's combined residential diversion in 2018 was 55.4% and only includes hauler-reported tonnage data from residential customers.

Many Kirkland residents and businesses participate in diverting food and yard waste from the garbage. It is not mandatory to compost food, but the City offers the service to all at no cost.

### Reduce vs. Recycle



While it's helpful to recycle and compost a greater proportion of our waste, the total amount of waste we produce overall is also important to measure – maybe even more important. For example, a family which increased the amount of material they throw away, recycle, and compost by the same proportion would recycle the same proportion of their waste, but generate a lot more waste in total.



# SUSTAINABLE MATERIALS MANAGEMENT



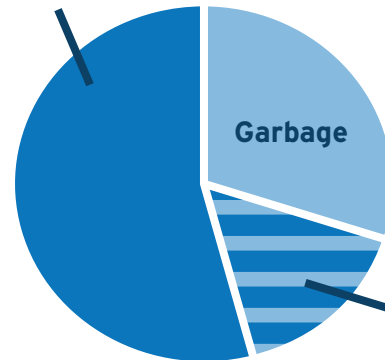
## ■ Goal SM-4 Achieve a local and countywide 70% recycling diversion rate by 2030.

- **Action SM-4.1** Explore options to increase the efficiency and reduce the price of curbside and multi-family collection of bulky items, while diverting as many items as possible for reuse or recycling
- **Action SM-4.2** Expand recycling collection events for difficult-to-recycle items without product stewardship take-back programs

Kirkland offers a number of events each year for hard to recycle items like Styrofoam™, mattresses, paint, and more!

- **Action SM-4.3** Increase single-family food scrap recycling through a three-year educational cart tagging program
- **Action SM-4.4** Update and enforce building code requirements to ensure adequate and conveniently located space for garbage, recycling, and organics collection containers in multi-family, commercial, and mixed-use buildings
- **Action SM-4.5** Institute a construction and demolition program that requires structures to be deconstructed versus demolished to recover valuable building materials that can be reused or recycled
- **Action SM-4.6** Explore and consider a disposal ban policy for recycling and/or organics (ex. City of Seattle)
- **Action SM-4.7** Increase multi-family and commercial recycling
- 

**Current: 54% of waste recycled or composted**



**30% increase over 10 years**

**Goal: 70% of waste recycled or composted**

*Figure 5.* Current and goal percentage of Kirkland's waste stream that is recycled or composted (by weight) compared to all waste generated



Simple changes can have dramatic impacts on recycling, like switching from carts to dumpsters so there's enough room for residents to recycle their materials.



# SUSTAINABLE MATERIALS MANAGEMENT

## Goal SM-5 Increase the number of businesses composting food scraps to 150 by 2023

112 business within the City of Kirkland compost food scraps as of 2018.

- Action SM-5.1** Continue to develop infrastructure and increase regional and local educational outreach, incentives and promotion to increase recycling of food scraps and food-soiled paper. These efforts should target single-family and multi-family residential developments, as well as nonresidential buildings such as schools, institutions, and businesses.
- Action SM-5.2** Work with food producers, grocers, restaurants, and schools to prevent food waste and to increase food recovery through donation of surplus meals and staple food items to local food banks



To provide more access to food scrap composting for multifamily residents, Kirkland has piloted two community food scrap drop-off containers, located at City Hall and North Kirkland Community Center.

Kirkland partnered with Lake Washington School District and King County Green Schools to pilot a school food share program to rescue uneaten food at some schools.

## 3. Product Stewardship

**What is it?** Product Stewardship is an environmental management strategy that means whoever designs, produces, sells, or uses a product takes responsibility for minimizing the product's environmental impact throughout all stages of the products' life cycle, including end of life management. These programs can also be considered Extended Producer Responsibility programs, because they shift the responsibility of end of life from the consumer to the producer.

**Where are we now?** Product stewardship programs are typically statewide policies, so existing programs vary across the US. Kirkland cannot set up our own programs, but instead can play a role in supporting the creation of new programs. Currently, in Washington State, product stewardship programs exist for some hard to recycle items, including computers, televisions, fluorescent bulbs, and medicines. A new program for paint stewardship will begin in 2020.

## SMP Goal SM-6 Expand Statewide Program for Product Stewardship to include challenging to recycle items like mattresses, batteries, and plastic packaging

- Action SM-6.1** Support legislative efforts and remain active in groups like Northwest Product Stewardship Council (NWPSC).

Kirkland has representation on the Steering Committee of the NWPSC.

# SUSTAINABLE GOVERNANCE

The cooperation and coordination with all levels of government to achieve effective, efficient, and responsive governance and a sustainable level of core services for the Kirkland community



A sustainable government ensures that Kirkland can continue providing key services and guiding the community towards the future it envisions. This includes providing a sustainable level of core services that are funded from predictable revenue.

Trust in governance underpins the City's ability to support the community. Engaging all members of the community - especially those who have traditionally not been represented in public processes - ensures that the voices of all can be heard and incorporated into decision-making, and creates more equitable solutions.

Community resilience prepares Kirkland to continue providing needed services and adapt to changing circumstances, whether economic or related to natural or human-made hazards. The 2020 COVID-19 pandemic highlights the need for an adaptive local government.

We look to achieve these goals through work on **Four Elements**:

- 1. City Operations**
- 2. Civic Engagement**
- 3. Community Resilience**
- 4. Financial Stewardship**



# SUSTAINABLE GOVERNANCE FOCUS AREA ELEMENTS

## 1. City Operations

**What is it?** City operations include all of the operations that make the City function on a daily basis. So many of the decisions the City makes have an effect on the environment, social equity and the economy. It is imperative that the City exhibit leadership to all residents and businesses by showing that good operational decisions can be made to enhance sustainability and livability in Kirkland.

### ■ Goal SG-1 Integrate sustainability into every major decision the City makes

- **Action SG-1.1** Utilize Sustainable Decision Making Matrix by all department decision makers
- **Action SG-1.2** Memorialize in Staff Reports that all major decisions have considered sustainability and have utilized the Sustainable Decision Making Matrix
- **Action SG-1.3** Identify and use other tools and certifications such as a Carbon Counting Calculator and Institute for Sustainable Infrastructure (ISI) Envision certification that can be used for all City building and infrastructure projects to ensure low carbon methods and materials are being considered
- **Action SG-1.4** Identify and apply the **Electronic Product Environment Assessment Tool (EPEAT) registry** for decisions of electronic equipment purchases
- **Action SG-1.5** Adopt a policy for fleet purchases for fully electric and hybrid electric vehicles depending on technology availability and city needs; and actively seek grants in order to move toward an all-electric City's fleet and supporting charging station infrastructure

**Existing Policy Support:** Kirkland Comprehensive Plan

**Policy E-4.5:** Utilize life cycle cost analysis for public projects that benefit the built and natural environment.

**Where are we now?** The City makes its decisions in many different forms that consider the environment, equity, and the economy among other criteria. However, not all decisions comprehensively consider sustainability.

The **Sustainable Decision Making Matrix** is available as an Excel workbook or a printable worksheet in this report's "Sustainable Decision Making" section.

The **Electronic Product Environment Assessment Tool (EPEAT)** is a method for purchasers to evaluate the effect of a product on the environment. It assesses various lifecycle environmental aspects of a device and ranks products based on a set of environmental performance criteria.

- **Action SG-1.6** Establish a grant-writing team to find and apply for grants to fund actions from the Sustainability Master Plan
- **Action SG 1.7** Apply for a Puget Sound Energy Resource Conservation Officer to optimize energy use and maximize efficiency at all City facilities

# SUSTAINABLE GOVERNANCE



- **Action SG 1.8** Develop a plan in CIP for all city facilities to meet 25% energy reduction goal by 2030 and 45% by 2050.
- **Action SG 1.9** Develop water and energy efficiency standards for acquired facilities. If standards are not met, retrofit to achieve standards
- **Action SG 1.10** Explore reduction of or elimination of gas-powered landscaping equipment for city operations
- **Action SG 1.11** Explore creating an anti-idling policy for city operated vehicles

## ■ Goal SG-2 Coordinate sustainability programs and policies across all City departments

- **Action SG-2.1** Appoint a sustainability manager with the authority to coordinate the implementation of the Sustainability Master Plan
- **Action SG-2.2** Implement a system to more closely coordinate sustainability-related activities across City departments and implement the Sustainability Master Plan
- **Action SG-2.3** Establish a protocol that allows eligible City staff with positions that don't require full-time in-person presence to work from home a minimum of two days per week
- **Action SG 2.4** Consider involving community members in advising City Council on implementation of this plan and recommendations for future revisions as conditions change.

## ■ Goal SG-3 Examine and refresh City's purchasing policies, to focus on more environmentally preferable purchasing

- **Action SG-3.1** Implement new internal purchasing guidelines, with focus on reducing single use items
- **Action SG-3.2** Explore specifying compost made from organic materials collected from City residents, businesses, and government to be used in City operations and projects
- **Action SG-3.3** Update purchasing policy to reflect best practices in environmental purchasing



## 2. Civic Engagement

**What is it?** Civic Engagement is the active participation of community members in seeking to make a difference in the civic life of the community, including having the ability, agency, and opportunity to be involved in decision-making processes that affect them. Engagement activities range from volunteerism to information sharing, from consulting with the community on a policy decision to resident-led efforts, depending on the degree of community and City involvement and decision-making authority. An underlying principle of civic engagement is seeking to ensure that community members should be involved in decisions that impact them.



Gun Safety and Community Safety Town Hall - June 2018

**Where are we now?** The City has successfully employed various techniques of public participation, ranging from town halls, community meetings, discussion forums, and online surveys. The City continues to cultivate community capacity in the form of knowledge, participation, and leadership through campaigns of themed resident engagement on timely topics and on-going collaboration with Kirkland's neighborhood associations. The City also supports a vibrant volunteer program and utilizes various boards and commissions to advise the City Council on policy.

### ■ Goal SG-4 Ensure processes for public participation are fair, accessible, and inclusive

- **Action SG-4.1** Implement a system of civic engagement that more closely coordinates activities across various City departments to ensure that community members, particularly those most affected by an issue or those historically underrepresented in civic life, may participate in a meaningful way
- **Action SG-4.2** Develop a process to identify and dismantle unintended barriers to public participation by considering and responding to the diversity of our community, including the various cultural, ethnic, and historical experiences of community members
- **Action SG-4.3** Identify and empower trusted messengers in the community to serve as liaisons between the City and communities that have historically been underrepresented in civic life
- **Action SG-4.4** Perform a comprehensive City organizational equity assessment to identify gaps in diversity, equity, and inclusion in all areas of City policy, practice and procedure
- **Action SG-4.5** Provide opportunities for public input that do not require presence at a particular time or place





### Goal SG-5 Cultivate community members' knowledge of, participation in, and leadership for civic processes

- Action SG-5.1** Explore opportunities for the City's involvement in efforts of **collective impact** to help achieve desired outcomes, including through partnering more closely with existing community groups. Support the establishment of new groups to expand active participation from underrepresented segments of the community, such as Black, Indigenous, people of color, immigrants, and renters
- Action SG-5.2** Maintain and expand support for Kirkland neighborhood associations, including efforts at expanding active participation from underrepresented segments of the community, such as people of color, immigrants, and renters
- Action SG-5.3** Explore partnership programs to implement opportunities for civic education and leadership development for community leaders, with a specific emphasis on Black community members, people of color, and immigrants
- Action SG-5.4** Prioritize and implement a civic engagement course that provides education about local government and creates an entry point for emerging community leaders
- Action SG-5.5** Consider involving community members (and Boards and Commissions) in advising City Council on implementation of this plan and recommendations for future revisions as conditions change

**Collective impact** is the commitment of a group of actors from different sectors to a common agenda for solving a specific social problem.

## 3. Community Resilience

**What is it?** The sustained ability of a community to utilize available resources (energy, communication, transportation, food, etc.) to respond to, withstand, and recover from adverse situations

**Where are we now?** Emergency Management maintains various plans, including the Hazard Mitigation plan, and City resources that are intended to direct and support building resiliency in the community. Emergency Management conducts public education and outreach activities as part of the 'whole community' readiness concept and trains City staff to coordinate and support all phases of emergency and disaster management.





# SUSTAINABLE GOVERNANCE

## Goal SG-6 Improve community resiliency through community engagement and by strengthening essential City resources

- **Action SG-6.1** Increase redundant/alternate power capability at critical City facilities
- **Action SG-6.2** Educate residents and businesses on actions they can take to increase personal and physical earthquake resilience
- **Action SG-6.3** Identify options and actions to increase water reservoir stability and shake resilient water mains
- **Action SG-6.4** Continue mitigation projects intended to reduce the risk of erosion, landslide, and urban flooding
- **Action SG-6.5** Focus on efforts to address and mitigate climate change impacts, such as air quality issues and heat emergencies, for example
- **Action SG-6.6** Implement hazard mitigation strategies, as identified in the 2019 Hazard Mitigation Plan, through funding, resources, staff support, and collaborative relationships with partner agencies

## 4. Financial Stewardship

**What is it?** The stewardship of public funds is one of the greatest responsibilities given to the officials and managers of the City of Kirkland. The establishment of and maintenance of wise fiscal policies enables City officials to protect public interests and ensure public trust. The City's Fiscal Policies represent long-standing principles, traditions, and best practices that have guided the City management in the past and are intended to ensure that the City is financially able to meet its immediate and long-term objectives.

**Where are we now?** Kirkland is in the second year of the 2019-2020 biennium. City Management and Staff have commenced the preparation of next biennium's budget and Capital Improvement Program (CIP) for review and discussion with the City Council.

As part of the budget development process, the City Council reviews Kirkland's Fiscal Policies and updates them to reflect best practices to ensure the City's financial sustainability.

## Goal SG-7 Maintain the City's responsible fiscal practices while enabling progress on City sustainability goals

- **Action SG-7.1** Use the Sustainable Decision Making Matrix that is provided in the Sustainable Decision Making section of this document as a tool for evaluating future investments in projects, programs or actions, such as the greening of the City's fleet or making City facilities more environmentally friendly. The intent is to view proposals through a "sustainability lens" along with financial and other criteria to get a more complete picture of the current and future impacts and benefits of each investment.
- **Action SG-7.2** Evaluate the establishment and funding of a sustainability opportunity fund with the intent of using these funds as the City match portion of any potential grant applications in support of sustainability-oriented projects.

# SUSTAINABLE BUSINESS

A healthy mix of local resilient businesses and services that have a positive impact on the environment and the community



Kirkland's business community, from the larger anchor businesses to the small independently-owned shops and restaurants, shapes Kirkland's character and livability. Having goods and services available locally means that Kirkland residents can meet their needs without traveling to another city (probably by car) and also supports community members as well as local government by keeping spending and tax revenue within the city.

Businesses also contribute to Kirkland's environmental impacts through the choices they make about how they operate and what they sell.

We look to achieve the goals to achieve a sustainable business community through work on the **Three Elements** of this Focus Area:

1. **Green Business**
2. **Economic Diversity**
3. **Green Economy**

# SUSTAINABLE BUSINESS FOCUS AREA ELEMENTS



## 1. Green Business

**What is it?** Green businesses follow practices that limit their environmental impact and protect their employees. Businesses that look to operate sustainably reduce expenses, improve efficiency, keep employees healthy and engaged, comply with regulations, and do right by the planet.

**Where are we now?** The City of Kirkland offers a variety of resources to businesses to operate more sustainably. These resources include waste, recycling, and composting program assistance, free containers and posters, storm drain markers, pollution prevention visits, employee transportation assistance, and more. These resources can be accessed through assistance through the EnviroStars Green Business program and the Source Control Business Inspections Program.

### ■ Goal SB-1 Engage with Kirkland businesses on environmental best practices

- **Actions SB-1.1** Use the EnviroStars Green Business and Source Control Programs to assist Kirkland businesses in accessing resources to follow environmental best practices
- **Action SB-1.2** Conduct outreach to all non home-based businesses, ensuring all have sufficient recycling capacity
- **Action SB-1.3** Provide hands-on technical assistance to potential pollution generating businesses to manage business operations to reduce pollution entering the stormwater system

**Existing Policy Support:** Kirkland Comprehensive Plan

**Policy E-4.11:** Promote and recognize green businesses in Kirkland.



Eastside Community Aid Thrift Shop was one of the first Kirkland businesses to be recognized as an EnviroStars green business, at the highest level.



## Why Green Business is Important



Green businesses engage in practices that reduce their impacts on the environment, conserve resources, and protect their employees and customers. By operating more sustainably, businesses can reduce expenses, improve efficiency, keep employees healthy and engaged, comply with regulations, and protect the planet. These practices can be beneficial to the environment and the business bottom line, by reducing costs and improving their image to customers. More than 70% of Puget Sound residents think it's important to buy from environmentally-minded businesses.



The City provides spill kits to businesses like restaurant Bella Balducci so they can be prepared to clean up any accidental spills and prevent pollution from reaching Lake Washington.

## 2. Economic Diversity

**What is it?** Kirkland businesses providing a broad range of products and services as defined by the total economic output by business sector.

**Where are we now?** The City does not currently track economic diversity.

### Goal SB-2 Foster economic diversity throughout the community

- **Actions SB-2.1** Track and monitor the makeup of business industries in Kirkland and set a diversification goal
- **Actions SB-2.2** Partner with Chamber & Kirkland Downtown Alliance on promoting "Buy Local"
- **Actions SB-2.3** Support policy that encourages mixed use development and economic diversity

**Existing Policy Support:** Kirkland Comprehensive Plan

**Policy ED 1.2:** Encourage a broad range of businesses that provide goods and services to the community.

## Economic Diversity Supports the Community



When a large variety of businesses are located locally, residents and other local businesses can meet all or most of their needs for purchasing goods and services without traveling to another city. That makes it easier for people to walk, bike, or bus to meet most of purchasing needs, minimizing dependence on single-occupancy-vehicle travel and reducing travel distances. This is especially beneficial for members of the community who are not able to drive. Shopping locally keeps more money in the community and also provides more funding for local government services.



### 3. Green Economy

**What is it?** A green economy is resilient, socially just, and follows a circular framework that designs out waste through reuse, modular and repairable design, and making the most of materials. Taking a green approach to the economy is low carbon and resource efficient. A green economy strengthens the community by providing living wage jobs, sourcing products locally, and developing green industries that don't harm environmental quality.

**Where are we now?** The City supports individual businesses through technical support programs, but does not have an overarching program for building a green economy. A similar model might be found in the City's partnership with Redmond and Bellevue on the Innovation Triangle. Businesses can access assistance through the City's economic development team.

#### ■ Goal SB-3 Support and enhance the resilience of the Kirkland business community

- **Action SB 3.1** Develop an economic resilience plan in partnership with Kirkland businesses that focuses on successful operations during uncertain economic times
- **Action SB 3.2** Formulate a green economic recovery plan in partnership with Kirkland businesses that focuses on clean, green industries and living wage jobs
- **Action SB 3.3** Support legislation that promotes a resilient business community in Kirkland and on the Eastside
- **Action SB 3.4** Promote home occupation businesses as means to create more jobs and reduce transportation impacts related to commuting

#### ■ Goal SB-4 Support the transition to an equitable, socially just sustainable business community in Kirkland

- **Action SB 4.1** Create a program to help restaurants, institutions, schools procure food from local sources and farms
- **Action SB 4.2** Promote a training program to assist immigrant and Black, Indigenous, and People of Color (BIPOC) small business owners
- **Action SB 4.3** Develop public/private partnerships to create spaces and places for startups that focus on making and selling sustainable products



# HEALTHY COMMUNITY

A healthy community is equitable, socially just and one in which each person has a sense of belonging, support in their community, and access to opportunities that fulfill the basic needs of life



A healthy community must ensure that the entire community has equitable access to resources such as clean water and air, healthy attainable housing, nutritious food, living wage jobs, and a sense of being welcome, accepted and belonging. Improving access to services, representation in decision-making, and environmental conditions for historically marginalized community members, such as low income and Black, Indigenous, and People of Color (BIPOC), should be prioritized. Sustainable communities are socially just, share a common purpose, and are places where all people thrive and enjoy good health and create a high quality of life.

We look to achieve these goals through **Six Elements** of this Focus Area:

1. **Sustainable Food System**
2. **Potable Water**
3. **Human Services**
4. **Welcoming + Inclusion**
5. **Attainable Housing**
6. **Recreation and Wellness**



# HEALTHY COMMUNITY FOCUS AREA ELEMENTS

## 1. Sustainable Food System

**What is it?** A Sustainable Food System includes increasing opportunities for local food production, distribution and consumption. Composting and Reducing Food Waste Reduction is covered in Sustainable Materials Management.

**Where are we now?** There are three official P-Patches city-wide. Farmer's Markets occur twice a week during the summer.

**Goal HC-1 Increase the number and geographic diversity of P-Patches or other types of community gardens by adding 5 more by 2025, and another 100% by 2030. Explore adding edible landscaping on city property including rights-of-way.**

- **Action HC 1.1** Develop a funding plan for development and operation of new P-Patches or other community gardens
- **Action HC 1.2** Develop Public/Private partnerships to locate new P-Patches on private land, including rooftops
- **Action HC 1.3** Develop a strategy plan to prioritize the location of community garden opportunities in areas of the city with concentrations of multi-family developments
- **Action HC 1.4** Build educational and support programs in coordination with local partners such as King County Master Gardeners and Seattle Tilth Alliance to teach residents how to grow food and reduce water and pesticide usage

**Existing Policy Support:** Kirkland Comprehensive Plan

**Policy E-6.1:** Expand the local food production market by supporting urban and community farming, buying locally produced food and by participating in the Farm City Roundtable forum



Volunteers working in the demonstration garden at McAuliffe Park. Photo by Tilth Alliance.



Kirkland's farmers markets offer a local opportunity for residents to buy locally-grown produce and locally-made products directly from vendors during the summer.



# HEALTHY COMMUNITY



## Goal HC-2 Increase Farmer's Markets operations from two days per week to seven days per week by 2030, and increase geographic diversity of locations

- **Action HC 2.1** Develop Public/Private Partnerships to assist in new Farmers Market Operations
- **Action HC 2.2** Amend the Kirkland Zoning Code to allow Farmer's Markets where excluded

## Goal HC-3 Increase opportunities for private development to grow more food

- **Action HC 3.1** Amend Kirkland Zoning Code to require common open space to include food growing beds
- **Action HC 3.2** Amend the Kirkland Zoning Code to allow food growing in stream and wetland building buffer setback areas
- **Action HC 3.3** Develop a Food Action Plan that assures fresh, local food is available and accessible by entire community

## 2. Potable Water

**What is it?** The quantity of fresh drinking water. The city obtains its drinking water from three sources, Cascade Water Alliance, Northshore Utility District and Woodinville Water Alliance.

**Where are we now?** In 2019 Kirkland used over 2.6 billion gallons of potable water, equal to 58 gallons per day per person.

### **Existing Policy Support:** Kirkland Comprehensive Plan

**Policy U-2.1:** Work in coordination with other jurisdictions and purveyors in the region to ensure a reliable, economic and sustainable source of water and to address long-term regional water demand.

The average resident in Seattle uses only 39 gallons of water per person per day.

## Goal HC-4 Reduce use of potable water on a per capita basis by 10% by 2025 and 20% by 2030 as compared to 2019

- **Action HC-4.1** Increase efficiency of water fixtures through incentive programs, educational campaigns, legislation and public/private partnership in the community
- **Action HC-4.2** Establish a program-partnership to develop the following types of water supplies for community use: reclaimed water, harvested water and grey and black water

Harvesting and reusing **rainwater**, **grey water** and even **black water** can reduce the pressure on existing drinking water sources.

## Water and Sustainability



Water is not an infinite resource. 97% of the world's water is frozen, 2 % is salt water and only 1% of the world's water is available as fresh, clean drinking water also known as potable water. It is predicted that climate change will impact how much water we have available in the future and that using water wisely now can help ensure that future water demands can be met.



## HEALTHY COMMUNITY

- **Action HC-4.3** Intensify water conservation efforts through public/private partnerships and outreach and education
- **Action HC-4.4** Research per-capita differences in water usages throughout the region and identify best practices to incorporate
- **Action HC-4.6** Create education program for water-use best practices addressing irrigation overuse and household consumption
- **Action HC-4.5** Consider rate structure impacts on per-capita differences in water usage throughout the region



Campaigns like "We Need Water Because" raise awareness about the need to conserve water.

### 3. Human Services

**What is it?** The City recognizes that each resident needs to have a sense of belonging, support in their community, and access to opportunities that fulfill the basic needs of life. Human Services represents those services and programs that seek to enhance the quality of life for all members of the community by supporting diversity and social equity, supporting the provision of services that are utilized by those considered more vulnerable and/or at risk, including youth, seniors, and those in need, and contributing to the social development of the community.

**Where are we now?** The City addresses basic human services needs through regional facilitation and coordination and a grant program supporting the work of local nonprofit agencies; senior programming is offered at Peter Kirk Community Center and youth services includes a Youth Council, Teen Traffic Court, a Youth Summit and a Mini-Grant Program.

#### **Existing Policy Support:** Kirkland Comprehensive Plan

**Policy HS-2.1:** Work to achieve a community where everyone is treated with respect and given equitable access to resources.



2018 Youth Summit



**Goal HC-5** Ensure that refugees and immigrants, people of color and economically struggling residents have access to the resources they need to thrive and experience Kirkland as a safe, inclusive and welcoming community

- **Action HC-5.1:** Calculate and tabulate available community health data and conduct community outreach to inform grant program priorities and provide recommendations on resource and access needs



School nutrition professionals distributing food with Kirkland fire and police officers during the COVID-19 pandemic.

**Goal HC-6:** Address the homelessness crisis in Kirkland and regionally. Ensure that unhoused residents are connected to life-safety services by coordinating the City's response to the homelessness crisis and providing ongoing case management support

- **Action HC-6.1:** Connect unhoused residents to life-safety services, ensure a coordinated response to the homelessness crisis and to respond to residents and businesses experiencing the community effects of the current crisis
- **Action HC-6.2:** Work regionally to secure ongoing operating funding for increased shelter and day center services for all populations experiencing homelessness on the Eastside

**Goal HC-7:** Build a community in which families, neighbors, schools, and organizations all work together to help young people become engaged, competent and responsible members of the community

- **Action HC-7.1:** Sign on as an Eastside Pathways partner, joining the Lake Washington School District, City of Redmond, the Bellevue School District, the City of Bellevue and many nonprofit organizations to work collectively to attain better outcomes for children, cradle to career





## 4. Welcoming and Inclusive

**What is it?** Being welcoming and inclusive means demonstrating a recognition that our community is enriched with people from different countries, from a diversity of racial and ethnic groups and faith traditions, with various expressions of ability, and from various levels of socioeconomic status. This is done by supporting a culture and policy environment that allows for all segments of our population, whether long-term residents or newcomers, to feel valued and fully participate in strengthening the social, economic, and civic fabric of the community.



Community members attended "Finding Solutions: Creating an Inclusive and Safe Community" in November 2018

**Existing Policy Support:** Kirkland Comprehensive Plan

**Policy CC-1.1:** Support diversity in our population.

**Policy CC-1.3:** Support formal and informal community organizations.

**Resolution R-5240:** Declaring Kirkland as a Safe, Inclusive and Welcoming City for All People

**Where are we now?** The City has taken several actions to be a more welcoming and inclusive community, including a Proclamation of Kirkland being a safe, inclusive, and welcoming place for all people and a supporting Ordinance prohibiting City staff from inquiring about immigration status unless otherwise required by law.

The City has also directly funded organizations serving the immigrant community through its Human Services Grants, and it has signed on as a member city to the Welcoming America Network and Cities for Citizenship.

### **Goal HC-8 Enhance the city of Kirkland as a safe, inclusive, and welcoming place for all people**

- **Action HC-8.1** Require on-going training on diversity, equity, and inclusion for City employees
- **Action HC-8.2** Explore partnership programs to implement community-wide opportunities for learning and dialogue around diversity, equity, and inclusion
- **Action HC-8.3** Encourage the strengthening of relationships between various groups and communities in Kirkland, including communities of color, immigrant and refugee communities, neighborhood associations, the business community, and the faith community



Pride Flag over Kirkland City Hall during Pride Month 2020



### ■ Goal HC-9 Cultivate a welcoming and inclusive community for immigrants and refugees

- **Action HC-9.1** Continue network membership in Welcoming America and Cities for Citizenship
- **Action HC-9.2** Seek Welcoming Certification from Welcoming America, including through regional partnerships with other agencies or organizations
- **Action HC-9.3** Create partnership programs to strengthen relationships between the City and immigrant and refugee communities and to educate immigrants about their rights, responsibilities, and opportunities for naturalization

**Welcoming America** is a non-profit, non-partisan organization that connects leaders in community, government, and nonprofit to create policy, reinforce welcoming principles, and communicate the socioeconomic benefits of inclusion.



Park Lane, in downtown, was designed to be able to be closed to cars easily for public events like "Summer Sundays" that let people play and enjoy the street safely.

### ■ Goal HC-10 Dismantle institutional and structural racism in Kirkland to increase social equity and environmental justice city-wide

- **Action HC-10.1** Using Resolution R-5434 as a framework, identify, develop, and implement actions to help end interpersonal, institutional, and structural racism, increase social equity, and support environmental justice in Kirkland

"Peace Has Come" mural being painted by artist Nathaniel in the Juanita neighborhood





## 5. Attainable Housing

**What is it?** Preserving existing affordable housing stock while providing new housing options that include a diversity of housing types that are affordable to all that would like to live here.

**Where are we now?** The City has an affordable housing program and codes that help provide housing options for low income to moderate earners. It also is a founding member of A Regional Coalition for Housing (ARCH), a regional partnership of cities in East King County that share resources and strategies to increase the supply of affordable housing. Recently, the City has been addressing housing options geared toward moderate income earners through increasing housing choices in single-family neighborhoods. Changes include allowing up to two accessory dwelling units on one parcel with a single-family home and making it easier to build cottages, duplexes and triplexes that can blend into existing neighborhoods. The action items in this element work towards encouraging preservation of multi-family housing and incentivizing construction of more energy efficient and sustainably constructed housing which is essential to making the cost to rent or buy housing attainable to more moderate-income earners.

**Existing Policy Support:** Kirkland Comprehensive Plan

**Policy H-3.4** Preserve, maintain, and improve existing affordable housing through assistance to residents and housing providers.

**Policy ED-1.5** Strive to maintain a balance of jobs and housing to enable residents to live near work.



Single family home with Accessory Dwelling Unit (ADU)

### ■ Goal HC-11 Expand housing options for all income levels

- **Action HC-11.1** Establish a program to preserve existing multi-family housing stock
- **Action HC-11.2** Establish program or create additional incentives to preserve older single-family housing stock in exchange for higher density and lot size flexibility
- **Action HC-11.3** Establish a public/private community solar program with a focus on existing multi-family housing stock
- **Action HC-11.4** Revise the City's Expedited Green Building program to include incentives related to creating attainable housing
- **Action HC-11.5** Establish a dialogue with housing developers who use the Evergreen Sustainability Standard to encourage them to go above and beyond minimum certification standards
- **Action HC-11.6** Monitor local and sub-regional job types and their wages and housing costs to ensure that the City's housing stock is affordable to employees of local businesses and traffic congestion is reduced
- **Action HC-11.7** Identify city-wide numerical affordable housing goals for affordable units built under inclusion-ary zoning rules, along with missing middle house and ADUs, and track progress of meeting set goals



## 6. Recreation and Wellness

**What is it?** Kirkland provides opportunities for residents to seek social, physical and emotional components of health and wellness through recreation programs, facilities and services. Regular physical activity, such as recreating at a park, leads to improved physical condition, cardiovascular health, mood and ability to sleep. Being in nature and green space leads to lower rates of depression and anxiety. Robust parks and recreation space for active and passive use is a crucial component to achieving health and wellness individually and for the community.



**Where are we now?** Kirkland's Parks, Recreation and Open Space Plan (PROS) identifies a service level for the community that specifies the number and types of indoor and outdoor space that should be provided. Currently in the city of Kirkland there are 25 baseball fields, 10 softball fields, 9 soccer / multi-purpose fields, 32 tennis courts, 3 pickleball courts, 1 skate park, 1 outdoor pool, 1 indoor pool and 2 community centers.

**Goal HC-12 Strive to rebalance and/or acquire sports fields to achieve the specified service level. This service level shows an excess of baseball fields and a deficit of soccer/multi-purpose fields.**

- **Action HC-12.1** Complete an athletic field study that can identify a plan for system wide field improvements or acquisitions that will increase the number of soccer/multi-purpose fields

**Goal HC-13 Pursue funding measures and/or partnerships that will allow for the expansion of recreation facilities.**

- **Action HC-13.1** Build one new skate park to achieve the recommended two skate park facilities
- **Action HC-13.2** Construct a recreation and aquatics center to achieve the recommended indoor pool and recreation space
- **Action HC-13.3** Explore public/private recreational partnerships
- **Action HC-13.4** Evaluate existing recreational programs and facilities to ensure equity for all populations and that they are serving the diverse needs in our community

### Recreation and Sustainability



Regular physical activity leads to improved physical condition, cardiovascular health, mood and ability to sleep. Participation in recreation programming provides learning opportunity, community engagement and social interaction. Being in green spaces has shown to lower rates of depression and anxiety. These are components of the eight dimensions of wellness which is a foundational philosophy in the PROS Plan.

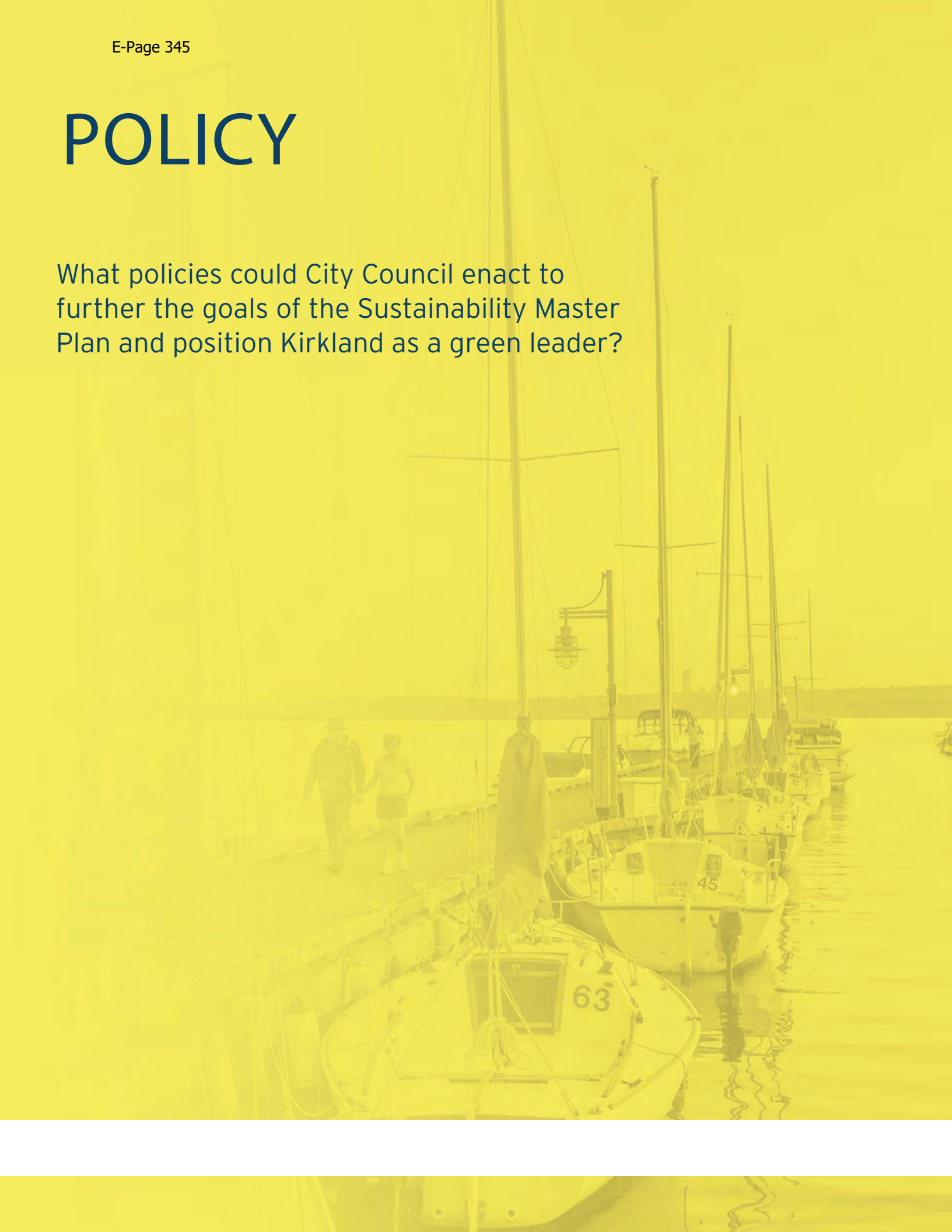


# HEALTHY COMMUNITY



# POLICY

What policies could City Council enact to further the goals of the Sustainability Master Plan and position Kirkland as a green leader?



# Next Step Policies to Support Actions in Plan

Some policies that City Council could adopt to aid in achieving the actions outlined in this plan include:



## Energy Supply + Emissions

- Require electric vehicle charging station retrofits in existing buildings or on development sites
- Require EV charging stations with all new developments or redevelopment projects at a minimum ratio of one EV charger for 2% of all required parking stalls
- Require all new construction to be built with only electric systems



## Building + Infrastructure

- Adopt State-required energy performance benchmarking and disclosure ordinances for an annual reporting program for commercial buildings
- Revise the Kirkland Zoning Code or Municipal Code to require greater water efficiency outside of existing structures (such as required for landscaping, water features, and public infrastructure)



## Land Use + Transportation

- Reduce parking minimums in areas well served by transit
- Increase housing density along major transit corridors



## Sustainable Materials Management

- Adopt a food service packaging reduction policy
- Ban the use of disposable water bottles at City-sponsored events (except Emergency Management)
- Update building code requirements to ensure adequate and conveniently located space for garbage, recycling, and organics collection containers in multi-family, commercial, and mixed-use buildings
- Institute a construction and demolition program that requires structures to be deconstructed versus demolished to recover valuable building materials to be reused or recycled



## Healthy Community

- Amend the Kirkland Zoning Code to allow Farmer's Markets where excluded
- Amend Kirkland Zoning Code to require common open space to include food growing beds
- Amend the Kirkland Zoning Code to allow food growing in Stream and wetland building buffer setback areas

# Top 10 Policy Ideas for Environmental Leadership

This plan establishes a framework for environmental improvements over the next ten years, and into the future. Beyond the actions identified in the focus area chapters, City leadership could adopt more visionary goals that would make Kirkland a true environmental leader in the state, nation, and world, such as these.

1. Make Kirkland a **carbon-free city** by 2040.
2. Prohibit the use and sale of **hazardous yard and cleaning chemicals** by the City, businesses and entire community.
3. **Eliminate institutional racism** and any form of injustice in City government and the community.
4. **Eliminate use of all vehicles, machinery and processes that combust fossil fuels.**
5. **Divest all City assets in fossil fuels** and in any industry that is not socially just and equitable in their business operations.
6. Build all new City buildings to **Living Building Challenge standards** by 2040, and petal certified or core certified by 2030 and to net zero energy by 2025.
7. Create **green business districts.**
8. **Achieve Vision Zero** of no roadway deaths by redesigning, rebuilding and adapting roadways into a City-wide network of “complete streets” with priority given to bikes and pedestrians, greenways, trails, and car-free streets.
9. **Remove all human-made fish barriers** from streams with potential to support salmon.
10. Establish an interdisciplinary **Office of Sustainability**, potentially in conjunction with an existing department.



Current Councilmember Jon Pascal, senior planner David Barnes, current Deputy Mayor Jay Arnold, project engineer Anneke Davis, and Councilmember Toby Nixon at the LEED award ceremony for the Kirkland Justice Building.



# IMPLEMENTATION

To help decision-makers prioritize the actions identified in the focus areas, all actions have been evaluated according to six key criteria: reducing greenhouse gas emissions, improving environmental quality, supporting community health and resilience, producing more equitable outcomes, reducing reliance on fossil fuels, and weighing the cost to complete against savings realized.

In addition to aligning with the six key criteria of the plan, cost/benefit information will accompany proposals to consider funding the specific elements of this plan. Recognizing that there are finite dollars available in the City's budget, the actions, policies and related plans will be prioritized and implemented as resources allow.

# Action Rating Guide

## Criteria Rating Guide

Actions were rated according to the following criteria by the project manager and subject matter experts.

### Greenhouse Gas Reduction

How much could this action directly reduce greenhouse gas emissions in Kirkland?

- 0 - Not applicable
- 1 - Will not directly reduce Greenhouse Gas Emissions
- 2 - Will marginally reduce Greenhouse Gas Emissions
- 3 - Will moderately reduce Greenhouse Gas Emissions
- 4 - Will significantly reduce Greenhouse Gas Emissions
- 5 - Will extremely reduce Greenhouse Gas Emissions

Rating is weighted by 5.

### Environmental Quality

How well could this action protect habitats, open space and tree cover; reduce consumption of natural resources; and restore ecosystems?

- 0 - Not applicable
- 1 - Will not directly improve environmental quality
- 2 - Will marginally improve environmental quality
- 3 - Will moderately improve environmental quality
- 4 - Will significantly improve environmental quality
- 5 - Will extremely improve environmental quality

Rating is weighted by 3.

### Community Health - Quality of Life (QOL)

How much would this action benefit community health, quality of life, and increase Kirkland's resilience to natural and human-caused hazards?

- 0 - Not applicable
- 1 - Will not directly improve community health / QOL
- 2 - Will marginally improve community health / QOL
- 3 - Will moderately improve community health / QOL
- 4 - Will significantly improve community health / QOL
- 5 - Will extremely improve community health / QOL

Rating is weighted by 3.

### Environmental Social Justice

How much could this action improve equitable environmental outcomes for historically disenfranchised communities (low income, BIPOC)?

- 0 - Not applicable
- 1 - Will not directly improve social justice & equity
- 2 - Will marginally improve social justice & equity
- 3 - Will moderately improve social justice & equity
- 4 - Will significantly improve social justice & equity
- 5 - Will extremely improve social justice & equity

Rating is weighted by 3.

### Reduction of Energy Consumption

How much could this action directly reduce energy use, reduce energy costs and replace fossil fuel-based consumption with renewable energy sources?

- 0 - Not applicable
- 1 - Will not directly reduce energy consumption
- 2 - Will marginally reduce energy consumption
- 3 - Will moderately reduce energy consumption
- 4 - Will significantly reduce energy consumption
- 5 - Will extremely reduce energy consumption

Rating is weighted by 2.

### Net Cost

What is the net cost (cost - savings) for the City to complete this action?

- 0 - Cost is prohibitive
- 1 - Cost is extremely expensive
- 2 - Cost is highly expensive
- 3 - Cost is moderately expensive
- 4 - Cost is nominal
- 5 - No cost to implement

Rating is weighted by 2.

## Total Score



The maximum weighted score is 90 points. For ease of comparison, a scale is used to illustrate the total weighted score of each action. The sliding scale is tinted based on which ten-point block it falls within.



## Additional Action Information

Top actions identified by the community during the engagement process are indicated with a star icon. 

While many actions require coordination across departments, staff identified the lead department(s) or division(s). Some actions are not under the purview of current department or division responsibilities, indicated by "unassigned."

Relative costs and staff level of effort were evaluated within, not between, focus areas. Business impacts may be positive or negative.














# Energy Supply + Emissions Action Ratings

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
ES 1.1	Factor emissions reduction into all budget processes and decision making	60		4	2	3	3	4	4	0-2 years	• Finance		\$	Low	None
ES 1.2	Create public / private partnerships to reduce emissions	56		3	2	3	4	3	4	0-2 years	• Unassigned	• Private partners • K4C	\$	Moderate	None
ES 1.3	Lobby State Legislature to enact laws to further reduce GHG emissions	63		4	2	3	4	4	4	ongoing	• City Manager's Office	• K4C	\$	Low	Potential
ES-1.4	Update Kirkland comprehensive plan climate goals regularly to be consistent with updated state and regional goals	15		1	0	0	0	0	5	Ongoing	• Planning & Building	• K4C	\$	Low	None
ES-1.5	Support state or regional clean fuel standard	15		1	0	0	0	0	5	Ongoing	• Planning & Building	• K4C	\$	Low	None
ES 2.1	 Establish a plan to have 100% renewable energy for the community	62		5	2	2	3	4	4	0-2 years	• Unassigned	• Energy utility • K4C • People for Climate Action - Kirkland	\$	Moderate	Potential
ES 2.2	 Evaluate the pros and cons of supporting an Eastside Public Utility District that secures 100% renewable electricity	27		1	1	2	1	1	4	0-2 years	• Unassigned	• Neighbor cities	\$\$	High	Potential
ES 3.1	Develop a marketing program to encourage installation of solar systems	50		3	2	3	2	3	4	0-2 years	• Unassigned	• Environmental groups • Solar installers	\$\$	Moderate	Potential
ES 3.2	Establish a region-wide program for successful implementation of community solar	56		3	2	3	4	3	4	3-6 years	• Unassigned	• King County • K4C members	\$\$	High	Potential
ES 3.3	Consider revisions to remove barriers and provide incentives for solar in land use regulations	31		1	1	2	1	2	5	0-2 years	• Planning & Building	• Energy Utility	\$	Low	Potential
ES 3.4	Support innovative financing mechanisms for distributed energy improvements	22		1	0	0	1	2	5	0-2 years	• Planning & Building	• Energy Utility • K4C	\$	Low	None
ES 4.1	Develop regional pilots to incentivize the transition to electric vehicle ownership	53		3	3	3	2	3	4	3-6 years	• Unassigned	• Energy utility • Organizations	\$\$	High	Potential
ES 4.2	Create incentives or require electric vehicle charging station retrofits in existing buildings or on development sites	60		4	3	3	2	4	4	0-2 years	• Planning & Building	• Developers	\$\$	Low	Direct
ES 4.3	Require EV charging stations with all new developments or redevelopment projects	47		3	2	2	2	3	4	0-2 years	• Planning & Building	• Regional Code Council	\$	Low	Direct

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development Community
ES 4.4	Require all new residential with offstreet parking to provide one EV-ready electrical outlet per unit and require all multi-family developments to provide EV-ready electrical outlets for 20% of required parking spaces	42		2	2	2	2	2	5	0-2 years	• Planning & Building	• K4C	\$	Low	Direct
ES 4.5	Support state and regional requirements for electric delivery vehicles and TNCs	15		1	0	0	0	0	5	0-2 years	• Planning & Building	• K4C • Electric Utility	\$	Low	None
ES 4.6	Develop a policy to establish a revenue source toward support of electrification of transportation, such as building additional charging stations at city facilities and parks	42		3	2	1	2	2	4	3-6 years	• Finance	• Regional Code Collaboration	\$\$	Moderate	None
ES 5.1	Educate pipeline gas users how to reduce usage	42		2	2	2	2	3	4	0-2 years	• Unassigned	• Private partners	\$	Low	None
ES 5.2	Establish incentive program to convert existing gas appliances to energy efficient electric	63		4	2	4	3	4	4	0-2 years	• Unassigned	• Private partners	\$\$	Low	Direct
ES 5.3	Require all new construction be built with only electric systems	63		4	2	4	3	4	4	3-6 years	• Planning & Building	• K4C • Electric Utility	\$	Low	Direct



## Building + Infrastructure Action Ratings

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts			
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	New Staff Need?	Staff Level of Effort	Impact to Business / Development Community
BI 1.1	Incentivize net zero energy buildings through Priority Green Building program	60		4	3	3	2	4	4	0-2 years	<ul style="list-style-type: none"> <li>Planning &amp; Building</li> <li>Public Works</li> </ul>	<ul style="list-style-type: none"> <li>Regional Code Collaborative</li> </ul>	\$		Moderate	Direct
BI 1.2	Encourage and educate developers to create energy efficient structures	50		3	2	3	2	3	4	0-2 years	<ul style="list-style-type: none"> <li>Planning &amp; Building</li> </ul>	<ul style="list-style-type: none"> <li>Private partners</li> <li>Green building organizations</li> </ul>	\$		Moderate	Potential
BI 2.1	Build market demand for net-zero energy buildings through incentives, education, demonstration projects, partnerships and recognition	50		3	2	3	2	3	4	0-2 years	<ul style="list-style-type: none"> <li>Planning &amp; Building</li> </ul>	<ul style="list-style-type: none"> <li>Private partners</li> <li>Green building organizations</li> </ul>	\$		Moderate	Potential
BI 2.2	Consider requirement for buildings in business districts to be built to high performing building standards	37		2	2	2	1	2	4	0-2 years	<ul style="list-style-type: none"> <li>Planning &amp; Building</li> </ul>	<ul style="list-style-type: none"> <li>K4C</li> </ul>	\$		Low	Direct
BI 2.3	Encourage buildings as part of Council-approved Master Plans/ Development Agreements / Planned Unit Developments to be high performing green buildings, charger ready	30		2	1	1	0	2	5	0-2 years	<ul style="list-style-type: none"> <li>Planning &amp; Building</li> </ul>	<ul style="list-style-type: none"> <li>K4C</li> <li>Regional Code Collaboration</li> </ul>	\$		Low	Potential
BI 3.1	Create an incentive program to share energy efficiency savings in multi-family housing	66		4	3	3	4	4	4	3-6 years	<ul style="list-style-type: none"> <li>Planning &amp; Building</li> </ul>	<ul style="list-style-type: none"> <li>Building owners</li> <li>Property managers</li> </ul>	\$\$		Moderate	Potential
ES 3.2	Adopt energy performance benchmarking and disclosure ordinances for commercial buildings	60		4	3	3	2	4	4	3-6 years	<ul style="list-style-type: none"> <li>Planning and Building</li> </ul>	<ul style="list-style-type: none"> <li>K4C</li> </ul>	\$\$		Low	Potential
BI 3.3	Implement C- PACER legislation	63		4	3	3	3	4	4	0-2 years	<ul style="list-style-type: none"> <li>Unassigned</li> </ul>	<ul style="list-style-type: none"> <li>K4C</li> </ul>	\$		Low	Direct
BI 3.4	Implement energy performance ratings for all homes at time of sale	60		4	3	3	2	4	4	3-6 years	<ul style="list-style-type: none"> <li>Unassigned</li> </ul>	<ul style="list-style-type: none"> <li>K4C</li> <li>Realtors</li> </ul>	\$		Med	Potential
BI 3.5	Establish a program to assist homeowners in selecting appropriate and cost effective energy solutions	60		4	3	3	2	4	4	0-2 years	<ul style="list-style-type: none"> <li>Planning &amp; Building</li> </ul>	<ul style="list-style-type: none"> <li>K4C</li> <li>Energy efficiency contractors</li> </ul>	\$		Low	Potential
BI 4.1	Create an incentive program for energy and water efficient appliances in new and existing structures	52		3	3	2	2	4	4	0-2 years	<ul style="list-style-type: none"> <li>Public Works Utilities</li> </ul>	<ul style="list-style-type: none"> <li>Energy provider</li> <li>Water utilities</li> <li>Private partners</li> </ul>	\$		Low	Direct
BI 4.2	Require greater water efficiency than industry green building certifications	43		2	3	2	2	2	4	3-6 years	<ul style="list-style-type: none"> <li>Planning &amp; Building</li> </ul>	<ul style="list-style-type: none"> <li>Regional Code Collaborative</li> </ul>	\$		Low	Direct
BI 4.3	Require greater water efficiency outside existing structures	43		2	3	2	2	2	4	3-+6 years	<ul style="list-style-type: none"> <li>Planning &amp; Building</li> </ul>	<ul style="list-style-type: none"> <li>Regional Code Collaborative</li> </ul>	\$		Low	Direct



# Land Use + Transportation Action Ratings

Action ID	Action Summary (see plan for complete text)	Weighted Score	Total Score Weighted Score Out of Maximum 90-point Scale	Criteria Ratings						Net Cost	Time Frame	Execution		Relative Cost	Impacts	
				Greenhouse Gas Reduction	Environmental Quality	Community Health- Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Lead Department or Division			Community Partners	Staff Level of Effort		Impact to Business / Development Community	
LT-11	Engage in a Smart Growth policy and Smart Growth zoning code scrub	60	60	4	2	3	3	4	4	ongoing	• Planning		\$	Moderate	Potential	
LT-21	Align new pedestrian connections with the 10-Minute Neighborhood concept	54	54	4	2	3	3	2	3	ongoing	• Transportation		\$	Low	Direct	
LT-22	Educate community on the benefits of 10-Minute Neighborhoods and smart growth	51	51	3	2	3	3	2	4	0-2 years	• Planning	• Private partners	\$	Moderate	Direct	
LT-23	Increase housing density along major transit corridors	55	55	4	2	2	3	3	4	3-6 years	• Planning		\$	Low	Direct	
LT-24	Strategically adopt zoning code amendments that foster infill projects that meet local needs	36	36	2	1	2	1	2	5	0-2 Years	• Planning		\$	Low	Potential	
LT-41	Align projects with Sustainability Master Plan	46	46	2	3	3	2	2	4	ongoing	• Transportation		\$	Low	Potential	
LT-42	Strive for platinum status with Walk Friendly Communities	54	54	3	2	4	3	3	3	7-10 years	• Transportation		\$	Moderate	Direct	
LT-43	Strive for platinum status with Bicycle Friendly Communities	54	54	3	2	4	3	3	3	3-6 years	• Transportation		\$	Moderate	Direct	
LT-44	Educate more students about walking and biking	53	53	3	2	3	3	3	4	ongoing	• Transportation	• School districts	\$	Low	Direct	
LT-45	Increase the number of students walking, biking, carpooling and taking the bus to school	66	66	4	3	4	3	4	4	0-2 years	• Transportation	• School districts	\$	Moderate	Direct	
LT-46	Make it safe and easy for children to walk, bike and take the bus to school and other destinations	59	59	4	3	4	2	4	2	ongoing	• Transportation • City Manager's Office	• School districts	\$\$\$	High	Direct	
LT-47	Prioritize walk and bike access to high frequency transit	75	75	5	3	5	4	5	2	ongoing	• Transportation		\$\$\$	Moderate	Direct	
LT-48	Update markings for all bicycle lanes that are not protected, consistent with current standards	27	27	1	1	2	1	2	2	Ongoing	• Transportation		\$\$\$	High	None	
LT-49	Complete the Greenway network by 2030	30	30	1	1	3	1	2	3	7-10 years	• Transportation		\$\$\$	High	None	
LT-410	Develop criteria for alternative sidewalk configurations for safe pedestrian travel when traditional sidewalks are infeasible	32	32	1	1	3	1	2	4	0-2 years	• Public Works • Planning & Building		\$	Low	Potential	

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
LT-5.1	Promote public transit use through incentives and a transportation demand management (TDM) program	63		4	2	3	4	4	4	ongoing	• Transportation		\$	Moderate	Direct
LT-5.2	Improve transit access through first-last mile strategies	75		5	3	5	4	5	2	3-6 years	• Transportation	• Ride share services	\$\$\$	Moderate	Direct
LT-5.3	Work with regional transit agencies to provide an equitable and inclusive access to fare payment options	59		3	2	3	5	3	4	3-6 years	• Transportation	• Regional Transit Agencies	\$	Low	Potential
LT-6.1	Encourage carpooling and using shared mobility by providing incentives and ride-matching tools	63		4	2	3	4	4	4	ongoing	• Transportation	• Regional Transit Agencies	\$	Moderate	Direct
LT-7.1	Create partnerships with regional transit agencies and explore new public/private-partnerships	50		3	1	3	3	3	4	ongoing	• Transportation	• Regional Transit Agencies	\$	Low	Potential
LT-7.2	Innovate transit solutions along Cross Kirkland Corridor and connection from I-405 to downtown Kirkland	52		3	2	4	3	3	2	3-6 years	• Transportation	• Regional Transit Agencies	\$\$\$	Moderate	Direct


## Natural Environment + Ecosystems Action Ratings




Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
EV-1.1	Continue NPDES permit compliance	41		0	4	4	3	0	4	ongoing	• Surface Water	• WA Ecology	\$	High	Direct
EV-1.2	Proactively identify and reduce pollutants of concern in Kirkland's impaired streams	40		0	5	4	3	0	2	ongoing	• Surface Water	• King County	\$\$\$	Moderate	Potential
EV-1.3	Assess and prioritize watersheds and actions that will improve water quality	39		0	4	3	4	0	3	0-2 years	• Surface Water		\$\$	Low	Potential
EV-2.1	Fund projects to make culverts fish passable	26		0	5	3	0	0	1	ongoing	• Surface Water	• Tribes • WA Fish & Wildlife • Army Corps		Moderate	Potential
EV-2.2	Develop action plans for stormwater retrofit and water quality management strategies	42		0	5	3	4	0	3	0-2 years	• Surface Water		\$\$	Moderate	Potential
EV-2.3	Actively involve the community in the protection of Kirkland's aquatic resources	45		0	5	4	4	0	3	ongoing	• Surface Water	• Environmental groups • Community organizations	\$\$	Moderate	Potential
EV-3.1	Inspect and maintain public stormwater infrastructure	43		0	4	5	2	0	5	ongoing	• Surface Water		\$	Moderate	Potential
EV-3.2	Proactively replace aging stormwater infrastructure	37		0	3	5	3	0	2	0-2 years	• Surface Water		\$\$\$	Moderate	Potential
EV-4.1	Evaluate stormwater infrastructure capacity and address capacity problems	40		0	3	5	2	0	5	ongoing	• Surface Water		\$	Moderate	Potential
EV-4.2	Construct flood reduction projects for problems that occur more often than every 10 years	29		0	3	4	2	0	1	ongoing	• Capital Improvement Program			Moderate	Potential
EV-4.3	Review development proposals for potential flood and downstream impacts and require mitigation	32		0	3	4	1	0	4	ongoing	• Surface Water	• Developers	\$	Moderate	Direct
EV-5.1	Recruit and train additional Stewards to lead volunteer habitat restoration events in parks and natural areas	53		1	5	5	2	2	4	0-2 years	• Parks & Comm. Service		\$	Moderate	Potential
EV-5.2	Grow the Green Kirkland Partnership volunteer force at a rate that meets or exceeds the City's population growth	53		1	5	5	2	2	4	0-2 years	• Parks & Comm. Service	• Forterra • EarthCorps	\$	Moderate	Direct
EV-5.3	Contract a year-round Washington Conservation Corps crew to work in critical areas in all City parks and natural areas	56		2	5	5	2	2	3	0-2 years	• Parks and Comm. Service	• Department of Ecology	\$\$	Moderate	Potential

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development Community
EV-6.1	Update City IPM policies and practices, prioritize treatment locations, and ensure maintenance occurs as needed	46		1	4	4	2	1	4	0-2 years	• Parks & Comm. Service	• King County Noxious Weed Control	\$	Moderate	Potential
EV-6.2	Utilize the ArcCollector application to map and track the treatment of noxious weeds requiring treatment	50		2	4	4	2	1	4	0-2 years	• GIS		\$	Moderate	Potential
EV-7.1	Explore designating all parks with playgrounds as synthetic pesticide-free parks	29		0	3	3	1	0	4	0-2 years	• Parks		\$	Low	None
EV-7.2	Design City projects that eliminate the need for synthetic pesticides	29		0	3	3	1	0	4	3-6 years	• CIP		\$	Low	None
EV 7.3	Design City public landscaping that requires less maintenance, water and pesticides	29		0	3	3	1	0	4	0-2 years	• Parks • Public Works		\$\$	Moderate	None
EV 7.4	Regularly evaluate alternative products in lieu of synthetic pesticides	31		0	3	3	1	0	5	Ongoing	• Parks • Public Works		\$	Low	None
EV-7.5	Explore changes to maintenance standards to avoid use of synthetic pesticides	27		0	3	3	1	0	3	Ongoing	• Parks • Public Works		\$	Low	None
EV-8.1	Proactively seek and acquire parkland to secure new parks	54		2	4	4	5	2	2	ongoing	• Parks		\$\$\$	High	Potential
EV 9.1	Achieve Intent of PROS Plan goal which ensures all community members are within 1/4 mile or 10-minute walk to a park	47		2	2	4	3	0	5	0-2 years	• Parks		\$	Low	None
EV 9.2	Create GIS dataset for privately owned public parks and public plazas in the city	8		0	0	0	0	0	4	3-6 years	• Parks		\$	Moderate	None
EV 10.1	Conduct an accessibility and inclusivity review of parks and recreation facilities to create an action plan for needed improvements	42		0	2	5	5	0	3	3-6 years	• Parks		\$\$	Moderate	None
EV 10.2	Add an accessibility and inclusivity capital project fund to the Parks and Community Services capital improvement program	36		0	0	5	5	0	3	3-6 years	• Parks		\$\$	Moderate	None
EV 10.3	Update the Park, Recreation and Open Space Plan	43		1	3	4	3	1	3	0-2 years	• Parks		\$\$\$	High	None
EV-11.1	Support internal cross department planning to develop and implement sustainable urban forestry strategies	47		0	4	3	4	2	5	3-6 years	• Unassigned		\$	Low	Direct
EV-11.2	Update the 2012-2019 Urban Forest Six Year Work Plan	49		1	4	4	4	0	4	0-2 years	• Planning & Building		\$	Low	Potential
EV-11.3	Pursue opportunities to improve the public tree maintenance program	56		1	3	5	5	3	3	3-6 years	• Parks • Public Works		\$\$\$	High	Direct

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
EV-11.4	Develop canopy enhancement strategies to mitigate public health impacts in areas that may be disproportionately affected by adverse environmental conditions	63		1	4	5	5	3	5	3-6 years	• Planning & Building	• WA Dept Natural Resources • WA Dept of Health • Private partners	\$	Moderate	Potential
EV-11.5	Develop and implement tree planting programs to increase tree canopy cover on private and public property	61		2	4	4	3	5	5	3-6 years	• Unassigned	• Schools • Regional agencies • Nonprofits	\$\$	Moderate	Direct
EV-11.6	Identify and prioritize climate-resilient tree species for public/private tree planting programs	56		0	4	4	3	5	4	0-2 years	• Planning & Building	• UW Climate Impacts Group • Allied professionals	\$	Low	Potential
EV-11.7	Dedicate resources for an ongoing, robust, inclusive public education and engagement framework around trees	56		0	5	5	4	2	5	0-2 years	• Planning & Building	• Community • Private partners	\$	Moderate	Direct
EV-11.8	Evaluate pre-approved public works plans and look for opportunities for retention of right-of-way trees	35		2	2	2	1	1	4	0-2 years	• Planning & Building • Public Works	• Community • Private partners	\$	Low	Potential
EV-11.9	Create comprehensive inventory of trees in City spaces and city-wide tree planting program with target areas and goals for canopy expansion in public spaces and residential areas.	52		3	4	3	2	2	3	3-6 years	• Planning & Building • Parks • Public Works		\$\$	Moderate	Potential
EV-11.10	Set commercial landscape design standards the use low-maintenance and waterwise plants	22		0	2	2	0	0	5	3-6 years	• Planning & Building		\$	Low	Direct













# Sustainable Materials Management Action Ratings

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
SM 1.1	Evaluate waste generation targets annually	26		1	1	1	1	1	5	0-2 years	• Solid Waste		\$	Low	None
SM 1.2	Reduce consumer use of common single-use items	43		3	3	2	1	2	3	3-6 years	• Solid Waste		\$	Moderate	Potential
SM 1.3	Improve waste prevention and recycling in City operations, facilities, and at sponsored events	35		2	2	2	1	1	4	3-6 years	• Solid Waste		\$	Moderate	Potential
SM-1.4	Set innovative rates to incentivize waste reduction and recycling and composting	24		1	1	1	1	1	4	Ongoing	• Solid Waste		\$	Low	Potential
SM 2.1	 Support repair and reuse activities	38		3	1	2	2	1	3	0-2 years	• Solid Waste	• EcoConsumer	\$	Low	None
SM 2.2	Evaluate waste disposal progress annually	26		1	1	1	1	1	5	0-2 years	• Solid Waste		\$	Low	None
SM 3.1	Eliminate the use of expanded polystyrene foam food service ware in food service establishments	44		3	3	3	1	1	3	0-2 years	• Solid Waste		\$\$	High	Direct
SM 3.2	Enact policy to reduce single use food service ware	37		2	2	2	1	2	4	0-2 years	• Solid Waste		\$	High	Direct
SM 3.3	Provide technical assistance and incentives to promote durable products at food service businesses	43		3	2	2	2	2	3	0-2 years	• Solid Waste		\$\$	High	Direct
SM 4.1	Increase the efficiency and reduce the price of curbside and multifamily collection of bulky items	39		2	2	2	3	1	3	3-6 years	• Solid Waste	• Hauler	\$\$	Moderate	None
SM 4.2	Expand recycling events for difficult to recycle items without product stewardship take-back programs	44		3	2	3	2	1	3	3-6 years	• Solid Waste		\$	Moderate	None
SM 4.3	Increase single family food scrap recycling through a three-year educational cart tagging program	43		4	2	2	1	1	3	3-6 years	• Solid Waste	• Hauler	\$	Moderate	None
SM 4.4	Update building code requirements for waste collection in multifamily, commercial, and mixed use	33		1	2	2	2	1	4	7-10 years	• Solid Waste		\$	Moderate	Direct
SM 4.5	Institute a construction and demolition program that requires structures to be deconstructed	48		4	2	3	1	1	4	7-10 years	• Solid Waste • Building		\$	Moderate	Direct
SM 4.6	Implement a disposal ban for recycling or organics	43		4	2	2	1	1	3	7-10 years	• Solid Waste		\$\$	High	None
SM-4.7	Increase multi-family and commercial recycling	30		1	1	2	2	1	4	3-6 years	• Solid Waste • Planning & Building		\$	Low	None

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
SM 5.1	Develop infrastructure and increase outreach and incentives to increase recycling of organics	46	 46	3	2	3	2	1	4	7-10 years	• Solid Waste		\$	Moderate	Direct
SM 5.2	Increase food recovery through donation of surplus meals and staple food items to local food banks	50	 50	3	1	4	4	1	3	7-10 years	• Solid Waste	<ul style="list-style-type: none"> <li>• Food producers</li> <li>• Food banks</li> <li>• Schools</li> </ul>	\$\$	High	Direct
SM 6.1	Support legislative efforts and remain active in groups	32	 32	1	1	2	2	1	5	7-10 years	• Solid Waste	• Northwest Product Stewardship Council	\$	Low	Potential



# Sustainable Governance Action Ratings















Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
SG-1.1	 Customize and utilize Sustainable Decision Making Matrix by all department decision makers	58	 58	3	3	3	3	3	5	0-2 years	• City Manager's Office		\$	Moderate	Potential
SG-1.2	Memorialize in Staff Reports that all major decisions have considered sustainability	58	 58	3	3	3	3	3	5	0-2 years	• City Manager's Office		\$	Low	None
SG-1.3	Identify tools such as a Carbon Counting Calculator that can be used for all City building and development projects to ensure the use of low carbon methods and materials	44	 44	4	2	2	0	2	4	0-2 years	• Facilities • Capital Improvement Program		\$	Low	Potential
SG-1.4	Identify and apply the Epeat registry for decisions of electronic equipment purchases	27	 27	1	1	0	1	4	4	0-2 years	• IT		\$	Low	None
SG-1.5	Adopt a policy for fleet purchases for fully electric and hybrid electric vehicles depending on technology availability and city needs; and actively seek grants to move toward an all-electric City fleet and supporting charging station infrastructure	49	 49	4	1	3	1	4	3	0-2 years	• Fleet		\$	Moderate	None
SG-1.6	Establish a grant-writing team to find and apply for grants to fund actions from the Sustainability Master Plan	30	 30	1	2	2	1	2	3	0-2 years	• Unassigned	• Dept of Commerce • King County	\$	Moderate	Potential
SG-1.7	Apply for a Puget Sound Energy Resource Conservation Officer to optimize energy use and maximize efficiency	36	 36	2	1	2	1	4	3	0-2 years	• Facilities	• Puget Sound Energy	\$\$	Low	Potential
SG-1.8	Develop a plan in CIP for all city facilities to meet 25% energy reduction goal by 2030 and 45% by 2050	34	 34	2	1	2	1	2	4	0-2 Years	• Facilities	• K4C • Electric Utility	\$	Moderate	None
SG-1.9	Develop water and energy efficiency standards for acquired facilities. If standards are not met, retrofit to achieve standards	34	 34	2	1	2	1	2	4	0-2 years	• Facilities • PSE	• K4C	\$	Low	None
SG-1.10	Explore reduction of or elimination of gas-powered landscaping equipment for City operation	37	 37	2	1	3	1	3	3	Ongoing	• Parks • Public Works		\$\$	Moderate	None
SG-1.11	Explore creating an anti-idling policy for city operatvehicles	43	 43	3	1	2	1	3	5	0-2 years	• Unassigned	• K4C	\$	Low	None

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
SG-2.1	★ Appoint a sustainability manager to coordinate implementation of the Sustainability Master Plan	49	49	3	3	2	3	3	2	3-6 years	• City Manager's Office		\$\$	High	None
SG-2.2	Implement a system to more closely coordinate sustainability-related activities across City departments	31	31	2	2	1	0	2	4	0-2 years	• City Manager's Office		\$\$	Moderate	None
SG-2.3	Establish protocol that allows all potential city staff to work from home a minimum of two days per week	50	50	4	2	3	1	2	4	0-2 years	• Human Resources		\$	Low	Potential
SG-3.1	Implement new internal purchasing guidelines, including focus on reducing single use items	21	21	2	1	0	0	0	4	0-2 years	• Purchasing • Solid Waste		\$	Low	None
SG-3.2	Explore specifying compost made from Kirkland's organic materials to be used in City operations and projects	25	25	2	3	0	0	0	3	0-2 years	• Public Works		\$	Low	None
SG-3.3	Update purchasing policy to reflect best practices in environmental purchasing	31	31	3	1	1	0	1	4	0-2 years	• Purchasing		\$	Low	None
SG-4.1	Implement a system of civic engagement that more closely coordinates activities across various City departments	26	26	0	0	3	3	0	4	0-2 years	• City Manager's Office		\$\$-\$	Moderate	Potential
SG-4.2	Develop a process to identify and dismantle unintended barriers to public participation	27	27	0	0	3	4	0	3	0-2 years	• City Manager's Office	• Communities of color • Immigrant and refugee communities • Neighborhood Assoc. • Businesses • Faith community • Community-based organizations	\$\$-\$	Moderate	Potential
SG-4.3	Identify and empower trusted messengers in the community to serve as liaisons between the City and communities that have historically been underrepresented	29	29	0	0	3	4	0	4	0-2 years	• City Manager's Office	• Communities of color • Immigrant and refugee communities • Faith community • Community-based organizations	\$\$-\$	Moderate	Potential
SG-4.4	Perform a comprehensive city organizational equity assessment to identify gaps in diversity, equity, and inclusion in all areas of City policy, practice and procedure	34	34	1	1	2	4	1	3	0-2 years	• City Manager's Office		\$\$-\$-\$	Moderate	None
SG 4.5	Provide opportunities for public input that do not require presence at a particular time or place	40	40	2	1	2	3	2	4	0-2 years	• City Manager's Office		\$	Low	None
















Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development Community
SG-5.1	Explore opportunities for the City's involvement in efforts of collective impact to help achieve desired outcomes	23		0	0	2	3	0	4	0-2 years	• City Manager's Office	• Communities of color • Immigrant and refugee communities • Neighborhood Assoc. • Business community • Faith community • Community-based organizations	\$-\$	Moderate	Potential
SG-5.2	Maintain support for Kirkland neighborhood associations, including efforts to expand active participation from underrepresented segments of the community	23		0	0	2	3	0	4	0-2 years	• City Manager's Office	• Neighborhood Assoc. • Communities of color • Immigrant and refugee communities • Faith community • Community-based organizations	\$	Moderate	Potential
SG-5.3	Implement opportunities for civic education and leadership development for community leaders, with a specific emphasis on Black community members, people of color, and immigrants	30		0	0	3	5	0	3	0-2 years	• City Manager's Office	• Neighborhood Assoc. • Communities of Color • Immigrant and refugee communities • Faith community • Community-based organizations	\$-\$	Moderate	Potential
SG-5.4	Prioritize and implement a civic engagement course that provides education about local government and creates an entry point for emerging community leaders	28		0	1	1	4	1	4	0-2 years	• City Manager's Office	• Neighborhood Assoc. • Communities of Color • Immigrant and refugee communities	\$\$	Moderate	None
SG-5.5	Consider involving community members (and Boards and Commissions) in advising City Council on the implementation of this plan and recommendations for future revisions as conditions change	40		2	2	2	2	2	4	0-2 years	• Unassigned	• Community Groups	\$	Low	None
SG-6.1	Increase redundant / alternate power capability at critical City facilities	39		2	0	3	4	2	2	3-6 years	• Facilities		\$\$\$	Moderate	None
SG-6.2	Educate residents and businesses on actions they can take to increase personal and physical earthquake resilience	34		0	0	4	4	1	4	ongoing	• Emergency Management	• Neighborhood Assoc. • Other public agencies • Business community • Nonprofit partners	\$	Low	Direct
SG-6.3	Identify options and actions to increase water reservoir stability and shake resilient water mains	28		0	3	3	2	0	2	3-6 years	• Public Works	• Water utilities	\$\$\$	Moderate	Potential

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development Community
SG-6.4	Continue mitigation projects intended to reduce the risk of erosion, landslide, and urban flooding	35	 35	0	4	3	2	1	3	ongoing	• Capital Improvement Program	• Other public agencies • Environmental groups	\$\$\$	Moderate	Potential
SG-6.5	Focus on efforts to address and mitigate climate change impacts	62	 62	4	4	3	3	2	4	ongoing	• Planning & Building	• K4C	\$\$	Moderate	Potential
SG-6.6	Implement hazard mitigation strategies through funding, resources, staff support and partner agencies	53	 53	3	4	3	3	1	3	3-6 years	• Emergency Management	• Other public agencies • Environmental groups • Utilities • Business Community • Nonprofit partners	\$\$\$	Moderate	Potential
SG-7.1	Use the Sustainable Decision Making Matrix as a tool for evaluating future investments in projects, programs or actions	58	 58	3	3	3	3	3	5	0-2 years	• Finance		\$	Moderate	None
SG-7.2	 Evaluate establishing a sustainability opportunity fund for the City match portion of sustainability grants	44	 44	3	2	2	3	2	2	3-6 years	• Finance		\$\$\$	Moderate	None

# Sustainable Business Action Ratings

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
SB-1.1	Assist Kirkland businesses in accessing resources to follow environmental best practices	41		2	3	2	2	2	3	Ongoing	• Public Works • Solid Waste	• EnviroStars	\$\$	Low	Direct
SB-1.2	Conduct outreach to all non home-based businesses, ensuring all have sufficient recycling capacity	25		1	2	1	1	0	4	0-2 years	• Solid Waste	• Hauler	\$	Low	Direct
SB-1.3	Provide hands-on technical assistance to potential pollution generating businesses to reduce pollution entering the stormwater system	31		0	3	2	2	1	4	Ongoing	• Surface Water	• King County Hazardous Waste	\$\$	Low	Direct
SB-2.1	Track and monitor the makeup of business industries in Kirkland and set a diversification goal	20		0	1	2	1	0	4	3-6 years	• Economic Development	• Washington State	\$	Low	Potential
SB-2.2	Partner with Chamber and Kirkland Downtown Alliance on promoting "Buy Local"	32		2	1	2	1	1	4	0-2 years	• Economic Development	• Chamber of Commerce • Kirkland Downtown Association	\$	Low	Direct
SB-2.3	 Support policy that encourages mixed use development and economic diversity	42		2	1	3	2	2	5	0-2 years	• Economic Development • Planning & Building		\$	Moderate	Direct
SB-3.1	Develop an economic resilience plan	23		0	0	3	2	1	3	3-6 years	• Unassigned	• Kirkland businesses	\$\$	Moderate	Direct
SB-3.2	Formulate a green economic recovery plan that focuses on clean, green industries and living wage jobs	46		2	2	3	3	3	3	0-2 years	• City Manager's Office	• Kirkland businesses	\$\$	Moderate	Direct
SB-3.3	Support legislation that promotes a resilient business community in Kirkland and on the Eastside	27		1	1	2	1	1	4	0-2 years	• City Manager's Office		\$	Low	Potential
SB-3.4	Promote home occupation businesses	37		2	2	2	1	2	4	3-6 years	• Planning & Building		\$	Low	Potential
SB-4.1	Create a program to help restaurants, institutions, schools procure food from local sources and farms	31		2	1	3	1	0	3	3-6 years	• Unassigned	• King Conservation District • Local farmers • Restaurants • School districts	\$\$	Moderate	Direct
SB-4.2	Promote a training program to assist immigrant and minority-owned new small business owners	37		1	2	2	4	1	3	3-6 years	• Unassigned		\$\$	Moderate	Direct
SB-4.3	Create spaces and places for startups that focus on making and selling sustainable products	30		1	2	2	1	1	4	3-6 years	• Unassigned	• Private partners	\$	Moderate	Direct

# Healthy Community Action Ratings

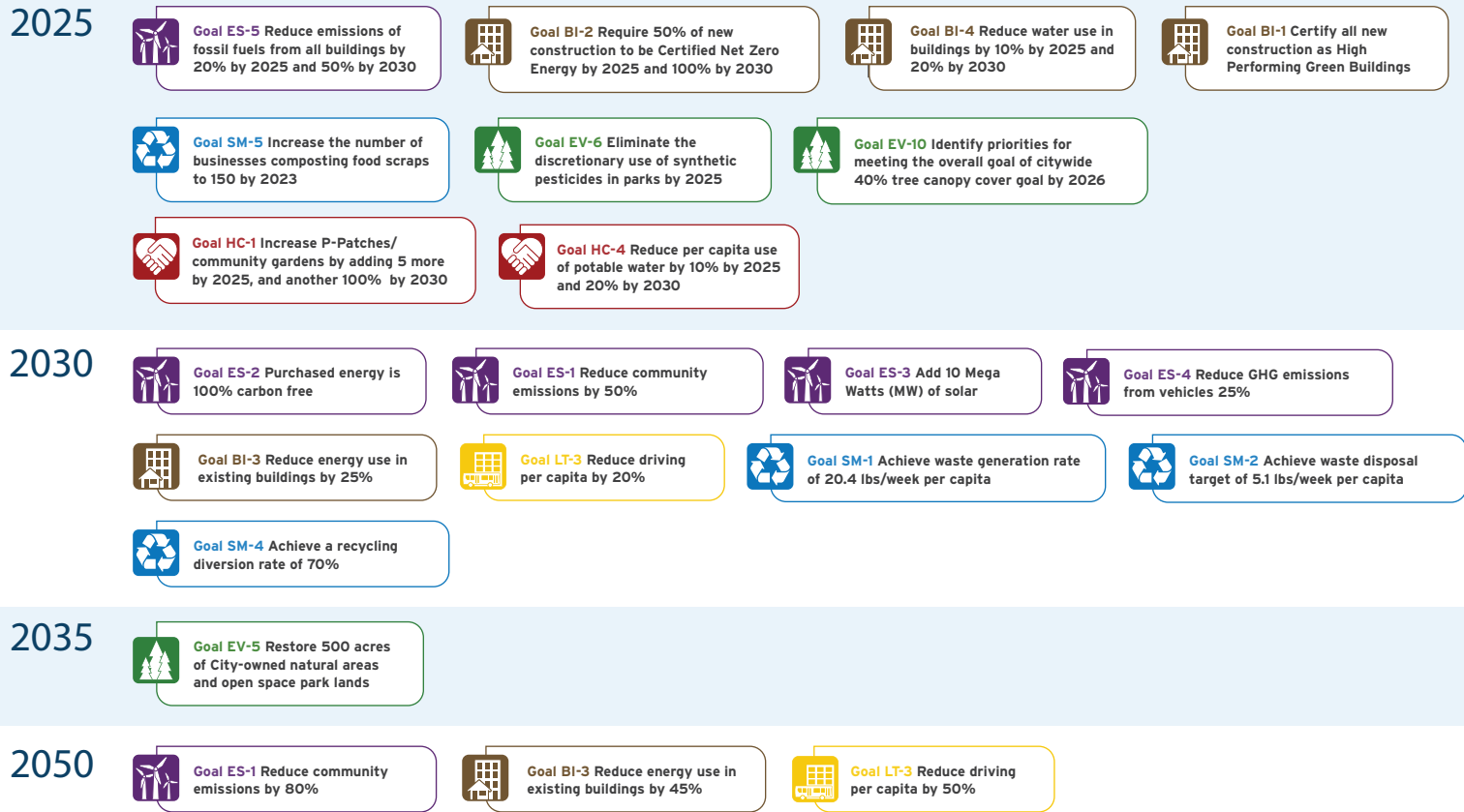
Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
HC 1.1	 Develop a funding plan for development and operation of new P-Patches and community gardens	40		2	2	3	3	0	3	3-6 years	• Parks		\$\$	Moderate	None
HC 1.2	Develop Public/Private partnerships to locate new P-Patches on private land, including rooftops	46		2	2	3	3	2	4	3-6 years	• Parks • Planning	• Private partners	\$\$	Moderate	None
HC 1.3	Develop a strategy plan to prioritize the location of community garden opportunities in areas of the city with concentrations of multi-family developments	46		2	2	4	4	0	3	3-6 years	• Parks		\$\$	Moderate	None
HC-1.4	Build educational and support programs to teach residents how to grow food and reduce water and pesticide usage	25		0	2	2	1	1	4	3-6 years	• Parks • Public Works • Environmental Education	• King County Master Gardeners • Tilth Alliance	\$\$	Moderate	None
HC 2.1	Develop Public/Private Partnerships to assist in new Farmers Market Operations	36		2	0	3	3	0	4	3-6 years	• Parks	• Private partners	\$\$	Moderate	None
HC-2.2	Amend Kirkland Zoning Code to allow Farmer's Markets where excluded	39		2	0	3	4	0	4	0-2 years	• Planning		\$	Low	Potential
HC-3.1	Amend Kirkland Zoning Code to require common open space to include food growing beds	42		2	2	3	3	0	4	0-2 years	• Planning		\$	Low	None
HC-3.2	Amend the Kirkland Zoning Code to allow food growing in stream and wetland buffer setback areas	39		2	2	2	3	0	4	0-2 years	• Planning		\$	Low	None
HC-3.3	Develop a Food Action Plan that assures fresh, local food is available and accessible by entire community	37		2	1	3	3	0	3	7-10 years	• Unassigned		\$\$\$	High	Potential
HC-4.1	Increase efficiency of water fixtures through incentive programs, education, legislation and partnerships	37		2	2	1	2	3	3	0-2 years	• Planning & Building	• Water utilities	\$\$	Moderate	Direct
HC-4.2	Develop water supplies for community use: reclaimed water, harvested water and grey and black water	36		2	2	3	1	2	2	3-6 years	• Public Works	• Wastewater utilities	\$\$\$	High	None
HC-4.3	Intensify water conservation effort through public/private partnerships and outreach and education	37		2	2	1	2	2	4	0-2 years	• Public Works	• Water utilities	\$	Low	None
HC-4.4	Research per-capita differences in water usages throughout the region and identify best practices to incorporate	21		0	2	1	0	2	4	0-2 years	• Utility Billing	• Water Utilities	\$	Low	None
HC-4.5	Consider rate structure impacts on per-capita differences in water usage throughout the region	21		0	2	1	0	2	4	0-2 years	• Utility Billing	• Water Utilities	\$	Low	None

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
HC 4.6	Create education program for water-use best practices addressing irrigation overuse and household consumption	21		0	2	1	0	2	4	0-2 years	• Utility Billing	• Water Utilities	\$	Low	None
HC 5.1	Hire or contract a Community Engagement and Data Analyst for 1 year	31		0	0	3	4	2	3	0-2 years	• Human Services		\$\$	Moderate	Potential
HC 6.1	Hire or contract a homelessness and housing outreach specialist to connect unhoused residents to services and housing	60		3	3	4	4	3	3	0-2 years	• Human Services		\$\$	Moderate	Direct
HC 6.2	Secure funding for more shelter and day center services for all groups experiencing homelessness on the Eastside	34		0	2	3	3	2	3	0-2 years	• Human Services	• Other cities • Private partners	\$\$\$	Low	Direct
HC 7.1	Sign on as an Eastside Pathways partner to attain better outcomes for children, cradle to career	31		0	0	3	4	0	5	0-2 years	• Human Services	• Eastside Pathways • Partner agencies	\$	Low	Potential
HC 8.1	Require on-going training on diversity, equity, and inclusion for City employees	27		0	0	3	4	0	3	0-2 years	• Human Resources		\$\$	Moderate	Potential
HC 8.2	Explore partnership programs to implement community learning and dialogue around diversity, equity and inclusion	29		0	0	3	4	0	4	0-2 years	• City Manager's Office	• Communities of color • Immigrant and refugee communities • Neighborhood Assoc. • Businesses • Faith community	\$	Moderate	Potential
HC 8.3	Encourage the strengthening of relationships between various groups and communities in Kirkland	45		2	2	3	4	0	4	0-2 years	• City Manager's Office	• Communities of color • Immigrant and refugee communities • Neighborhood Assoc. • Businesses • Faith community	\$	Moderate	Potential
HC 9.1	Continue network membership in Welcoming America and Cities for Citizenship	23		0	0	2	3	0	4	0-2 years	• City Manager's Office		\$	Moderate	Potential
HC 9.2	Seek Welcoming Certification from Welcoming America	27		0	0	3	4	0	3	0-2 years	• City Manager's Office	• Community-based organizations • Neighboring cities	\$	Moderate	Potential
HC 9.3	Create partnership programs to strengthen relationships between the City and immigrant and refugee communities	29		0	0	3	4	0	4	0-2 years	• City Manager's Office	• Community-based organizations • Neighboring cities	\$	Moderate	Potential

Action ID	Action	Total Score		Criteria Ratings						Execution			Impacts		
		Weighted Score	Weighted Score Out of Maximum 90-point Scale	Greenhouse Gas Reduction	Environmental Quality	Community Health-Quality of Life	Environmental Social Justice and Equity	Reduction of Energy Consumption	Net Cost	Time Frame	Lead Department or Division	Community Partners	Relative Cost	Staff Level of Effort	Impact to Business / Development / Community
HC-10.1	Identify, develop, and implement actions to help end interpersonal, institutional, and structural racism, increase social equity, and support environmental justice in Kirkland	37	37	1	1	2	5	1	3	0-2 years	• City Manager's Office	• Communities of color • Immigrant and refugee communities • Neighborhood Assoc. • Businesses • Faith community	\$\$\$	High	None
HC-11.1	Establish program to preserve multi-family housing stock	51	51	3	3	2	3	2	4	3-6 years	• Planning & Building	• ARCH • King County	\$\$	Moderate	Potential
HC-11.2	Establish program or create additional incentives to preserve older single-family housing stock in exchange for higher density and lot size flexibility	48	48	3	2	2	3	2	4	0-2 years	• Planning & Building		\$\$	Moderate	Potential
HC-11.3	Establish a public/private community solar program with a focus on existing multi-family housing stock	56	56	3	3	3	3	3	4	3-6 years	• Unassigned	• Private partners, • K4C	\$\$	Moderate	Potential
HC-11.4	Revise the City's Expedited Green Building program to include incentives related to creating attainable housing	50	50	3	2	2	3	3	4	0-2 years	• Planning & Building	• ARCH • King County	\$	Low	Direct
HC-11.5	Encourage developers who use the Evergreen Sustainability Standard to exceed minimums	40	40	2	2	2	2	2	4	0-2 years	• Planning & Building	• Housing developers	\$	Low	Potential
HC-11.6	Monitor local and sub-regional job types and their wages and housing costs to ensure that the City's housing stock is affordable to employees of local businesses and traffic congestion is reduced	24	24	1	1	1	1	1	4	0-2 years	• Unassigned		\$	Medium	None
HC-11.7	Identify city-wide numerical affordable housing goals for affordable units built under inclusion-ary zoning rules, along with missing middle house and ADUs, and track progress of meeting set goals	31	31	0	0	3	4	1	4	0-2 years	• Planning & Building	• ARCH	\$	Low	Potential
HC-12.1	Complete an athletic field study that can identify a plan for system wide field improvements or acquisitions	30	30	0	0	3	5	0	3	3-6 years	• Parks & Comm. Services		\$	Medium	Potential
HC-13.1	Build an additional skate park	27	27	0	0	3	4	0	3	7-10 years	• Parks & Comm. Services		\$\$	Medium	None
HC-13.2	Construct a recreation and aquatics center to achieve the recommended indoor pool and recreation space	32	32	0	0	5	5	0	1	7-10 years	• Parks & Comm. Services	• Redmond • Bellevue • King County	\$\$\$\$	High	Potential
HC-13.3	Evaluate existing recreational programs and facilities to ensure equity for all populations and that they are serving the diverse needs in our community	29	29	0	0	3	4	0	4	0-2 years	• Parks & Comm. Services		\$\$	Moderate	None
HC-13.4	Explore public/private recreational partnerships	22	22	0	0	3	1	0	5	0-2 years	• Parks & Comm. Services		\$	Low	None



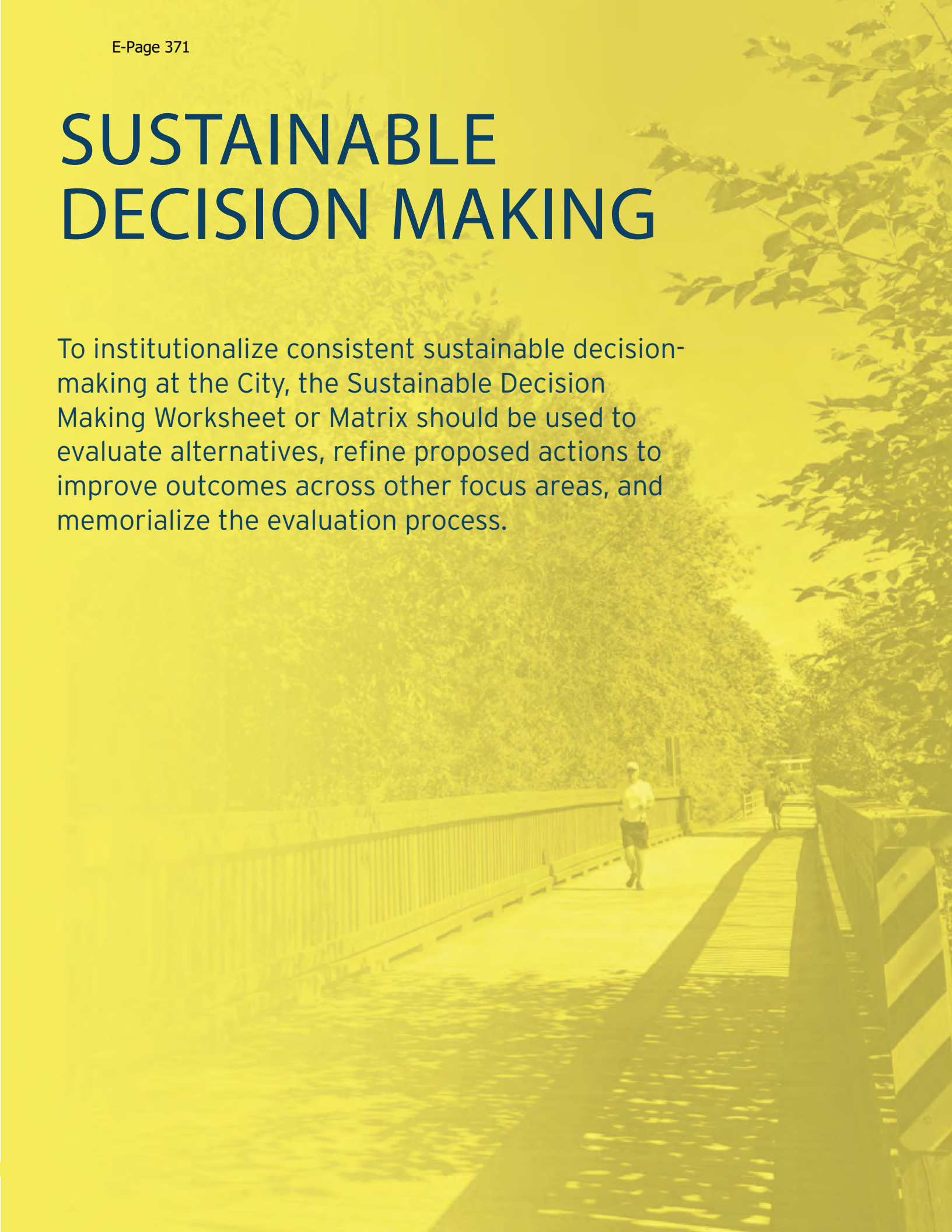
# Targeted Timelines for Goals in Plan





# SUSTAINABLE DECISION MAKING

To institutionalize consistent sustainable decision-making at the City, the Sustainable Decision Making Worksheet or Matrix should be used to evaluate alternatives, refine proposed actions to improve outcomes across other focus areas, and memorialize the evaluation process.



# Sustainable Decision Making at the City

The City frequently makes complex decisions and there are many competing interests in arriving at a final decision. The Sustainable Decision Making Matrix (SDMM) is a weighted decision making tool that is aligned with the major focus areas of the Sustainability Master Plan. Therefore, when this tool is used, it can inform these decisions and help fulfill the goals of this plan.

Decision makers should use either [the Excel version of the Sustainable Decision Making Matrix](#) or the following Sustainable Decision Making Matrix worksheet (shown on the next page) to calculate the weighted score of a particular action (project, policy, program or code). The higher the weighted score, the more a particular action is aligned with this plan's goals.

After a score is completed by decision makers, it should be memorialized in a uniform way to communicate to City Council and the community that the SDMM has been used and considered to make the most sustainable decision possible. The Template Staff Report sample text below should be used and documented in all Council Staff reports and other applicable documents.

## Template Staff Report Text

Insert action here (project, policy, program, code) A, B and C were evaluated by staff using the City's Sustainable Decision Making Matrix (SDMM). The scores for each Project, Alternative, action or decision were as follows (A=#, B=#, C=#) out of a total of 90 possible points.

The following alternatives were changed (if applicable) to more closely align with the criteria identified in the City's Sustainability Master Plan and then scored again using the SDMM. The Alternatives were then scored as follows (A=#, B=#, C=#).

Alternative (A, B or C), was chosen because it was the highest weighted score, and if applicable, it was (insert reason here) was also was factor in the decision made. Therefore, this decision to select (insert alternative) complies with the SDMM that was adopted as an integral part of the City's Sustainability Master Plan.

# Sustainable Decision Making Worksheet

The sustainable decision making worksheet will be used to evaluate City actions by how they align with the goals of the Sustainability Master Plan.

Describe the proposed action in one sentence:

## Criteria 1: Greenhouse Gas Reduction

How much will taking this action reduce green house gas emissions in Kirkland?

- 0** Not applicable
- 1** Will not reduce greenhouse gas emissions
- 2** Will marginally reduce greenhouse gas emissions
- 3** Will moderately reduce greenhouse gas emissions
- 4** Will significantly reduce greenhouse gas emissions
- 5** Will extremely reduce greenhouse gas emissions

### Greenhouse Gas Weighted Score

Multiply the rating by 5:

$$\underline{\hspace{2cm}} \times 5 = \square$$

How could this action be adjusted to further reduce emissions?

## Criteria 2: Environmental Quality

How much will the City taking this action protect habitats, open space and tree cover; reduce consumption of natural resources; and restore ecosystems?

- 0** Not applicable
- 1** Will not improve environmental quality
- 2** Will marginally improve environmental quality
- 3** Will moderately improve environmental quality
- 4** Will significantly improve environmental quality
- 5** Will extremely improve environmental quality

### Enviro. Quality Weighted Score

Multiply the rating by 3:

$$\underline{\hspace{2cm}} \times 3 = \square$$

How could this action be adjusted to further improve environmental quality?

## Criteria 3: Community Health & Quality of Life

How much will this action improve health in the community, quality of life, and increase resilience to natural and human-caused hazards?

- 0** Not applicable
- 1** Will not reduce improve community health
- 2** Will marginally improve community health
- 3** Will moderately improve community health
- 4** Will significantly improve community health
- 5** Will extremely improve community health

### Comm. Health Weighted Score

Multiply the rating by 3:

$$\underline{\hspace{2cm}} \times 3 = \square$$

How could this action be adjusted to further improve community health, quality of life, and resilience?

### Criteria 4: Environmental Social Justice & Equity

How much will this action improve equitable environmental outcomes for historically disenfranchised communities (e.g. low income; Black, Indigenous, and People of Color (BIPOC))?

- 0 Not applicable
- 1 Will not improve environmental social justice
- 2 Will marginally improve environmental social justice
- 3 Will moderately improve environmental social justice
- 4 Will significantly improve environmental social justice
- 5 Will extremely improve environmental social justice

**Social Justice Weighted Score**

Multiply the rating by 3:

\_\_\_\_\_ x 3 =

How could this action be adjusted to further improve environmental social justice and equity?

### Criteria 5: Reduction of Energy Consumption

How much will this action directly reduce energy consumption and energy costs and replace fossil fuel-based consumption with clean, renewable energy sources?

- 0 Not applicable
- 1 Will not reduce energy consumption
- 2 Will marginally reduce energy consumption
- 3 Will moderately reduce energy consumption
- 4 Will significantly reduce energy consumption
- 5 Will extremely reduce energy consumption

**Energy Use Weighted Score**

Multiply the rating by 2:

\_\_\_\_\_ x 2 =

How could this action be adjusted to further reduce energy consumption?

### Criteria 6: Cost

What will the net cost (cost - savings) be to the City to complete this action?

- 0 Cost is prohibitive
- 1 Cost is extremely expensive
- 2 Cost is highly expensive
- 3 Cost is moderately expensive
- 4 Cost is nominal
- 5 No cost to implement

**Net Cost Weighted Score**

Multiply the rating by 2:

\_\_\_\_\_ x 2 =

Total Weighted Score		Add all weighted scores together. Max score is 90.				
<b>GHG Emissions</b>	<b>Enviro. Quality</b>	<b>Comm. Health</b>	<b>Social Justice</b>	<b>Energy Use</b>	<b>Net Cost</b>	<b>Total Score</b>
<span style="border: 1px solid black; display: inline-block; width: 40px; height: 40px;"></span>	+	<span style="border: 1px solid black; display: inline-block; width: 40px; height: 40px;"></span>	+	<span style="border: 1px solid black; display: inline-block; width: 40px; height: 40px;"></span>	+	<span style="border: 1px solid black; display: inline-block; width: 40px; height: 40px;"></span>
						= <span style="border: 1px solid black; display: inline-block; width: 40px; height: 40px;"></span>

# Focus Areas in City Plans

This table identifies which Focus Areas are addressed in existing City of Kirkland Planning documents. In future revisions of these planning documents, efforts should be made to address additional Focus Areas..

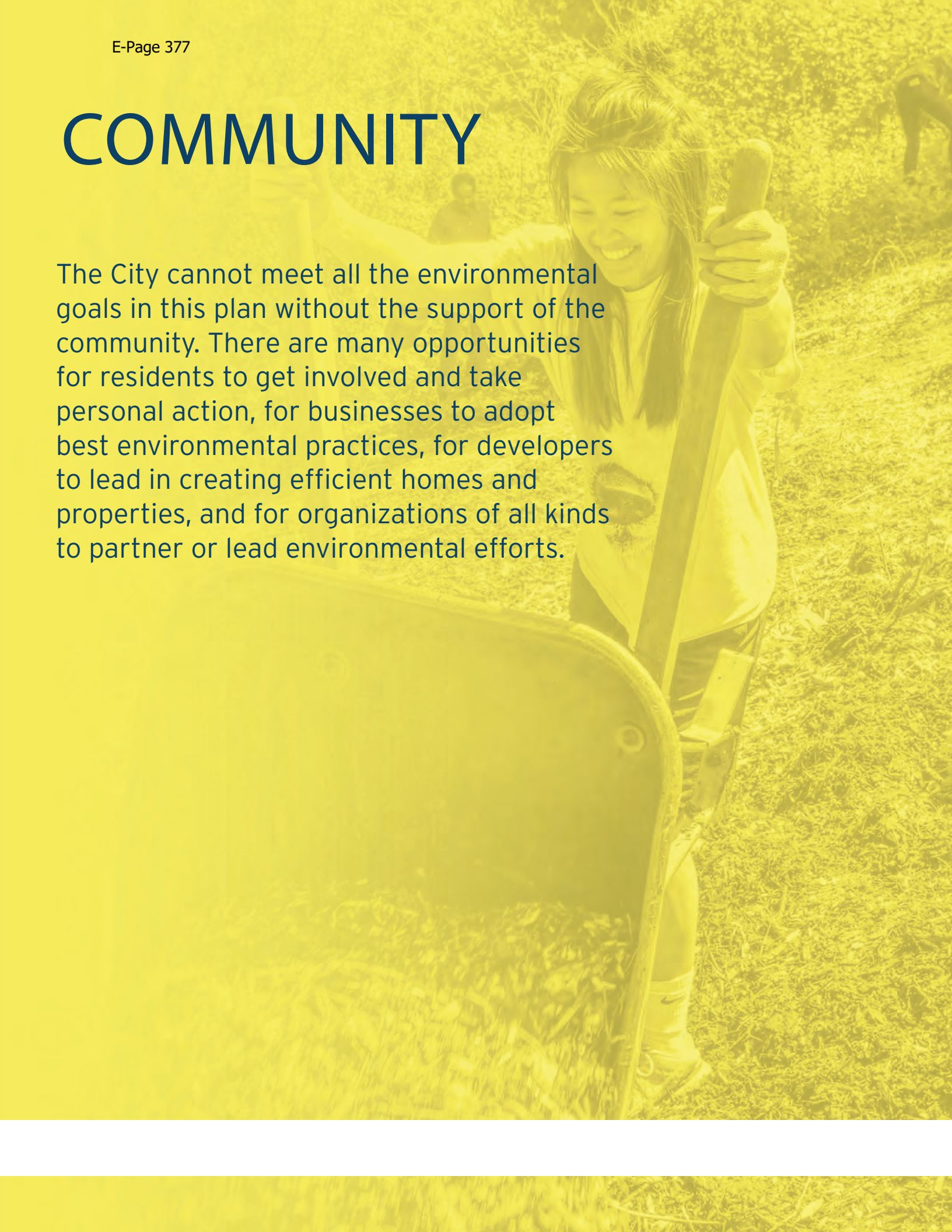
	 Energy Supply + Emissions	 Building + Land Use	 Land Use + Transportation	 Natural Environment + Ecosystems	 Sustainable Materials Management	 Sustainable Governance	 Sustainable Business	 Healthy Community
<u>Comprehensive Plan</u>	✓	✓	✓	✓	✓	✓	✓	✓
<u>Transportation Master Plan</u>			✓	✓		✓		✓
<u>Housing Strategic Plan</u>								✓
<u>Parks, Recreation and Open Space Plan</u>				✓				✓
<u>Urban Forestry Strategic Plan</u>				✓				
<u>Surface Water Master Plan</u>				✓		✓		✓
<u>Active Transportation Plan</u>			✓					
<u>Capital Facilities Plan</u>			✓	✓		✓		✓
<u>Transportation Implementation Plan</u>			✓			✓		





# COMMUNITY

The City cannot meet all the environmental goals in this plan without the support of the community. There are many opportunities for residents to get involved and take personal action, for businesses to adopt best environmental practices, for developers to lead in creating efficient homes and properties, and for organizations of all kinds to partner or lead environmental efforts.



# Community Action

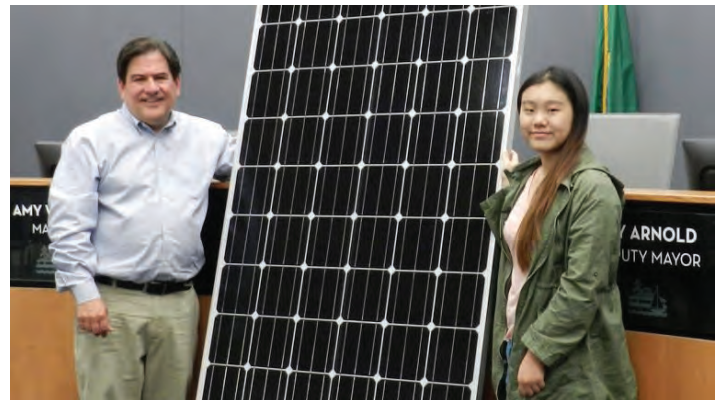
There are many definitions of community and one is that it is “a group of people living in the same place or having a particular characteristic in common.” The common characteristic we share is that we care about the environment, social equity and justice, and having a strong resilient economy. Regarding the Sustainability Master Plan’s implementation, it relies not only on the City government, but all people that live in, work in and enjoy Kirkland to ensure its success.

Since there is limited funding and time to achieve the goals of the plan, it is essential that we all work together and determine what each of us can do to contribute to the overall sustainability of Kirkland and to the region. There are ways for all to help, regardless of income, age, or housing. These actions are merely a starting point to inspire the Kirkland community to join the City in reaching the goals of this plan.

## Residents

### Engage + Advocate

- Respond to City surveys to inform decision-making
- Attend City workshops to shape project design
- Speak during public comment period at a Council meeting
- Email Council members about environmental actions you’d like the City to prioritize
- Alert City staff to sidewalk and bike lane maintenance needs using the Our Kirkland app



Community advocacy led to installation of solar panels at Kirkland City Hall.

### Volunteer + Participate

- Volunteer with the Green Kirkland Partnership to restore Kirkland’s natural areas
- Become a Green Steward to champion the restoration of a natural space near you
- Volunteer for local non-profit and faith-based organizations working on sustainability, environmental justice, and supporting a healthy community
- Join a community group or organization working on environmental goals
- Become a Soil and Water Steward and educate the community about protecting our ecosystem
- Participate in community reuse events
- Help plant raingardens in your neighborhood



Volunteers of all ages are invited to join in - these youth volunteered to plant trees at an Arbor Day event, along with Councilmember Jon Pascal.

## Personal Action

### At Home

- Use a shower timer and/or low-flow showerhead to reduce water and energy use
- Sign up for green power from Puget Sound Energy
- Put aerators on all faucets to reduce water use
- Repair broken items instead of replacing them
- Compost all your food scraps in your gray cart

### In Your Yard

- Welcome wildlife by planting a native garden
- Use less water by growing drought tolerant plants
- Replace pesticides and plant killer with natural pest control methods to reduce chemical use
- Follow best watering practices to prevent waste
- Harvest rainwater to use less potable water in your garden
- Minimize fertilizer use to protect waterways from excessive nutrients

### In the Community

- Make trips by foot, bike, bus, and other ways without a car when possible
- Patronize local businesses
- Choose secondhand items and participate in community sharing and reuse groups
- Support green businesses that have gotten EnviroStars recognition

### Invest in Green Infrastructure

- Install a solar array to supply clean energy
- When replacing natural gas appliances, consider switching to electrical appliances
- When remodeling, utilize a salvage team to minimize construction waste
- Build a raingarden that soaks up stormwater to prevent flooding and protect water quality
- Adding an Accessory Dwelling Unit can help provide more housing options in our community

Get green living tips on the City's [@KirklandEnviro Facebook](#) and [Twitter](#) accounts or [sign up for monthly green emails](#).



A [demonstration raingarden](#) at a Kirkland home.



Bike commuters at a Bike Everywhere Day station.



Solar panels installed at a Kirkland home during a Solarize Kirkland campaign.

# Businesses

## Follow Green Practices

Learn about and get help implementing environmental best practices that can save money and protect your staff's health through the EnviroStars green business program.

## Support Staff in Reducing Trips

- Encourage your staff to use alternative modes of transportation besides driving alone
- Provide transit passes or subsidies for staff
- Provide bike storage and lockers / changing facilities to make it easier for staff to cycle
- Allow staff to telecommute or work flex schedules

## Implement Green Upgrades

Learn about rebates and programs available to help your business make green upgrades through the EnviroStars green business program.

# Developers

Developers serve an important role in Kirkland's sustainability, and can have a big impact on Kirkland's environmental impacts in the long term through both the type of developments built and the choices made at those properties, whether single-family dwellings, or multi-family, mixed-use or commercial properties. We welcome your support and leadership in building greener developments.

# Organizations

## Partner

There are many opportunities to partner with the City to help the community achieve the goals of the Sustainability Master Plan. See the Implementation Guide for specific actions where the City is actively seeking community partners. We also welcome ideas for other partnerships.

## Lead

We celebrate the environmental leadership of non-profit and faith-based organizations in Kirkland.

The **EnviroStars** green business program provides free technical support for Washington businesses in their preferred language. Visit [envirostars.org](http://envirostars.org) or contact [info@envirostars.org](mailto:info@envirostars.org).



Recognition is available for businesses that commit to following key environmental best practices.

**Kirkland Green Trip** helps businesses support their employees in reducing drive-alone commute trips. Visit [kirklandgreentrip.org](http://kirklandgreentrip.org).



Pervious paving at a development in Kirkland.

## SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
<b>Energy Supply &amp; Emissions</b>					
DM Arnold	GHG Emissions		<u>Action ES 1.4: Update Kirkland comprehensive plan climate goals regularly to be consistent with updated state and regional goals.</u>	Staff agrees. If Council approves this action, it will be added.	Added new proposed action to the SMP  Action ES 1.4: Update Kirkland comprehensive plan climate goals regularly to be consistent with updated state and regional goals.
DM Arnold	GHG Emissions		<u>Action ES 1.5: Support state or regional clean fuel standard.</u>	Staff agrees. This is part of the adopted K4C's Joint Letter of Commitments and will be good to be prioritized on our legislative agenda. If Council approves this action, it will be added.	Added new proposed action to the SMP Action ES 1.5: Support state or regional clean fuel standard.
DM Arnold	Purchased Electricity	Action ES-2.2 Consider supporting the formation of an Eastside Public Utility District that secures 100% renewable electricity that is equitably priced for the entire community	Action ES-2.2 Consider supporting the formation of an Eastside Public Utility District that secures 100% renewable electricity that is	Staff agrees.  Consider this action as a back up to PSE fulfilling the requirements of providing carbon neutral clean energy by 2030 and 100% clean renewable electricity by 2045 as require by the Clean Energy Transformation Act (CETA) of 2019. If Council approves this additional language, it will be revised.	Council discussed on 10/20/20  Revised the existing language of action ES-2.2 in SMP as follows: Provide a report to the City Council on

## SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
			equitably priced for the entire community, <u>if Puget Sound Energy is not meeting its CETA goals</u>		the costs, benefits, complexities and risks of the formation of an Eastside public utility district that secures 100% renewable electricity that is equitably priced for the entire community.
DM Arnold	Distributed Renewable Energy	The addition of 10MW of distributed solar in ES-3 covers about 1000 homes, out of more than 20,000 houses in Kirkland. Is there background on why not a more aggressive number, especially with the goal being by 2030?		This number was recommended by the Environmental Technical Advisory Group (ETAG) based on their familiarity with the level of effort it takes to conduct a Solarize Kirkland campaign. Based on two previous campaigns, 60 to 70 homes purchased solar panels per each annual campaign. It's still a heavy lift to get 1,000 more homes with panels over the next 10 years. While staff and ETAG support the distributed solar goals, Community Solar and utility sponsored solar may get us to our goals more quickly. We should also consider supporting storage for solar energy to promote resilience in the community.	No change in existing goal.
DM Arnold	Distributed Renewable Energy	<u>CM Curtis: Should solar installation impacts be considered in rooftop amenities code?</u>	<u>Action ES-3.3: Consider revisions to remove barriers and provide incentives for solar in land use regulations.</u>	This action would help in allowing properties located in Houghton to have the same height exception that exists city-wide. The impacts are minimal as the maximum that would be needed is 18-24 inches on a flat roof. Most pitched roofs do not need any height exceptions to optimize the solar panels efficiency.	Council discussed on 10/20/20  Added this proposed new action to the SMP.

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				<p>There are also voluntary <a href="#">solar ready provisions</a> in Appendix U of the Washington State Building Code that we could consider adopting as a requirement for new single family, duplexes and townhomes.</p>	<p>Action ES-3.3: Consider revisions to remove barriers and provide incentives for solar energy generation in land use regulations.</p>
DM Arnold	Distributed Renewable Energy		<p><u>Action ES 3.4: Support innovative financing mechanisms for distributed energy improvements.</u></p>	<p>Staff and ETAG agree. This would be helpful to jumpstart Community Solar installations.</p>	<p>Added this proposed new action to SMP. Action ES 3.4: Support innovative financing mechanisms for distributed energy improvements.</p>
DM Arnold	Electrification of Vehicles	<p>Action ES-4.3 Require EV charging stations with all new developments or redevelopment projects at a minimum ratio of one EV</p>	<p>Action ES-4.3 Require EV charging stations with all new developments or redevelopment projects at a minimum ratio of</p>	<p>Staff and ETAG agree that greater ratios for EV chargers and EV ready parking stalls should be provided. Propose 10% of parking stalls to have EV Chargers and an additional 20% to be EV ready (conduit, wire and space in electrical box). This is similar to City of Seattle’s existing requirements.</p>	<p>Added revised action to SMP.  Action ES-4.3 Require EV charging stations with all new developments or redevelopment</p>

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		charger for 2% of all required parking stalls	one EV charger for 2% of all required parking stalls <u>and to be charger-ready for more in the future (maybe 20%?)</u> .		projects at a minimum ratio of one EV charger for 10% of all required parking stalls, and require 20% of required parking stalls to be charger-ready for more EV chargers in the future.
DM Arnold	Electrification of Vehicles		<u>Action ES-4.4: Require all new homes with off-street parking to be charger-ready-wired to support a Level 2 EV charger. Twenty percent of multifamily development parking spaces must be EV-ready.</u>	This would be helpful to allow more electric cars to be in Kirkland and reduce pressure on existing public charging stations. Staff and ETAG recommend that multifamily developments be EV-Ready for 220-Volts receptacle.  Add clarifying language to this action that that this is not for New Single-Family homes.	Combined this action with Action ES 4.5 and reflected both actions in one new action (see ES-4.4 below)
DM Arnold	Electrification of Vehicles		<u>Action ES-4.5 Require all new single-family homes with off-street parking to</u>	Staff and ETAG agree. Seems like a logical and inexpensive method to ensure that an extra 220-volt receptacle is available inside or outside of a garage. According to King County Green Building, it is 2 to 8X's more costly and inconvenient to do it later.	Added new action to SMP as follows: Action ES-4.4: For homes with off-street parking,



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			<p><u>be EV charger-ready.</u></p>	<p>Combine proposed ES-4.4 and ES 4.5 (labeled as ES-4.4) into one action and require the EV Ready outlet to be wired and an outlet ready to plug into an electric vehicle.</p> <p>For homes with off-street parking, require all new residential (single-family, duplex and townhomes) with offstreet parking to provide one EV-ready electrical outlet per unit and require all multi-family developments to provide EV-ready electrical outlets for 20% of required parking spaces. The electrical outlets shall provide at least 208/240 volt and be ready to connect to an electric vehicle.</p>	<p>require all new residential (single-family, duplex and townhomes) with offstreet parking to provide one EV-ready electrical outlet per unit and require all multi-family developments to provide EV-ready electrical outlets for 20% of required parking spaces. The electrical outlets shall provide at least one 208/240 volt branched circuit that is ready to</p>

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DM Arnold	Electrification of Vehicles		<p><u>Action ES-4.6: Support state and regional requirements for electric delivery vehicles and TNCs.</u></p>	<p>Staff and ETAG agree. Since we are capturing all trips in Kirkland for GHG emission reporting purposes, and more goods are being delivered to homes than before, this would be helpful to address immediate air quality issues and public health.</p> <p>The definition below could be a callout in the SMP. (A <b>TNC</b> is an organization that provides pre-arranged transportation services for compensation using an online-enabled platform to connect passengers with drivers using the driver's personal <b>vehicle</b>. <b>TNC's</b> include companies such as Lyft, UberX, and Sidecar.)</p>	<p>connect to an electric vehicle</p> <p>Added new action to SMP as Action ES 4.5.</p> <p>Support state and regional requirements for electric delivery vehicles and TNCs</p>
DM Arnold	Electrification of Vehicles	<p>The city should be a leader here in its operations. Vehicles that can be fully electric should be. Trucks and vans where the technology isn't there yet should be hybrid. Kirkland should be part of a pilot with other</p>	<p><u>Action SG 1.5: Adopt a policy for fleet purchases for fully electric and hybrid electric vehicles depending on technology availability and city needs; and actively seek grants to move toward an</u></p>	<p>Staff agrees a policy would be most appropriate, taking into account budget considerations.</p> <p>Staff believes that this new action should be in the City Operations Element of the Sustainable Governance Focus Area and possibly merged with SG 1.5 as shown.</p> <p>Adopt a policy for fleet purchases for fully electric and hybrid electric vehicles depending on technology availability and city needs; and</p>	<p>Revised Action SG-1.5 in SMP as follows:</p> <p>Adopt a policy for fleet purchases for fully electric and hybrid electric vehicles depending on technology availability and city needs; and actively</p>

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		jurisdictions in the region evaluating heavy duty and public works vehicles, when available.	all-electric City fleet and supporting charging station infrastructure.		seek grants to move toward an all-electric City fleet and supporting charging station infrastructure.
DM Arnold	Electrification of Vehicles	CM Curtis: Consider Policy to dedicate % of fuel tax... such as building additional charging stations at city facilities and parks.	<u>Action ES-4.9: Consider policy to dedicate % of fuel tax toward support of electrification of transportation, such as building additional charging stations at city facilities and parks</u>	<p>Agreed this would be helpful to spur not only more charging stations but upgrading the overall power and infrastructure capabilities at City facilities and parks.</p> <p>Guidance from MRSC’s revenue guide on use of Motor Vehicle Fuel Taxes:</p> <p>The revenues must be placed in a designated city street fund and used for the following highway or street purposes (RCW 47.24.040):</p> <ul style="list-style-type: none"> <li>• Salaries and wages;</li> <li>• Material, supplies, or equipment;</li> <li>• Purchase or condemnation of right-of-way;</li> <li>• Engineering;</li> <li>• Any other proper highway or street purpose in connection with the construction, alteration, repair, improvement, or maintenance of any city street or bridge, or viaduct or underpassage along, upon, or across such streets; and/or</li> <li>• Planning, accommodation, establishment, or maintenance of pedestrian, equestrian, or bicycle trails within an existing highway right-of-way or</li> </ul>	<p>Council Discussed on 10/20/20</p> <p>Added the following new action to SMP: ES-4.6 Develop a policy to establish a revenue source toward support of electrification of transportation, such as building additional charging stations at city facilities and parks.</p>

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				<p>severed by the highway (RCW 47.30.030 and RCW 47.30.060).</p> <p>Staff has confirmed that the Fuel Tax <b>may not</b> be used for the purposes as described in the original action. Council supports the development of a policy and staff recommends the following revision:  <b>Proposed Action ES-4.9 (Revised):</b> Develop a policy to dedicate % of fuel tax <u>establish a revenue source</u> toward support of electrification of transportation, such as building additional charging stations at city facilities and parks.</p>	
CM Pascal		Action ES-5.3. What are the potential pros/cons of requiring new construction to be built with only electric?	Action ES-5.3: Explore requiring all new construction to be built with only electric systems	The pros of building with all electric can be less greenhouse gas (GHG) emissions for all electric systems as compared to gas. The impacts of gas include extraction, transportation, leaks in pipeline, leaks in the home and combustion of the gas. These impacts can also affect public health. The all electric approach does have impacts on GHG emissions because some of PSE's electric supply is derived from both coal and other fossil fuel combustion. But, electricity generation is getting cleaner overtime and by 2045 will be 100% clean renewables. Electrical systems are very efficient and use much less energy than in the past and when combined with tighter building envelopes, promote reduced energy use and the overall operation costs. A potential con of all electric buildings could be impacts experienced during power outages. A more in-depth analysis would be	Council Discussed on 10/20/20  Council will need more information to consider undertaking this action in the future.

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				done if this action was pursued in a future implementation plan.	
<b>Buildings and Infrastructure</b>					
DM Arnold	New Construction and Development		<u>Action BI-2.2: Consider requirements and incentives for buildings in business districts to be built to high performing building standards.</u>	International Living Future Institutes (ILFI) <a href="https://living-future.org/core/">https://living-future.org/core/</a> Core Green Building Certification could be considered for this requirement. This excerpt from the ILFI site is instructive: (Core) is a simple framework that outlines the 10 best practice achievements that a building must obtain to be considered a green or sustainable building. It puts the connection to nature, equity and the need for a building to be loved on even footing with the typical water, energy and materials concerns. Core seeks to rapidly diminish the gap between the highest levels of established green building certification programs and the aspirations of the Living Building Challenge.  Council discussed using regulations and incentives, not just requirements to promote high performing buildings in business districts. This incentive can be considered when the city-wide high performing building program can be updated.	Added new action to SMP.  Action BI-2.2: Consider requirements and incentives for buildings in business districts to be built to high performing building standards.
DM Arnold	New Construction and Development	Encourage buildings that are part of Council-approved Master Plans/Development Agreements/Planned Unit Developments to be high-performing	<u>Action BI-2.3: Require buildings as part of Council-approved Master Plans/ Development Agreements / Planned Unit</u>	Staff agrees. The International Living Future Institutes (ILFI) Core Green Building Certification <a href="https://living-future.org/core/">https://living-future.org/core/</a> could be considered because it is a very comprehensive certification that hits the key sustainability criteria such as clean energy, healthy and low carbon footprint materials, and reduced water usage. This is a step above LEED, but not as difficult as the Living Building Challenge.	Council Discussed on 09/15/20.  Added this new proposed action to the SMP as follows: BI-2.3 Encourage and incentivize

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		green buildings that are charger ready	<u>Developments to be high performing green buildings, charger ready, no pipeline gas.</u>	We can add on additional performance measures such as charger ready for Level II chargers and no fossil fuels use, and other requirements if desired.  Council would like to set expectations for high performance Buildings as a starting point and reference other Eastside cities plans.	buildings that are part of Council-approved Master Plans/Development Agreements/Planned Unit Developments to be high-performing green buildings that are charger ready.
DM Arnold	New Construction and Development		<u>BI-2.4: Consider policy for performance standards for ARCH-constructed affordable housing.</u>	Staff agrees. Built Green 4, 5-Star or Emerald Star certification could be considered and would help reduce impacts to the occupants by reducing energy costs and improving indoor air quality.	Council Discussed on 09/15/20  <b>Withdraw</b> this action and provide high performing building industry contacts to ARCH for consideration of how their projects could be more energy efficient.
DM Arnold	Existing Buildings	For the goals to reduce energy use in existing buildings by 25% by 2030, we should have a plan to	<u>Action BI-3.6: Develop plan in CIP for all city facilities to meet 25% energy reduction goal by</u>	Staff and ETAG agree that this is very good addition and could be easily accommodated with a position paid for through PSE’s Resource Conservation Officer program (SG-1.7)	Added the following new action to the SMP: SG -1.8 Develop plan in CIP for all city facilities to meet

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		do so for city facilities as well.	<u>2030 and 45% by 2050.</u>	*Staff recommends putting this action in the SG Focus Area under the City Operation Element (SG-1.8)	25% energy reduction goal by 2030 and 45% by 2050.
DM Arnold	Existing Buildings		<u>Action BI-3.7: Develop standards for acquired facilities and consider retrofit plans as part of purchase.</u>	Staff Agrees. This action also works well with the Sustainable Decision-Making matrix criteria which considers reduction in GHG and energy use reductions for decisions made by the City.  Staff recommends putting this action in the SG Focus Area under the City Operation Element and making the action more descriptive of what the action actually would require the City to do.	Added this new action to the SMP SG-1.9: Develop water and energy efficiency standards for acquired facilities. If standards are not met, retrofit to achieve standards.
CM Pascal	Existing Buildings	What are some examples of water efficiency outside of existing structures.	BI-4.3	Some examples include use of harvested water and drip irrigation for landscaping, high water efficiency fountains and other water features that are in both public and private spaces.	Provided Examples.
<b>Land Use and Transportation</b>					
CM Pascal	Smart Growth	We are already doing actions LT-1.1 and LT-2.1. If this is correct, it should state that in the plan.	LT-1.1 Engage in smart growth policy and begin a Smart Growth zoning code scrub.  LT-2.1 Work with Public Works Department to align new	For LT 1.1: Although the City's codes have smart growth principles imbedded, they have not been specifically analyzed and revised as stated in the action.	No changes.  Revised existing action in SMP: LT-2.1 Continue to work with Public

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			pedestrian connections with the 10-Minute Neighborhood concept.	The City is doing LT-2.1 and that can be stated in the plan by adding the words <u>Continue to</u> in front of this action	Works Department to align new pedestrian connections with the 10-Minute Neighborhood concept
CM Curtis	Smart Growth	.	<u>LT 2.4 – Support important infill in neighborhoods encouraging a variety of needed businesses such as medical and professional offices.</u>	Agreed, this may allow more neighborhoods to become 10-minute neighborhoods. Staff suggests this language could create more variety to meet more needs: <u>LT 2.4 Strategically adopt zoning code amendments that foster infill projects that meet local needs</u>	Added new action to SMP as follows:  LT 2.4 Strategically adopt zoning code amendments that foster infill projects that meet local needs.
CM Pascal	Active Transportation	LT-3.3: What is an example of this?	LT-3.3 For new development, increase bicycle parking requirements and require amenities for employees such as showers, lockers and secure storage.	Currently, new development requires bicycle parking based on the number of vehicle parking stalls and there are no other requirements such as showers, lockers that could encourage more bicycle commuting.	No changes.
CM Pascal	Active Transportation	LT-3.4: Didn't we just perform an extensive review in 2016		Parking requirements were analyzed as recently as 2016 and agree that this action would provide an	No changes.



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		regarding parking requirements for multi-family housing? Should that be noted? Maybe it needs to be reviewed again, along with commercial requirements? Maybe that is what we are saying?		opportunity to look at parking requirements again in relation to 10-minute neighborhoods.	
DM Arnold	Active Transportation	For actions that strive for achieving platinum status as a "Walk-Friendly Community" and a "Bike-Friendly Community", can you provide more background on those standards? Depending on what is involved, I may be interested in setting a stronger goal than "strive".		<p>Staff agrees with using "achieve" in the actions related to bike and walk friendly certifications. Here is the link to background on Bike Friendly Community: <a href="https://bikeleague.org/sites/default/files/BFC%20infographic.pdf">https://bikeleague.org/sites/default/files/BFC%20infographic.pdf</a></p> <p>There are five levels of certification: Bronze, Silver, Gold, Diamond and Platinum. We are at a Bronze level and should be at a higher level after the ATP is adopted and a new application is made and approved by the certifying entity.</p> <p>Here is the link to background on Walk Friendly Community: <a href="http://walkfriendly.org/wp-content/uploads/2017/03/WFC_Assessment_Tool.pdf">http://walkfriendly.org/wp-content/uploads/2017/03/WFC_Assessment_Tool.pdf</a></p> <p>If requested, Active Transportation Staff could put together more information about how we can score better in various categories.</p>	<p>Revised existing actions LT-4.2 and LT-4.3</p> <p>LT-4.2 Strive to achieve a platinum status with Walk Friendly Communities or equivalent</p> <p>LT-4.3 Strive to achieve a platinum status with Bicycle Friendly Communities or equivalent</p>

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				We can "strive to achieve" both of these certifications, but there are staff ratio aspects that are not realistic for achievement of the highest levels of the Walk Friendly and Bike Friendly Certification. Also added "or equivalent" to both of the existing actions as we may want to consider other certifications in the future.	
CM Pascal	Active Transportation	Seems like we are doing Actions LT-4.4, 4.5, 4.6 as part of the Safer Routes to School Action Plan. Should we note that somehow?	LT-4.4, 4.5 and 4.6	Staff agrees. We can insert into the plan on the page where these actions are described.	<b>Tracy D:</b> Callout box that we are doing these three actions
DM Arnold	Active Transportation	Action LT-4.5 Coordinate with the school communities to increase the number of students walking, biking, carpooling and taking the bus to school	Action LT-4.5 <del>Coordinate with the school communities to</del> Increase the number of students walking and biking, <del>carpooling and taking the bus to school</del> through implementation of the Safer Routes to	Agreed, the revised language is very direct and a clearer action. Revise language to reflect that the Safer Routes to School Plan is now adopted.	Revised existing action in SMP as follows:  LT-4.5 Increase the number of students walking and biking, through implementation of the Safer Routes to Schools Plan.

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DM Arnold	Active Transportation	Action LT-4.6 Make it safe and easy for children to walk, bike and take the bus to school and other destinations.	<p><u>Schools Plan, when adopted.</u></p> <p>Action LT-4.6: Make it safe and easy <del>for children to walk, bike and take the bus to school and other destinations</del> <u>to connect between neighborhoods and business districts through implementation of the Active Transportation Plan, when adopted.</u></p>	<p>LT-4.5 was intended to be the 'education' component of the SRTS Action Plans and this was supposed to represent our capital investments for the SRTS Action Plans. This updated language is fine and broader but perhaps we should add schools? "<i>between neighborhoods, schools and business districts</i>"? Speaking of, what about parks (or greenspaces)?</p>	<p>Revised existing action in SMP:</p> <p>Action LT-4.6: Make it safe and easy to travel between neighborhoods, schools, business districts, parks and green spaces through implementation of the Active Transportation Plan, when adopted.</p>
DM Arnold	Active Transportation	The markings and crossings used for the Lake Washington Loop are something that should be incorporated for all non-protected bike lanes.	<p><u>Action LT-4.8: Update markings for all bicycle lanes that are not protected by 2025.</u></p>	<p>Standards for bicycle markings are the same for the city. There are places where there are no markings and the goal are to have all of them marked as a goal in the ATP.</p> <p>STAFF QUESTION: Does this comment refer to the Lake Washington Loop signs (as opposed to markings)?</p>	<p>Council discussed on 10/20/20</p> <p>Added new action to SMP:</p> <p>LT 4.8 _Update markings for all bicycle lanes that are not protected,</p>

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					consistent with current standards.
DM Arnold	Active Transportation	Complete the Greenway network by 2030	<u>Action LT-4.9: Complete the Greenway network by 2030</u>	Staff agrees.	Added new action as stated. Action LT-4.9: Complete the Greenway network by 2030
DM Arnold	Active Transportation	This also may give us an ability to look at more permeable walkways	<u>Action LT-4.10: Develop alternative standards for safe pedestrian travel when building sidewalks is prohibitive.</u>	AT Staff agrees. PW Development Staff: Please clarify intent of action and staff will provide a response.	Council discussed on 10/20/20  Added new action to SMP as follows: LT-4.10: Develop criteria for alternative sidewalk configurations for safe pedestrian travel when traditional sidewalks are infeasible.
CM Pascal	Public Transit	Goal LT-5 is ambitious given the pandemic, what are things we should consider given the transit system could now look much different for a while?	Goal LT-5: Grow average annual weekday transit ridership by 2010% each year.	AT Staff comments: <ul style="list-style-type: none"> <li>Transit service will still be needed by many members of our community</li> <li>The pre-COVID levels of traffic caused a high level of congestion in Kirkland, particularly during peak hours and even with commute reductions due to more people working from home, congestion is still expected to</li> </ul>	Revised existing goal in SMP as follows:  Goal LT-5: Grow average annual weekday transit

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				<p>return. Increased transit ridership, even with reduced transit levels, will still be an important sustainability goal.</p> <ul style="list-style-type: none"> <li>The actions under this goal are all still highly appropriate in terms of incentives, TDM, first/last mile, equitable access to fare payment and agency coordination. COVID and more people working from home will just enhance the TDM element further.</li> <li>Staff suggests revising the goal from 20% to 10%.</li> </ul>	ridership by 10% each year.
DM Arnold	Public Transit	Action LT-5.2 Provide better access to transit through first-last mile strategies.	Action LT-5.2: <del>Provide better access to</del> <u>Explore public/private partnerships for first mile-last mile strategies connections including bike share, scooter share, and automated shuttles.</u>	Staff agrees.	Revised existing action in SMP follows: LT-5.2: Explore public/private partnerships for first mile-last mile strategies including bike share, scooter share, and automated shuttles.  24
DM Arnold	Public Transit	Action LT-5.4 Work with transit agencies on honing and	Action LT-5.4 Work with transit agencies on honing and increasing	Staff agrees.	Revised existing action in SMP as follows: LT-5.4 Work with transit

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		increasing service to Kirkland.	service to Kirkland <u>in accordance with Metro Connects and Kirkland Transit Implementation Plan.</u>		agencies on honing and increasing service to Kirkland in accordance with Metro Connects and Kirkland Transit Implementation Plan.
<b>Natural Environment and Ecosystems</b>					
CM Pascal	Conservation and Stewardship	Aren't we already doing EV-3.1, 4.1, 4.3? Should we note that somehow?		These actions are ongoing, and this could be noted in a callout box on page 32 of the draft SMP.	Update callout box on page 32 to reflect actions that are currently being done.
DM Arnold	Conservation and Stewardship	Consider actions that have been previously discussed with Council.	Goal EV-7: <u>Explore the elimination of all use of synthetic pesticides.</u>	With the exceptions of treating noxious weeds per State and County law and responding to aggressive stinging insects in high use areas. Currently Parks does not use synthetic pesticides in parks during the summer months (outside of the two exceptions noted above). This strategy has been very successful. Organic herbicides do not work during cool conditions and thus cannot be used to control early spring weeds. Parks utilizes all available tools, including synthetic pesticides, to complete maintenance activities in the fall, winter, and spring (following all laws and label requirements) and transitions to organic products (outside of the two exceptions noted above) for the summer months. The community is very supportive of this approach (as demonstrated by the very few questions and concerns we have heard	Policy Discussion conducted on 09/15/20.  Added new goal EV -7 in SMP as follows: Aspire to eliminate the use of synthetic pesticides on city properties.

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				<p>this year). Without the use of synthetic pesticides in the non-summer months, Parks would be exponentially weedier. It will require major investments in additional staff to keep up with weeds, and meet current maintenance expectations, if we eliminate the use of synthetic pesticides to control weeds (again, outside mandatory control of noxious weeds and the need to remove aggressive stinging insects in high use areas).</p>	
DM Arnold	Conservation and Stewardship	<p>CM Curtis: Support all of DM's pesticide free and reduction of pesticide suggestions</p>	<p><u>Action EV-7.1: Designate all parks with playgrounds as pesticide free parks.</u></p>	<p>With the exceptions of treating noxious weeds per State and County law and responding to aggressive stinging insects in high use areas. For example, Juanita Beach has a playground and has knotweed infestations that are required for control and can only be controlled with an aquatic approved herbicide. You can't cut it down or dig it out. The fragments will make new infestations. All the comments regarding goal EV-7 also apply to this comment.</p> <p>Expand Action EV-6 to parks and other public property and evaluate roads later</p>	<p>Policy Discussion conducted on 09/15/20. Added new action to SMP:</p> <p>EV-7.1: Explore designating all parks with playgrounds as synthetic pesticide-free parks. Consider using community groups to assist with maintenance.</p>
DM Arnold	Conservation and Stewardship	<p>Even if unfunded, this will allow us to track progress.</p>	<p><u>Action EV-7.2: Add improvements to CIP that eliminate the need for pesticide use.</u></p>	<p>CIP: Agree with Public Works Maintenance and suggest that the evaluation of various options could also include measurables.</p> <p>Public Works Maintenance:</p>	<p>Policy Discussion conducted on 09/15/20.</p> <p>Added new action to SMP.</p>

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				<p>as recently as 2019, City Council affirmed the use of herbicides in the public right of way where mechanical or other measures are not feasible. Use of herbicide on noxious weeds will continue as it is closely regulated, and applicators are licensed by the State.</p> <p>Revise to clarify this applies to City projects.</p>	<p>Action EV-7.2: Design City projects that eliminate the need for synthetic pesticides.</p>
<p>CM Curtis</p>	<p>Conservation and Stewardship</p>	<p>DM Proposed EV 6.4 (or EV 7.2) or new one: Design City public landscaping that requires less maintenance, water and pesticides.</p>	<p><u>Action EV-7.3 Design City public landscaping that requires less maintenance, water and pesticides.</u></p>	<p>Parks employees review all Parks CIP projects throughout all stages of planning and development and request native, drought tolerant, and low maintenance plantings in all projects. We review all proposed landscaping plans to ensure the right plant is in the right place (ex: replace aggressive wild roses along pathways with a species that won't require significant annual pruning). This action is already being done on a regular basis.</p>	<p>Added new action to SMP.</p> <p>Design City public landscaping that requires less maintenance, water and pesticides</p>
<p>DM Arnold</p>	<p>Conservation and Stewardship</p>		<p><u>Action EV-7.4: Regularly evaluate alternative products to synthetic pesticides.</u></p>	<p>Agreed and already being considered.</p>	<p>Added new action to SMP.</p> <p>Action EV-7.4: Regularly evaluate alternative products in lieu of synthetic pesticides.</p>



### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
DM Arnold	Conservation and Stewardship		<u>Action EV-7.5: Explore changes to maintenance standards to avoid use of synthetic pesticides.</u>	Agreed and already being considered.	Added new action to SMP.  Action EV-7.5: Explore changes to maintenance standards to avoid use of synthetic pesticides.
DM Arnold	Access to Parks and Open Space	For Action EV 7.1, "Proactively seek and acquire parkland to create new parks, prioritizing park development in areas where service level deficiencies exist", ---- -Question- do we consider private parks as part of our prioritization? I want to make sure we are looking at things with an equity lens to truly get underserved areas. Related, with the city-school partnership, are		Please refer to our service level policy and maps in the PROS plan for a detailed overview of deficiencies and strategies to address underserved areas. From Goal Section of PROS Plan: Social Equity – We believe universal access to public parks and recreation is fundamental to all, not just a privilege for a few. Every day, our members work hard to ensure all people have access to resources and programs that connect citizens, and in turn, make our communities more livable and desirable  From PROS Plan: Policy 1.1 - Community Involvement: Identify underrepresented segments of the community and work to improve their capacity to participate in park planning and decision making.  From page 45 of the PROS Plan (Acquisition and Development of New Neighborhood Parks):	No change.

### SMP Council Comment Matrix

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		<p>facilities on school lands shown on the map on p. 34</p>		<p>Kirkland’s neighborhood park system goal is to provide a neighborhood park within walking distance (¼-mile) of every resident. Achieving this goal will require both acquiring new neighborhood park properties in currently underserved locations and improving active transportation connections to allow local residents to safely and conveniently reach their neighborhood park. As Kirkland develops and acquisition opportunities diminish, the City will need to be prepared to take advantage of acquisition opportunities in strategic locations to better serve city residents. To better understand where acquisition efforts should be directed, a gap analysis of the park system was conducted to examine and assess the current distribution of parks throughout the City. The analysis reviewed the locations and types of existing facilities, land use classifications, transportation/access barriers and other factors to identify preliminary acquisition target areas. In reviewing parkland distribution and assessing opportunities to fill identified gaps, residentially zoned lands were isolated, since neighborhood parks primarily serve these areas. Additionally, walksheds were defined for neighborhood parks using a ¼-mile primary and ½-mile secondary service area with travel distances calculated along the road network starting from known and accessible access points at each neighborhood park. Map 2 on page 53</p>	

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
				<p>illustrates the application of the distribution guidelines from existing, publicly-owned neighborhood parks, as well as privately-held homeowner association parks (walksheds were clipped to the boundaries of each HOA). Resulting from this assessment, a total of 8 potential acquisition areas are identified for neighborhood parks <b>to improve overall distribution and equity</b>, while promoting recreation within walking distance of residential areas.</p> <ul style="list-style-type: none"> <li>• Northeastern portion of the Finn Hill neighborhood (Gap Area 'A')</li> <li>• Southwestern portion of the North Juanita neighborhood (Gap Area 'B')</li> <li>• Northeastern portion of the North Juanita neighborhood (Gap Area 'C')</li> <li>• Northeastern portion of the Kingsgate neighborhood (Gap Area 'D')</li> <li>• Central portion of the Kingsgate neighborhood (Gap Area 'E')</li> <li>• Northern portion of the North Rose Hill neighborhood (Gap Area 'F')</li> <li>• Western portion of the South Rose Hill neighborhood (Gap Area 'G')</li> <li>• Southern portion of the Bridle Trails neighborhood (Gap Area 'H')</li> <li>•</li> </ul> <p>This Plan proposes acquisition of parkland for future neighborhood parks in these areas.</p>	

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
				<p>While the targeted acquisition areas do not identify a specific parcel(s) for consideration, the area encompasses a broader region in which an acquisition would be ideally suited. These acquisition targets represent a long-term vision for improving parkland distribution throughout Kirkland.</p>	
<p>CM Curtis</p>	<p>Access to Parks and Open Space</p>		<p><u>EV 7.3 Expand existing education programs to include residential design practices that reduce maintenance, pesticide use and water.</u></p>	<p>Storm &amp; Surface Water Division offers:                      -Natural Yard Care classes, in partnership with Tilth Alliance.                      -Yard Smart Rain Rewards, grant-funded stormwater retrofit rebate program.</p> <p>Cascade Water Alliance offers Cascade Gardener classes, free water-saving tools.</p> <p>This action may be a better fit for EV-1 or EV-2 (potential new action EV 2.4)</p>	<p><b>Withdrawn.</b> Did not add to SMP.</p>
<p>CM Curtis</p>	<p><del>Access to Parks and Open Space</del>                      Move to Sustainable Urban Forest section</p>		<p><u>EV 7.4 Set commercial landscape design standards that use low-maintenance and waterwise plants.</u></p>	<p>Staff agrees. KZC 95 Required Landscaping design standards require mulch, groundcovers, etc. Could develop water-wise plant list. Conduct outreach targeting landscapers on BMPs, including no excessive shearing and no topping trees. Most commercial landscaping plants fall into "low maintenance" category.</p> <p>Is concern with use of gas-powered landscaping equipment (blowers, mowers, etc.)?</p>	<p>Added new action:                       EV 10.10 Set commercial landscape design standards that use low-maintenance and waterwise plants.</p>

## SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
DM Arnold	Access to Parks and Open Space	For Action EV 8.1 "Sign the national "10-minute walk" initiative, -Question- can we get more information on what that initiative entails?		<p>The 10-minute walk initiative is a Mayor's pledge that "makes the 100% Promise to ensure that everyone in your city has safe, easy access to a quality park within a 10-minute walk of home by 2050."</p> <p>The following link describes more about the initiative: <a href="https://10minutewalk.org/#Promise">https://10minutewalk.org/#Promise</a></p> <p>Revise this action to cross reference with the existing PROS Plan goal. Eliminate reference to the "10-minute walk" initiative.</p>	<p>Council discussed on 10/20/20</p> <p>Revised Action EV 8.1 to SMP: Achieve the Kirkland Parks, Recreation and Open Space Plan neighborhood park system goal which ensures every resident is within 1/4 mile or 10 minute walking distance of a park.</p>
CM Curtis		Action EV 9.1 Conduct an accessibility review of parks and recreation facilities with the 2021 update of the Parks and Open Space Plan for the purpose of creating an action plan for needed improvements	Action EV 9.1 Conduct an accessibility review of parks, <del>and</del> recreation facilities <u>and facilities</u> with the 2021 update of the Parks and Open Space Plan for the purpose of creating an action plan for needed improvements	<p>Funding dependent to consider this action. Could consider this for next PROS plan update.</p> <p>Add inclusivity to this review and not just for the 2021 update, but for all future PROS plan updates.</p> <p>Conduct an accessibility and inclusivity review of parks, <del>and</del> recreational facilities and facilities with the update of all future Parks and Open Space Plans for the purpose of creating an action plan for needed improvements</p>	<p>Policy Discussion conducted on 09/15/20.</p> <p>Revised existing action in SMP: EV 10.1 Conduct an accessibility and inclusivity review of parks, <del>and</del> recreational facilities with the</p>

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
					update of all future Parks and Open Space Plans for the purpose of creating an action plan for needed improvements
DM Arnold	Sustainable Urban Forest	CM Curtis: Support DM Proposed EV 10.8	<u>Action EV 10.8: Evaluate pre-approved public works plans and look for opportunities for retention of right-of-way trees.</u>	PW Development and CIP groups look for opportunities to retain ROW trees when feasible. Opportunities include curb bump outs, removing planters strips, and meandering sidewalks. There isn't a standard for these techniques other than knowing it's one of our goals. A policy could be written to formalize this goal in support of the SMP. Currently most (not all) ROW trees adjacent to private property development projects are reviewed for retention. Estimated resources involved to review CIP and other ROW tree-impacted projects is an added 4 hours per week.	Added new action to SMP:  EV 10.8: Evaluate pre-approved public works plans and look for opportunities for retention of right-of-way trees.
CM Curtis	Sustainable Urban Forest		<u>New EV 10.9 – Create comprehensive inventory of existing and newly planted trees, including significant trees, in City spaces such as right of ways and</u>	Urban Forester: [Note: These objectives are identified in the Urban Forest Strategic Management Plan]. Agree there should be a city-wide tree inventory and planting program. The 2018 Canopy Assessment identifies PPA, Potential Planting Areas. All active park trees have been inventoried. Only about a third of ROW trees have been inventoried within past 10 years. PW and Parks do not have planting plans that specify locations, target # of trees by certain date,	Added new action to SMP: EV 10.9 – Create a comprehensive inventory of existing and newly planted trees, including significant trees, in City spaces such as rights of way and

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
			<p><u>parks. Create a city-wide tree planting program with set target areas and goals for canopy expansion in our City public spaces and residential areas.</u></p>	<p>estimated canopy cover or species diversity objectives.</p> <p>Green Kirkland Partnership does not have a tree-by-tree inventory (uses Triage system for forest stand management). GKP has identified tree planting locations in low-canopy open space areas and is actively planting and maintaining trees in those areas. GKP closely tracks all data (# planted, replaced, est. canopy cover and species for diversity objectives).</p> <p>We have data that identifies low-canopy residential areas, it just needs to be paired with an appropriate planting program like tree give-away event, block planting work parties, etc.</p>	<p>parks. Create a city-wide tree planting program with set target areas and goals for canopy expansion in our City public spaces and residential areas</p>
<p>CM Curtis</p>	<p>Sustainable Urban Forest</p>		<p><u>New EV 10.10 – Prevent developers from proactively removing trees and vegetation from property before excavation is begun. (Not sure how to word. Trying to prevent developers from clearing land and then leaving it empty because</u></p>	<p>PW Development: State Law allows subdivision of property. There are no restrictions stating the property must be developed in a specified time frame, only that the preliminary approval is good for 5 years; meaning the plat must be recorded in that time frame. The City monitors sites to verify erosion control measures are in place during construction and have performance bonds in place if the City needed to step in and finish the construction work for a recorded plat or stabilize a construction site if the owner/contractor is unresponsive. Once the work is complete and the LSM permit final given for a subdivision or short subdivision there is no requirement or State Law that</p>	<p><b>Withdrawn.</b> Did not add to SMP.</p>

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
			<p><u>they've abandoned or de layed the project.)</u></p>	<p>homes be constructed on the new lots. There are vacant lots throughout the City for various reasons that likely were subdivided decades ago; investment, retain a large "backyard", etc. The rate at which lots are created and built on is strictly a matter of economics and outside the City's control.</p> <p>Urban Forester: Draft KZC 95 mandates IDP city-wide, requiring tree retention decisions upfront at the design phase of short plats and subdivisions. Currently, no trees can be removed with the approval of a short plat (only Land Surface Modification permit for clear/grading; then project is subject to Temporary Erosion and Sedimentation Control (TESC) regs for erosion control. Draft KZC 95 includes measures to prevent preemptive tree removals on development sites, one of which is a wait period after tree removal prior to development permit submittal. The fines for unauthorized tree removals (KMC 1.12.100) were raised substantially.</p>	
Sustainable Materials Management					
DM Arnold	Waste Reduction	Do we have a policy for that practice, or is this something that just continues each time Council approves rates? If we don't have a formal policy to reference, an action	<p>Action SM 1.4: Set <u>linear rates to incentivize waste reduction and recycling.</u></p>	<p>We do not have a specific policy, but our linear rate structure that we've had in place since 2009 incentivizes waste reduction.</p> <p>Linear rates mean that the price per gallon across all the service levels is the same. That means that there's no "bulk discount" on the larger service levels that comes with a cost-of-service rate model. This then encourages customers to downsize as much as</p>	<p>Council discussed on 10/20/20.</p> <p>Added new action to SMP a follows: SM 1.4: Set innovative rates to incentivize waste</p>



## SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
		might be appropriate for SM-1.		possible and use weekly recycling and composting service to get as much recyclable and compostable items out of their trash as possible. So, it encourages not only recycling and composting but also waste reduction/waste avoidance.  Staff suggested changing "linear" with innovative and Council added "and composting" to action.	reduction, recycling and composting.
CM Curtis	Waste Reduction	Action SM 3.2 Enact policy to support reduction of single use food service ware, including straws and utensils	Action SM 3.2 Enact policy to <del>support reduction of eliminate</del> single use food service ware, including straws and utensils	Our intention with using "reduction" in this action was to eliminate unneeded single use food service items, while leaving them available when needed, such as for takeout that would be eaten away from the home and restaurant. This is worded to support a future policy recommendation to require that single-use utensils be made self-service or by request / positive affirmation from the customer. In addition, single use includes compostable and recyclable items, which may be products that restaurants may want to offer.	<b>Objection withdrawn.</b> Used original language in SMP.  Enact policy to support reduction of single use food serviceware, including straws and utensils.
DM Arnold	Recycling and Composting	Goal SM-4 Achieve a recycling diversion rate of 70% by 2030.	Goal SM-4 Achieve a local and <del>the</del> <u>countywide 70% recycling diversion rate</u> by 2030.	See suggested edit.	Revise existing goal in SMP. Goal SM-4 Achieve a local and countywide 70% recycling diversion rate by 2030.
DM Arnold	Recycling and Composting	While Action SM-4.4, discusses building	<u>Action SM-4.7: Increase</u>	Our existing MF program targets improving recycling and composting at MF properties. The building code	Council discussed on 10/20/20

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
		code requirements for recycling and organics in multi-family, commercial, and mixed-use buildings, what are we doing to improve recycling and organics in existing buildings? I'd like to see a goal in this area.	<u>multi-family and commercial recycling.</u>	references allocating sufficient physical space on the property. We cannot apply this same requirement to existing buildings.  Can consider solutions on the annual code amendment list.	Added new Action SM-4.7 to plan:  Increase multi-family and commercial recycling.
DM Arnold	Recycling and Composting	Explain context of Goal SM-5, "Increase the number of businesses composting food scraps to 150 by 2023." For example, would that cover all existing restaurants?		This would not be all existing restaurants. This number represents a reasonable, incremental goal of adding businesses each year.	No change.
<b>Sustainable Governance</b>					
DM Arnold	Sustainable Governance/City Operations and Civic Engagement	For SG-2 "Coordinate sustainability programs and policies across all City departments" or SG-5, "Cultivate community members' knowledge of, participation in, and leadership for civic processes", I'd	<u>Action SG-2.4 / SG-5.5: Consider appointing a citizen Sustainability Commission by 2025 to advise City Council on implementation status of this plan and</u>	There are financial and other considerations that should be taken into account in making this action possible. Although Staff agrees that implementation and accountability towards achieving the major goals of this plan are a priority, an over-arching goal of the SMP is to integrate consideration of sustainability into all City commissions and operations (and to not silo sustainability into a single commission).	Policy Discussion conducted on 09/15/20.  Added new action SG 5.5 to SMP: Consider involving community members (and Boards and

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
		like to form a Sustainability Commission to follow up on implementation of the plan and advise the Council on changes. Recognizing the City's current budget challenges, the timeframe may be more opened ended	<u>recommendations for future revisions as conditions change.</u>	The annual progress report to Council along with a community summit are memorialized in the resolution to adopt the plan.  Explain in the staff report what we will do to implement the plan.	Commissions) in advising City Council on implementation of this plan and recommendations for future revisions as conditions change.
CM Curtis	Civic Engagement	Action SG-4.3 Explore ways to identify and empower trusted messengers in the community to serve as liaisons between the City and communities that have historically been underrepresented in civic life	Action SG-4.3 <del>Explore ways to</del> identify and empower trusted messengers in the community to serve as liaisons between the City and communities that have historically been underrepresented in civic life	Staff supports this edit.	Edited existing action in SMP. Action SG-4.3 Identify and empower trusted messengers in the community to serve as liaisons between the City and communities that have historically been underrepresented in civic life
CM Curtis	Civic Engagement	From R-5434. This could go in Healthy Community	<u>SG-4.4 Perform a comprehensive City organizational</u>	Staff supports the addition of this action and remaining in Sustainable Government focus area. SG-	Added new action to SMP.

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
			<p><u>equity assessment to identify gaps in diversity, equity, and inclusion in all areas of City policy, practice and procedure.</u></p>	<p>2 could also be a good location for this, as it is more holistic of City operations than just Civic Engagement.</p>	<p>SG-4.4 Perform a comprehensive City organizational equity assessment to identify gaps in diversity, equity, and inclusion in all areas of City policy, practice and procedure.</p>
DM Arnold	Civic Engagement	<p>For SG-4, "Ensure processes for public participation are fair, accessible, and inclusive", we should recognize what we have learned about <i>increased</i> public participation during COVID-19 when we have not required physical presence at a specific time and place. Council is interested in continuing the methods of public participation; it is both as an equity and a sustainability issue. I'd</p>	<p><u>Action SG-4.5: Provide opportunities for public input that do not require presence at a particular time or place.</u></p>	<p>Staff supports this addition.</p>	<p>Added new Action to SMP.</p> <p>Action SG-4.5: Provide opportunities for public input that do not require presence at a particular time or place.</p>

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
CM Curtis	Civic Engagement	<p>like to add a new action SG-4.4.</p> <p>Action SG-5.2 Maintain support for Kirkland neighborhood associations, including efforts at expanding active participation from underrepresented segments of the community, such as people of color, immigrants, and renter</p>	<p>Action SG-5.2 Maintain <u>and expand</u> support for Kirkland neighborhood associations, including efforts at expanding active participation from underrepresented segments of the community, such as people of color, immigrants, and renters</p>	<p>Staff supports this addition.</p>	<p>Revised action in SMP. Action SG-5.2 Maintain and expand support for Kirkland neighborhood associations, including efforts at expanding active participation from underrepresented segments of the community, such as people of color, immigrants, and renters</p>
CM Curtis	Civic Engagement	<p>This deserves its own callout</p>	<p>SG-5.3 Create <u>community groups and expand active participation from underrepresented segments of the community, such as Black, indigenous, people of color,</u></p>	<p>Staff recommends partnering more closely with existing community groups and supporting the establishment of new groups, such as Eastside for All and the Right to Breathe Committee. This was the intention of Action SG-5.1.</p> <p>An edit to Action SG-5.1 to potentially meet CM Curtis' interest could be: <u>Explore opportunities for the</u></p>	<p>This comment has been addressed by editing Action SG-5.2 in SMP to include language as suggested by CM Curtis and staff.</p> <p>Added revised action SG-5.1 to SMP:</p>

### SMP Council Comment Matrix

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			<p><u>immigrants, and renters.</u></p>	<p><u>City’s involvement in efforts of collective impact to help achieve desired outcomes, including through partnering more closely with existing community groups and supporting the establishment of new groups to expand active participation from underrepresented segments of the community, such as Black, Indigenous, people of color, immigrants, and renters.</u></p> <p>Explore opportunities for the City’s involvement in efforts of collective impact to help achieve desired outcomes, including through partnering more closely with existing community groups and supporting the establishment of new groups to expand active participation from underrepresented segments of the community, such as Black, Indigenous, people of color, immigrants, and renters.</p>	<p>Explore opportunities for the City’s involvement in efforts of collective impact to help achieve desired outcomes, including through partnering more closely with existing community groups. Support the establishment of new groups to expand active participation from underrepresented segments of the community, such as Black, Indigenous, people of color, immigrants, and renters</p>
<p>CM Curtis</p>	<p>Civic Engagement</p>		<p>SG 5.4 <u>Create Prioritize and implement a civic engagement course that provides <del>and</del> education about</u></p>	<p>For context, Neighborhood U is an existing program within the Neighborhood Services Division of CMO, and a Fall 2020 program was being developed prior to COVID.</p> <p>Suggested edits to the new SG 5.4 has been provided.</p>	<p>Added new action to SMP.</p> <p><u>SG 5.4:</u> Prioritize and implement a civic engagement course that provides</p>

### SMP Council Comment Matrix

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			<u>local government and creates an entry point for emerging community leaders.</u>		education about local government and creates an entry point for emerging community leaders
DM Arnold	Community Resilience	Action SG-6.5 Focus on efforts to address and mitigate climate change impacts.	Action SG-6.5 Focus on efforts to address and mitigate climate change impacts, <u>such as air quality issues and heat emergencies, for example.</u>	Staff agrees.  Urban Forester adds the following for consideration: Offset carbon through tree-planting via City Forest Credits registry. Adopt and implement the 2020-2026 Urban Forest Six Year Work Plan. Focus on meeting/exceeding the canopy cover goal through tree protection (KZC 95 code amendments), tree planting programs and increased use of green infrastructure (green roofs, bioswales, etc.), particularly in areas with poorer air quality (see WA Disparities Map). Consider incentives or require high-performance standards that mitigate climate impacts (i.e., Greenroads for transportation, SITES or Salmon-Safe certified for environmental impacts, and high-performance building standards).	Revised existing action as follows: SG-6.5 Focus on efforts to address and mitigate climate change impacts, such as air quality issues and heat emergencies, for example.
<b>Sustainable Business</b>					
CM Curtis	Green Business		<u>SB-1.4 Support reduction of or elimination of gas-powered landscaping equipment.</u>	Staff Question: Is this city-wide or just city operations?  For City Operations: Similar to pesticides, Parks is constantly on the lookout for advances in technology that further reduce	Policy discussion conducted on 09/15/20.

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Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
				<p>our environmental impacts. Changing all power tools to electric versions will be expensive and in some cases, such as leaf blowers, the electric versions can't accommodate current community maintenance standards so this would have to be a combined with 1) financial support from City to convert to electric power tools; and 2) engagement with the community to define and accept new maintenance standards (ex: electric leaf blowers aren't always able to blow wet leaves off the sidewalk); and 3) additional staff if the community is not willing to accept new maintenance standards but wants to eliminate gas power tools</p> <p>This action was proposed for City Operations. There are equity related issues for city-wide application beyond city operations. Move this action to Sustainable Governance (City Operations Element)</p>	<p>Revised Action SB-1.4 and added new action SG 1.10-: <u>Explore reduction of or elimination of gas-powered landscaping equipment for city operations.</u></p>
CM Curtis	Green Economy	Encouraging housecleaners and landscapers changing business practices	<p><u>SB-4.4 Support work-from-home and primarily immigrant-owned businesses to foster sustainable business practices.</u></p>	<p>The existing language is much more limited than the new proposed language. City does not currently offer any program that could be tapped to do this work. Is the intent to have a program funded and run by the city or to contract out? What would be the role of potential grant opportunities?</p> <p>Depending upon intended audience and scope of the project, Kirkland Conserves could be helpful to explore next steps.</p>	<p><b>Withdrawn</b>, Did not add to SMP.</p>



### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
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Healthy Community					
CM Curtis	Sustainable Food Systems	<p>Goal HC-1 Increase the number and geographic diversity of P-Patches or other types of community gardens by 100% by 2025, and another 100% by 2030</p> <p>*I think this goal needs to be more ambitious. 100% of a small number isn't much.</p>	<p>Goal HC-1 Increase the number and geographic diversity of P-Patches or other types of community gardens by adding <u>5 more</u> by 2025, and another 100% by 2030. <u>Explore adding edible landscaping on city property including rights-of-way</u></p>	<p>Right now, our P Patches are on Parks property and require significant staff time for maintenance (and for coordination with the gardeners) so this will require funding for additional staff if a more ambitious goal is to be considered.</p> <p>*In addition to P-Patches, we can also support and incentivize rooftop agriculture for those who don't have a yard or access to a park nearby.</p>	<p>Policy Discussion conducted on 09/15/20.</p> <p>Revised with new goal language in SMP: Goal HC-1 Increase the number and geographic diversity of P-Patches or other types of community gardens by adding 5 more by 2025, and another 100% by 2030. Explore adding edible landscaping on city property including rights-of-way.</p>
CM Curtis	Sustainable Food Systems		<p><u>HC 1.4 Build educational and support programs in coordination with local partners such as King County Master</u></p>	<p>Surface Water currently provides programming teaching residents how to grow food and avoid pesticides in partnership with Tilth Alliance, including the Demonstration Garden at McAuliffe Park. The City's environmental programs' social media includes some messaging regarding growing food, reducing</p>	<p>Added new action to SMP. HC 1.4 Build educational and support programs in coordination with local partners such</p>

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
			<p><u>Gardners and Seattle Tilth Alliance to teach residents how to grow food and reduce water and pesticide usage.</u></p>	<p>water, and pesticide alternatives. Water conservation education is not currently part of any work program.</p>	<p>as King County Master Gardeners and Seattle Tilth Alliance to teach residents how to grow food and reduce water and pesticide usage.</p>
<p>CM Curtis</p>	<p>Sustainable Food Systems</p>	<p>Action HC 3.2 Amend the Kirkland Zoning Code to allow food growing in stream and wetland building buffer setback areas</p> <p>*Not sure where this came from, but I don't agree with allowing food to be grown in stream and wetland buffer setbacks!</p>		<p>The area proposed to allow food production is outside the required critical area buffer. It is in a 10-foot-wide building buffer setback where currently most types of structures are not permitted. If a raised bed was built in this area because there is not enough space on the property, it could add to the food system and not harm the critical area or its buffer.</p> <p>The table in Kirkland Zoning Code (KZC) Section 90.140.1 currently allows some minor improvements (uncovered play structures to encroach 5 feet into the building buffer setback, and other specific improvements such as garden art, benches, paths and rain gardens can encroach up to 9 feet into the 10 foot building buffer setback.</p>	<p><b>Objection Withdrawn.</b> No changes to Action HC 3.2.</p>
<p>DM Arnold</p>	<p>Potable Water</p>	<p>I was surprised to see that Kirkland residents use 58 gallons per day per person compared to Seattle's 39. The</p>	<p><u>Action HC 4.4: Research per-capita differences in water usages throughout the</u></p>	<p>Staff Agrees with addition of these actions. More in depth research could help us understand the differences between cities and determine the best alternatives to consider reducing potable water usage.</p>	<p>Added both of these new actions to SMP. HC 4.4: Research per-capita differences in water</p>

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
		actions listed to reduce per-capita usage talk about water fixtures, outreach, education, and public-private partnerships. What is Seattle doing that Kirkland isn't (or Cascade Water if the increased usage is across the Eastside)? I think we should have a specific action to review such as the below. If it is about rates, we should have an action to review:	<u>region and identify best practices to incorporate.</u> OR Action HC 4.4: <u>Consider rate structure impacts on per-capita differences in water usage throughout the region.</u>		usages throughout the region and identify best practices to incorporate.  HC 4.5: Consider rate structure impacts on per-capita differences in water usage throughout the region.
CM Curtis	Potable Water		<u>HC 4.6 – Create education program for water-use best practices addressing irrigation overuse and household consumption.</u>	Staff agrees.	Added new action to SMP. HC 4.6– Create education program for water-use best practices addressing irrigation overuse and household consumption.

## SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
CM Curtis	Human Services		<u>HC-6.3 Provide Mental Health Professional support through our police and EMS services.</u>	A MHP was hired as a consultant (38.5 hours a week) by PD in July using Prop 1 funds. She is paired with a 2 <sup>nd</sup> Neighborhood Resource Officer funded by Prop 1 as well.	<b>Withdrawn.</b> Did not add to SMP.
CM Curtis	Human Services	HC 9.3 Explore partnership programs to strengthen relationships between the City and immigrant and refugee communities and to educate immigrants about their rights, responsibilities and opportunities for naturalization	HC 9.3 Create <del>Explore</del> partnership programs to strengthen relationships between the City and immigrant and refugee communities and to educate immigrants about their rights, responsibilities and opportunities for naturalization	Opportunities to expand partnership with Eastside for All which has as one focus welcoming efforts for the immigrant and refugee communities. Also, we have funded Jewish Family Service (JFS) through the city's human services grant program for years (\$15,000). JFS's Bellevue office offers employment, legal and naturalization education opportunities.	Revised existing action in SMP. HC-9.3 Create partnership programs to strengthen relationships between the City and immigrant and refugee communities and to educate immigrants about their rights, responsibilities and opportunities for naturalization
DM Arnold	Welcoming and Inclusive	As Council in parallel is adopting our framework to respond to Racial Justice issues and Black Lives Matter, I think we will want to have a goal		This work is anchored by Resolution R-5434. Staff asks the full Council to provide direction on building upon R-5434 in this body of work.  Acknowledge R-5434 language to indicate there will be future work on equity and environmental justice.	Policy Discussion conducted on 09/15/20.  Added new Goal HC 10 and new action HC-10.1 to SMP.

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
		and action in this plan regarding undoing systemic racism.		<p>Staff suggests: New Goal HC 10: Dismantle institutional and structural racism in Kirkland to increase social equity and environmental justice city-wide.</p> <p>Staff suggests: New Action HC-10.1 Using Resolution R-5434 as a framework, identify, develop, and implement actions to help end interpersonal, institutional, and structural racism, increase social equity, and support environmental justice in Kirkland.</p>	<p>Goal HC-10 Dismantle institutional and structural racism in Kirkland to increase social equity and environmental justice city-wide.</p> <p>Action HC-10.1 Using Resolution R-5434 as a framework, identify, develop, and implement actions to help end interpersonal, institutional, and structural racism, increase social equity, and support environmental justice in Kirkland.</p>
CM Curtis	Attainable Housing		<p>HC-10.7 Identify <u>city-wide numerical affordable housing goals for affordable units built under</u></p>	Staff agrees, and goals have recently been developed and are being reviewed by the City Manager.	Added new action to the SMP: HC-11.7 Identify city-wide numerical affordable housing

## SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
			<u>inclusionary zoning rules, along with missing middle house and ADUs, and track progress of meeting set goals.</u>		goals for affordable units built under inclusionary zoning rules, along with missing middle housing and ADUs, and track progress of meeting set goals.
CM Curtis	Recreation and Wellness		<u>HC 11.2 Complete a synthetic turf master city-wide master plan.</u>	This action is funded and will occur in the next two years.	Withdrawn, did not add to SMP.
CM Curtis	Recreation and Wellness		<u>HC 12.3 Evaluate existing recreational programs and facilities to ensure equity for all populations and that they are serving the diverse needs in our community.</u>	Staff agrees, and notes that Council has already passed a resolution directing the City to conduct a full equity audit.	Withdrawn, did not add to SMP.
CM Curtis	Recreation and Wellness		<u>HC 13.3 Explore public/private</u>	Staff agrees. This is already being done and we will continue to seek new and more innovative partnerships.	Added new action as follows:

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
			<u>recreational partnerships.</u>		HC 13.3 Explore new and innovative public/private recreational partnerships.
CM Curtis		Question: Where can we add that active children and ADA accessible play spaces are included in multi-family developments?	<u>Amend Zoning Code and design guidelines to require active children and ADA accessible play spaces be included in multi-family developments</u>	A code amendment could be developed, and this language could be incorporated into design guidelines. See Suggested Action. This action may not have a simple place to insert in plan, but perhaps this could be added to next code amendment list.	Withdrawn, did not add to SMP.
<b>General Comments</b>					
CM Pascal		Perhaps, what would be helpful is to note which are action items we have either completed and/or are doing. I know you identify this in the spreadsheet in the back where you note many ongoing items. However maybe it could be noted in the body of the report too, to show that we are		Staff agrees. We did provide many call out boxes within the report to tell the community what we are doing. However, staff will consider a way to provide more places to provide this type of information to inform the community of all the good work the City is doing.	Staff has been using callout boxes in the draft plan to provide information about the actions the City already implements.

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
		<p>already doing many things, but do need to provide resources to continue doing them. One could read the report and wonder why we are not already doing that action, for example.</p>			
<p>CM Pascal</p>		<p>Some of the recommendations or goals could lead to increased housing costs. Given our sensitivity and priority around housing affordability, can the plan somehow identify those items that could lead to higher housing costs over time? Obviously, those costs would need to be weighed against the public benefits that are gained. For example, how do the net zero requirements impact overall housing costs?</p>		<p>In relation to housing costs of building with electric systems versus gas, staff could do some more analysis on this issue with local data comparing the operating cost of a home using electricity versus gas. It should be noted that the CETA that was passed in 2019 which puts Washington State on a path to carbon neutral electricity by 2030 and all renewable electricity by 2045. This means that homes that are built with all gas infrastructure such as heating, cooking and clothes drying that wanted to be updated later would have to pay to have the increased electrical capacity installed. This would be more expensive to do later.</p> <p>In addition, Washington State's energy code is becoming more stringent every two years and should reach a net-zero energy requirement for new construction by 2031. Most of the costs related to getting to net zero involve a tighter building envelope (less air leaks, and more insulation) and more efficient mechanical systems which lower the overall energy</p>	<p>Council discussed on 10/20/20 No change to action.</p>



### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
				<p>load that would need to be offset by clean energy production utilizing solar arrays.</p> <p>Action BI-1.1 in the Building and Infrastructure element is a supporting action as it seeks to revise our green building program to incentivize the creation of more net-zero buildings of all types in Kirkland.</p>	
<p>CM Pascal</p>		<p>I am really interested in an Action Plan, what are the next steps in the process, what are the timelines, and what are the costs?</p>		<p>Staff does not have a specific action plan yet. but we have the components and would assume that many departments that work directly in the focus area would execute the goals and actions. After the SMP’s adoption, actions could be prioritized to meet goals where timelines are provided in the plan. For other actions, a list could be developed of which cost and opportunity would be weighed. Staff would need to perform some analysis to determine costs for each action.</p> <p>Staff could generate an annual sustainability report that identifies actions over the previous year and top priorities for the next year. This is something that should be discussed further.</p>	<p>Council discussed on 10/20/20</p> <p><b>See Staff Report</b> regarding recommendations for annual update with a sustainability summit and progress report and a forum where future implementation plans can be presented.</p>
<p>CM Pascal</p>		<p>Is there somewhere in the plan that identifies those other plans that should be updated to incorporate the goals and actions identified here? How do we work to provide</p>		<p>The SMP does not specifically call out the updating of other City plans. It is a good idea. The plan’s Sustainable Decision-Making Matrix could play a major role in helping departmental decision makers align with the criteria of the SMP. They could also do a similar exercise when planning to update their specific plans and show how their plans could support the achievement of the SMP.</p>	<p>The SMP should have a major update every 10 years and a minor update every 5 years, but could also be amended when technology, legislative and other</p>

### SMP Council Comment Matrix

Council Member	Focus Area/ Element	Existing Text, Comment or Question	Proposed Text, or New Text	Staff Feedback	Disposition
		consistency between our plans and regulations?		The SMP should have a major update every 10 years and a minor update every 5 years, but could also be amended when technology, legislative and other changes happen that require adjustments/updates.	changes happen that require adjustments/updates.
CM Pascal		In the energy section, I would be interested in how we maintain flexibility to deal with peak demands. I have seen California go through some blackouts that appear to be do with the fact that wind and solar might not provide the energy needed during the late evening when temperatures might be higher, and more people are relying upon air conditioning, etc. Perhaps the plan should somehow address this issue from a sustainability standpoint.		<p>Kirkland would not pursue 100% renewable energy on their own and the utility would probably not allow it to happen. But, moving away from fossil fuels to generate electricity is a course we are on pursuant to the CETA and will be carried out on a state-wide basis with carbon neutral electricity by 2030 and carbon free electricity by 2045.</p> <p>Our utilities will need to do a good job ensuring they can respond to peak demand (via everything from smart meters, to better storage capabilities for energy generated from renewable sources, and overall conservation measures). The CETA legislation has safeguards to help prevent service interruptions and to manage the complexities of moving towards 100% renewable electricity.</p>	Information was provided by staff and no further discussion occurred.

### SMP Council Comment Matrix

<b>Council Member</b>	<b>Focus Area/ Element</b>	<b>Existing Text, Comment or Question</b>	<b>Proposed Text, or New Text</b>	<b>Staff Feedback</b>	<b>Disposition</b>
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## Public Comment Summary Matrix

Comment#	Focus Area/ Element	Summarized Comment Text and Suggestions			
<b>Energy Supply &amp; Emissions</b>					
#3	GHG Emissions	Put an action in SMP to prevent needless idling of vehicles in the City, perhaps Action ES 1.3			
#9	GHG Emissions	Address Climate Change as a priority in relation to sustainability principles such as equity			
#10	GHG Emissions	Achieve climate goals as stated as first goal ES-1.			
	Purchased Electricity	By 2045, achieve State requirements to source and use only clean renewable electricity			
#1	Purchased Pipeline Gas	Pipeline gas is harmful to our health and it is greenwashing to call it natural gas. Support reducing Pipeline gas.			
#2, #13	Purchased Pipeline Gas	Keep provisions in SMP that support phasing out natural gas due to health concerns during drilling, transporting, leaking in lines outside and inside homes. Phase out natural gas			

### Public Comment Matrix

Comment#	Focus Area/ Element	Summarized Comment Text and Suggestions			
		usage for heating and cooking by 2030			
<b>Buildings and Infrastructure</b>					
#4	New Construction and Development	Support increasing energy efficiency in new construction to get to net-zero energy buildings by 2030			
#4	Existing Buildings	Support deep energy retrofits of all structures in Kirkland to save money and reduce climate change emissions.			
<b>Land Use and Transportation</b>					
#7	Smart Growth	Increase density in city to increase population and affordable types of housing to promote inclusion and eliminate racism			
#6	Smart Growth	Promote multi-family density closer to public infrastructure and services. Divert funds that would promote more automobile use and instead put toward public transit			

### Public Comment Matrix

Comment#	Focus Area/ Element	Summarized Comment Text and Suggestions			
#1	Active Transportation	Modify Goal LT-4 to include walking and other rolling uses such as strollers, wheelchairs and universal accessibility for people of all abilities. Also consider being explicit about using the complete streets principles			
#8	Active Transportation	Make LT 4.2 more specific and measurable  <del>Strive for</del> Achieve a platinum status from walk friendly communities or equivalent by 2030			
#8	Active Transportation	Make LT 4.3 more specific and measurable: <del>Strive for</del> Achieve a platinum status from bike friendly communities or equivalent by 2030			

## Public Comment Matrix

Comment#	Focus Area/ Element	Summarized Comment Text and Suggestions			
#8	Shared Mobility	This element is auto-centric with the specific omission of micro-mobility options that most cities have adopted			
<b>Natural Environment and Ecosystems</b>					
#15	Conservation and Stewardship	Ban Sale and use of toxic chemicals such as roundup			
#15	Conservation and Stewardship	Eliminate Pesticide use by City in 2021-2022 timeframe rather than 5 year (2025) timeframe			
<b>Sustainable Materials Management</b>					
#15	Waste Reduction	Support SM 3.1 (Eliminate Expanded Polystyrene Foam food service ware, and SM 3.2 (Establish policy to ban single use food ware) and suggest the timeframe for achievement should be 2021-2022.			
#15	Waste Reduction	Ban Single use plastics by 2021-2022 timeframe			

### Public Comment Matrix

Comment#	Focus Area/ Element	Summarized Comment Text and Suggestions			
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<b>Sustainable Governance</b>					
#8, #9, #15	City Operations	SG 2.1 Appoint a sustainability manager with the authority to coordinate the implementation of the sustainability master plan			
#10	City Operations	Implementation of the plan is a priority for community			
#12	City Operations	Support City use of the Sustainable Decision Making Matrix			
#8	Civic Engagement	Create Sustainability Advisory Commission that helps make policy on environmental goals and includes representatives from other commissions and boards.			
<b>Sustainable Business</b>					
<b>Healthy Community</b>					



### Public Comment Matrix

Comment#	Focus Area/ Element	Summarized Comment Text and Suggestions			
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General Comment					
#5		Make sure there is public input prior to beginning SMP implementation process			
#11		From Master Builders perspective this draft looks good and we are looking forward to an inclusive process as part of the implementation of the plan.			

RESOLUTION R-5457

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE SUSTAINABILITY MASTER PLAN.

1 WHEREAS, in 2015, the City identified in its Comprehensive  
2 Plan update the benefit of having a Sustainability Master Plan for  
3 the City, including identifying best practices to allow Kirkland's  
4 many sustainability strategies to be implemented, measured, and,  
5 if needed, adjusted to achieve a livable and sustainable  
6 community; and

7  
8 WHEREAS, the community recognizes and supports the  
9 creation and adoption of a Sustainability Master Plan; and

10  
11 WHEREAS, the City Council approved the creation of the  
12 City's first Sustainability Master Plan as part of the City's 2019-  
13 2020 Work Program; and

14  
15 WHEREAS, the City embarked on the creation of the  
16 Sustainability Master Plan, a plan whose stated goals are to  
17 coordinate other City master plans and policies, create new  
18 policies where gaps exist, and foster organization-wide  
19 sustainable decision making; and

20  
21 WHEREAS, "sustainability" is defined as "meeting the  
22 needs of the present, while not compromising future generations  
23 to meet their needs," which means that the City should implement  
24 action steps now based on the most pressing issues the City is  
25 currently facing, such as Climate Change and resilience, loss of  
26 biodiversity, affordable housing stock, and strengthening the  
27 social fabric of the community, all of which are intended to help  
28 the City meet its future needs; and

29  
30 WHEREAS, the City's vision for the Sustainability Master  
31 Plan is to realize a Kirkland where the air is clean, the energy we  
32 use is renewable, the waters are swimmable, the streams are a  
33 safe place for fish and other wildlife to live, all cultures are  
34 welcome in the community, and people of all income levels and  
35 backgrounds can live, work, and play with a high quality of life;  
36 and

37  
38 WHEREAS, the City conducted outreach including a  
39 Sustainability Forum to engage the community on the eight major  
40 focus areas of the plan, held focus group meetings to explore  
41 further actions, and held a Sustainability Summit to present  
42 findings, gain more input, and confirm community support; and

43  
44 WHEREAS, staff relied upon both community input and  
45 internal input to create goals and actions to achieve measurable  
46 results for a sustainable future; and  
47

48 WHEREAS, the Sustainability Master Plan integrates equity  
 49 and inclusion as an overarching theme of the plan and specifically  
 50 incorporates a Sustainable Decision-Making Matrix tool in  
 51 recognition that black people, indigenous people, and people of  
 52 color in general have been disproportionately affected by  
 53 environmental degradation and unjust land use practices; and

54  
 55 WHEREAS, in multiple meetings including two study  
 56 sessions and two regular Council meetings, staff presented an  
 57 overview of the Sustainability Master Plan and Council has  
 58 reviewed and discussed the Plan and provided guidance on issues  
 59 of substance; and

60  
 61 WHEREAS, certain portions of the Sustainability Master  
 62 Plan will be amended as other major City plans and the  
 63 Comprehensive Plan are revised, and as the Plan’s actions and  
 64 goals are achieved; and

65  
 66 WHEREAS, implementation of the Sustainability Master  
 67 Plan will be conducted over time and a progress report will be  
 68 provided annually to the Council and the community at a  
 69 Sustainability Summit.

70  
 71 NOW, THEREFORE, be it resolved by the City Council of the  
 72 City of Kirkland as follows:

73  
 74 Section 1. The document entitled “City of Kirkland  
 75 Sustainability Master Plan,” dated November 2020, and prepared  
 76 by the Department of Planning and Building, and reviewed by the  
 77 City Council is attached to this resolution as Exhibit “A” and is  
 78 hereby adopted.

79  
 80 Passed by majority vote of the Kirkland City Council in open  
 81 meeting this \_\_\_\_ day of \_\_\_\_\_, 2020.

82  
 83  
 84 Signed in authentication thereof this \_\_\_\_ day of  
 85 \_\_\_\_\_, 2020.

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

Attest:

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



**CITY OF KIRKLAND**  
**Planning and Building Department**  
**123 5th Avenue, Kirkland, WA 98033**  
**425.587.3600- [www.kirklandwa.gov](http://www.kirklandwa.gov)**

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Janice Coogan, Senior Planner  
Scott Guter, AICP, Senior Planner  
Jeremy McMahan, Deputy Director, Planning and Building  
Adam Weinstein, AICP, Director, Planning and Building

**Date:** November 4, 2020

**Subject:** 2020 Comprehensive Plan and Zoning Map Amendments  
Files: CAM20-00471 (Annual Comprehensive Plan Amendment) and  
CAM18-00741 (Sarabjit Mann Community Initiated Amendment Request)

**Staff Recommendation**

Review the Planning Commission's recommendation to approve proposed amendments to the Kirkland Comprehensive Plan and Kirkland Zoning Map. The City Council will consider adopting these amendments on December 8. The proposed amendments include:

1. City-initiated miscellaneous amendments to the Comprehensive Plan updates and associated Zoning Map amendments.
2. Community-initiated amendment related to the Mann Community Amendment Request to change the land use designation in the Comprehensive Plan and associated Zoning Map amendment.

**Background**

Each year the City identifies potential Comprehensive Plan amendments (CPAs) and brings them forward for review and consideration by the Planning Commission, Houghton Community Council and City Council under Process IV consideration as established by the Kirkland Zoning Code (KZC Chapter 160). The amendments are reviewed and decided upon through a legislative process and may involve associated Municipal Code, Zoning Code and Zoning Map changes.

The Growth Management Act (GMA) authorizes amendments to the Comprehensive Plan once a year. At a minimum, the City amends the Capital Facilities Element annually to reconcile the Capital Facilities Plan (CFP) with the 6-year Capital Improvement Program (CIP) as required by the GMA. Other amendments are initiated by City staff as needed, including consideration of land use change requests (community-initiated amendment requests or CARs), park acquisitions, and miscellaneous "housekeeping" amendments.

On September 10, 2020, the Planning Commission (PC) and Houghton Community Council conducted a joint study session on the proposed amendments. The meeting

materials for the September 10, 2020 meeting are available for viewing by clicking on this [hyperlink](#). At the meeting, the Houghton Community Council waived its right to hold a public hearing on the amendments because there are only minor revisions within its jurisdiction.

On October 22, 2020, the Planning Commission conducted a public hearing to receive comments on the proposed amendments. The meeting materials for the October 22, 2020 meeting include more detailed background information on the proposed amendments and are available for viewing by clicking on this [hyperlink](#). The Planning Commission discussion focused primarily on questions and issues related to the Mann CAR described in item 5 below.

### **Proposed Amendments**

The following is a summary of the proposed amendments to the Comprehensive Plan under consideration in 2020. Items 1-4 are City-initiated and item 5 is community-initiated:

1. *Capital Facilities Plan (CFP) (Chapter XIII), updates for consistency with 2021-2026 Capital Improvement Program (CIP) and 2021-2022 budget*

The [Capital Facilities Plan \(CFP\) chapter](#) of the Comprehensive Plan is the policy basis for the CIP and is tied to our citywide level of service standards for transportation, utilities, surface water, parks, public safety, and public facility services and improvements. The Growth Management Act requires cities to provide a CFP to ensure they provide adequate facilities for new development envisioned in the [Land Use Element](#), to maintain level of service for capital facilities, provide consistency among capital improvement plans, and document all capital projects and their financing.

Annual amendments to the CFP must be made to reflect changes to funding or timing of existing capital projects, project completion, or the addition of new projects. Potential amendments are provided by staff from various departments within the City based on guidance from the City Council.

- Attachment 1 is a summary of the proposed changes to the CIP as compared to last year.
- Attachment 2 contains the updated 2021-2026 CIP Project Tables (Tables 5-10) for the six-year Capital Facilities Plan that include updates to the six-year Capital Improvement Plan (2021-2026) for all capacity related projects in the City, along with a reconciliation of the financing for those projects with the 2021-2022 budget:
  - Table 5 - Transportation Projects
  - Table 6 - Utility Projects
  - Table 7 - Surface Water Projects
  - Table 8 - Parks Projects
  - Table 9 - Public Safety Projects

- Table 10 - Facility Projects
  - Capital Facilities Plan Table CF-4, Functional Plans, is proposed to be revised to show the following new adopted functional plans (Attachment 3):
    - Totem Lake Urban Center Enhancement and Multi-modal Transportation Network Plan (Resolution 5316 adopted May 2018)
    - Sustainability Master Plan (*if adopted in time*)
2. *Land Use Element (Chapter VI) for Greater Downtown Urban Center Designation*  
On November 5, 2019, King County designated Greater Downtown Kirkland as an Urban Center in the King County Countywide Planning Policies ([Greater Downtown Kirkland Urban Center Consolidated Plan](#)). As a result, the Land Use Element needs to be updated to reflect the City of Kirkland's new designation in the Countywide Planning Policies as an Urban Center:

***Policy LU-5.5: ~~Support~~ Propose designating the Greater Downtown area as an Urban Center.***

~~The King County Countywide Planning Policies designate the Greater Downtown as an Urban Center and the Greater Downtown Urban Center Plan is adopted by City Council Resolution R-5384.~~ The existing planned density for housing and planned intensity of employment in or near Downtown Kirkland (the Greater Downtown area, see Figure LU-2) meets the requirements for an Urban Center ~~designation~~. The primary advantage of an Urban Center ~~would~~ ~~be~~ ~~to~~ opening up potential funding sources for infrastructure in Greater Downtown to support existing and planned growth. The Urban Center designation ~~would~~ ~~is~~ ~~be~~ consistent with existing plans for Downtown Kirkland since the designation ~~would~~ recognizes the Greater Downtown area as an appropriate place for continued growth. ~~The Greater Downtown Urban Center Plan is adopted by City Council Resolution R-5384.~~ The City has also applied to Puget Sound Regional Council (PSRC) to designate Greater Downtown as a Regional Growth Center.

The City continues to work with the Puget Sound Regional Council (PSRC) on an application to designate the greater downtown area as a Regional Growth Center. Related work program items to support that designation are the scheduled update to the Moss Bay Neighborhood Plan and the Station Area Plan, scheduled to be completed in 2021.

3. *City Park Additions and Land Use Designations*  
The City purchased two properties in 2018 and 2019 for additions to City Parks:
- One parcel for an expansion of Windsor Vista Park located in the Juanita Neighborhood (see Attachment 4).
  - One parcel for an expansion of Juanita Heights Park in the Finn Hill Neighborhood (see Attachment 5).

As a result of these acquisitions, the Comprehensive Plan land use designation of these properties needs to be changed from low density residential to park/open space on the following maps:

## Comprehensive Plan Map Figures:

- Land Use Map Figure LU-1 (see Attachment 6)
- Juanita Neighborhood Plan Map Figures J-1 to J-8 (see example of revised map, Attachment 7)
- Finn Hill Neighborhood Plan Figures: 4.1, 4.2a, 4.2b, 4.3, 5.1, 5.2, 5.3, 6.1, 6.2, 7.1, 7.2, 7.3, 7.5, 7.6 (see example of revised map, Attachment 8).
- Parks and Open Space Map Figure PR-1 (see Attachment 9).

In addition, the associated zoning for these properties would be changed on the [Zoning Map](#) (link to existing map).

4. *Neighborhood Plan map legends and text revisions to reflect the adopted City Wide Connections map contained in Figure T-28*

In 2019, a City wide Street Connections map was adopted in the [Transportation Element](#) (Map Figure T-28) showing potential future non-motorized connections. As a follow-up to the ordinance, three map legends in each neighborhood plan (Street Classifications, Pedestrian System, and Bicycle System map figures) need to be revised to refer the reader to the City-Wide Connections Map, Figure T-28 and to eliminate the term “desired pedestrian trails connections” (see Example of revised map Attachment 10):

- Bridle Trails Neighborhood Plan, Figures BT-5, BT-6, BT-7
- Central Houghton Neighborhood Plan, Figures CH-4, CH-5
- Everest Neighborhood Plan, Figures EV-4, EV-5, EV-6
- Finn Hill Neighborhood Plan, Figure FH-7.3
- Juanita Neighborhood Plan, Figures J-5, J-6, J-7
- Kingsgate Neighborhood Plan, Figures K-4, K-5
- Lakeview Neighborhood Plan, Figures L-4, L-5, L-6
- Moss Bay Neighborhood Plan, Figures MB-9, MB-10, MB-11
- Rose Hill Neighborhood Plan, Figures RH-11, RH-12, delete RH-13 (Street Connections), RH-14, RH-15, RH-16, RH-17,
- Totem Lake Neighborhood Plan, Figures TL-5, TL-6, TL-7, TL-8

Text revisions referring to proposed street connections related to Figure T-28 or deletions of certain maps will also need to be made to the following neighborhood plans: Kingsgate, Finn Hill, Lakeview, Rose Hill, Totem Lake (see Attachment 11).

3. *Updates to the Market, Norkirk, Highlands Neighborhood Plans and Market Street Corridor Plan*

On September 15, 2020, the City Council was briefed on the draft neighborhood plans and corridor plan. With the recent adoption of R-5240 and R-5434 designating Kirkland as a safe, inclusive, and welcoming city for all, and that Black Lives Matter, and establishing objectives to improve the safety, and respect

of Black people, and to end structural racism in Kirkland, the Council concluded that the draft plans merited an “equity scrub.”

City Council gave direction to staff to conduct a review of the text in each of the plans to be sure they reflected the values of equity and inclusion set forth in R-5240 and R-5434; revise the plans to reflect the first non-white settlers in Kirkland; and ensure the neighborhood plan policies support citywide policies and regulations regarding development of accessory dwelling units, duplex, triplex and cottage housing in residential areas. In addition, Council requested other minor changes to the plans.

In response, staff is currently working with a consultant to take a deeper look at the draft plans through an equity and inclusivity lens for suggested revisions to meet the intent of R-5240 and R-5434. Staff in the City Manager’s office is in the process of working with the Duwamish Tribe to develop a land acknowledgement for Kirkland due to be completed by the end of next year (staff has added text in each plan that describes the presence of the early Duwamish Tribe along Lake Washington, and has revised cultural resources policies to support recognition of the historic Duwamish inhabitants). By the November 17 meeting, staff will give City Council an update on the progress on revising the plans with the intent of bringing back revised plans to Council for adoption at the December 8, 2020 meeting. The four plans will also include changes relating to map Figure T-28, described above.

5. *Sarabjit Mann Community-Initiated Amendment Request, File: CAM18-00741* Community Amendment Requests (CAR), which are proposed and evaluated over a 2-year cycle (over two phases), offer a way for community members to propose amendments to the Comprehensive Plan and/or Zoning Code outside of the process of City-initiated amendments. As part of the 2018 CAR application process, the Planning Commission recommended that two applications move forward for further consideration. The City Council agreed with the recommendation and directed the Planning Commission to proceed with further study. The CAR applicant in the Lakeview Neighborhood decided not to apply for phase 2 of consideration. The second applicant, Sarabjit Mann, in the Juanita Neighborhood, submitted his phase 2 CAR application for further consideration.

The Sarabjit Mann CAR application requests to change the land use designation on the Comprehensive Plan Land Use Map from Low Density Residential 6 dwelling units per acre (LDR 6) to Medium Density 12 dwelling units per acre (MDR 12) on two properties located at 10203 and 10213 NE 124<sup>th</sup> Street. If approved, the Zoning Map would also be amended to rezone the two parcels from RSX 7.2 to RM 3.6 (the zoning equivalents of the land use map amendments) (see Attachment 12). The current zoning allows for the construction of two (2) single-family residential units or up to two (2) duplex units. Up to two accessory dwelling units could also be developed on each parcel.



The application states that the reason for the proposal is the proximity of the properties to the RM 3.6 zone. The properties are also located between Juanita Village and the Village at Totem Lake and are accessed from NE 124<sup>th</sup> Street. The applicant believes that building medium density residential (approximately 5 dwellings) would best serve the interest of the community and the units would be more affordable than homes in the RSX 7.2 zone. The applicant believes that under current zoning, development of these properties would be inconsistent with what is being built in the area and increasing the density would allow the flexibility to create housing consistent with what has been developed nearby. The applicant expands on the rationale for the Comprehensive Plan and Zoning Map amendment requests in Attachments 13.

The properties abut the RM 3.6 zone to the west, which contains a seven building 14-unit condominium and is accessed from a major arterial, NE 124<sup>th</sup> Street. The properties are close to high-frequency transit service, an established sidewalk and trail system, and are across the street from North Kirkland Community Center and Park (see Attachment 14). The properties are between two shopping destinations: Juanita Village (1/2 mile away) and Village at Totem Lake (1 1/2 mile away).

The proposed change and its relationship with current zoning regulations is provided in a use matrix in Attachment 15 to illustrate the comparison. The existing zoning allows for two single-family homes with ADUs or a development under the City's Cottage, Carriage, and 2/3 Unit Homes regulations, which could yield up to two (2) duplex units (and each duplex units could have an attached ADU). If rezoned, five dwelling units may be developed. Additional units may be added per KZC 112 for affordable housing or by adding ADUs per KZC 115.07. Below are two options for development if rezoned to multifamily:

- The first would involve combining the two properties. Under this scenario a minimum of four units must be developed and the development would be required to participate in the affordable housing requirements under KZC 112. Under this chapter an applicant may either add bonus units when adding affordable units or provide a payment in lieu of construction of affordable housing.
- The second scenario involves not combining the two properties. This could still result in five dwelling units, but the applicant would not be required to participate in the affordable housing requirements under KZC 112 without a site-specific code amendment (which staff would not recommend at this time in order to ensure uniform, City-wide affordable housing regulations).
- ADUs may be added to either of these scenarios.

Written public comments received related to the proposed CAR are included in Attachment 16.

If the CAR is approved, the property's land use designation would be changed and the following maps amended:

Comprehensive Plan Map Figures:

- [Land Use Map Figure LU-1](#)
- Juanita Neighborhood Plan Map Figures J-1-J-8 (For example of one of the draft map figures see Attachment 7)

In addition, the associated zoning for these properties would be changed on the [Zoning Map](#) (link to existing map)

#### *Staff Recommendation*

Staff supports the proposed Comprehensive Plan and Zoning Map amendments. The proximity of the properties to transit and park services is adequate to serve the number of units with this rezone. The property is immediately adjacent to existing multifamily areas and expanding the multifamily boundary could be accomplished with limited impact on the adjoining low-density areas. The parcels do have direct access to NE 124<sup>th</sup> Street, an arterial, so no new substantive transportation impacts are identified. In addition, the change would result in a minor increase to the allowed number of dwelling units and development intensity for the property.

#### *Planning Commission Discussion*

At the October 22, 2020 meeting, the Planning Commission discussed the proposed Comprehensive Plan and Zoning Map amendments and took public comment.

Only one public comment was received during the hearing from a neighboring low-density property owner to the east. The commenter did not state an opposition to the proposed amendment but was concerned with the retention of trees on the Mann site and wanted some say in the design of future development. Staff informed the commenter about existing tree retention codes and the public comment process with the types of development activity.

The Planning Commission asked the applicant to elaborate on the type of development he was planning. The applicant reiterated his intent to develop to the maximum density allowed if rezoned but currently does not have any specific plans for the site. The Planning Commission concluded that the rezone would provide more development flexibility and potential additional density in an area with good access to shops, services, and transit and would not have significant detrimental impact on the existing neighborhood. The Commission recommends approval of the Mann community amendment request.

#### **Public Outreach**

Zoning Code Chapters 130, 140 and 160 describe the Process IV process for legislative and community-initiated amendment requests to amend the Comprehensive Plan and

Zoning Map. Per the code requirements, public notices were distributed earlier than the required 14 calendar days before the public hearing, notice of the amendments was published in the official newspaper, and posted on official notification boards of the City, and on the City's website. For land use designation changes and rezoning property, public notice boards were installed in front of the three properties for the CAR and Park property rezones and public hearing notices were mailed to surrounding property owners and residents prior to the public hearing. A project webpage for the CAR is at:

[https://www.kirklandwa.gov/depart/planning/Code\\_Updates/Projects/Citizen\\_Initiated\\_Requests.htm](https://www.kirklandwa.gov/depart/planning/Code_Updates/Projects/Citizen_Initiated_Requests.htm) See Phase II review.

### **Planning Commission recommendation**

At the October 22, 2020 meeting, after closing the public hearing and discussion, the Planning Commission made two motions to forward to City Council:

- 1) recommend approval of the miscellaneous City-initiated amendments to the Comprehensive Plan and Zoning Map, and
- 2) recommend approval of the Mann community-initiated amendment request.

As outlined in the staff report to the Planning Commission, the Commission concluded that the recommended amendments to the Comprehensive Plan are consistent with the criteria in KZC Section 140.25 and 140.30 for amending the Comprehensive Plan. Additionally, the Commission concluded that the proposed legislative rezones are consistent with criteria in KZC Section 130.20 for amendments to the Zoning Map.

### **Compliance with State Environmental Policy Act (Environmental Review)**

A SEPA Addendum to the City of Kirkland 2015 Comprehensive Plan Update Draft and Final Environmental Impact Statement was issued on October 12, 2020 and is contained in the official files in the Planning and Building Department. The SEPA Addendum compares the difference in impacts between the existing and revised Comprehensive Plan text and land uses and concludes that the proposed amendments would not result in new impacts beyond those identified in the Comprehensive Plan Environmental Impact Statement.

### **Next Steps**

The next steps for the final decision of the proposed Comprehensive Plan and Zoning Map amendments include the following meetings:

- December 8, 2020: City Council final decision and adoption
- January 25, 2021: Houghton Community Council final action on City-initiated amendments (within its jurisdiction)

### **Attachments:**

1. CFP summary of project changes
2. CFP Project Tables CF-5-10
3. CFP Table CF-4
4. Windsor Vista Park rezone location, land use and rezone map change

5. Juanita Heights Park rezone location, land use and rezone map change
6. Draft Comprehensive Plan Land Use Map Figure LU-1
7. Example of Juanita Neighborhood Plan map change for WV Park
8. Example of Finn Hill Neighborhood Plan map change for JH Park
9. Draft Parks and Open Space Map Figure PR-1
10. Example of North Rose Hill neighborhood plan map legend change related to T-28
11. Text changes and map changes to Neighborhood Plans related to T-28
12. Mann CAR rezone location, land use and rezone map change
13. Mann CAR email response to PC request for information
14. High Frequency Transit and 10 Minute Heat Map
15. Mann CAR land use matrix
16. Mann CAR Public Comments

cc:

File: CAM20-00471

File: CAM18-00741

Sarabjit Mann

Parties of Record (CAM18-00741)

Parties of Record (CAM20-00471)

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## CFP TABLES MODIFICATION SUMMARY 2021 to 2026

### Changes from Adopted 2019 to 2024

#### Table CF-5 – Capital Facilities Plan: Transportation Projects 2021-2026

##### SOURCES OF FUNDS

No Changes

##### USES OF FUNDS

##### Removed/Completed Projects:

NMC 00610	Street Levy-Safe School Walk Routes
NMC 09800	Kirkland Ave Sidewalk Improvements

##### New Projects:

STC 00608	Local Road Maintenance
STC 00609	Totem Lake Boulevard & 120 <sup>th</sup> Avenue NE Preservation
STC 10700	NE 85 <sup>th</sup> Street Ped/Bike Connection 114 <sup>th</sup> Ave NE to 6 <sup>th</sup> St
STC 10800	NE 85 <sup>th</sup> Street and 6 <sup>th</sup> Street Westbound Transit Queue Jump
STC 10900	NE 85 <sup>th</sup> Street Eastbound Third Lane 120 <sup>th</sup> Ave NE to 122 <sup>nd</sup> Ave NE
NMC 08720	NE 131 <sup>st</sup> Way/90 <sup>th</sup> Ave NE Nonmtrzd Impr. (97 <sup>th</sup> Ave NE to NE 134 <sup>th</sup> St) Scope & Design
NMC 12500	CKC Lighting 120 <sup>th</sup> Avenue NE to NE 124 <sup>th</sup> Street
NMC 12600	School & Transit Connector Sidewalk on 120 <sup>th</sup> Avenue NE
NMC 12700	Juanita Drive Nonmotorized Improvements 79 <sup>th</sup> Way NE to NE 120 <sup>th</sup> St
NMC 12800	CKC/Eastrail Crossing Study at 132 <sup>nd</sup> Ave NE
NMC 087xx	19 <sup>th</sup> Ave NE/4 <sup>th</sup> St Sidewalks and Crossing of Market Street (unfunded)
NMC 087xx	Reflective Flashing Beacon at 106 <sup>th</sup> Ave NE Crossing NE 68 <sup>th</sup> St (unfunded)
NMC 087xx	NE 124 <sup>th</sup> Street Sidewalk (unfunded)

##### Changed Projects:

STC 00600	Annual Street Preservation (budget change)
STC 00603	Street Levy Street Preservation (budget change)
STC 00604	Central Way Street Preservation (budget change)
STC 05913	124 <sup>th</sup> Ave NE Roadway Improvements (North Section) Construction (budget change)
STC 08313	100 <sup>th</sup> Avenue NE Roadway Improvements (North Section) (budget change)
STC 08314	100 <sup>th</sup> Ave NE Roadway Improvements (Mid-North Section) (budget change)
STC 08900	Juanita Drive Intersection and Safety Improvements (budget change)
STC 99990	Regional Inter-Agency Coordination (budget change)
NMC 05700	Annual Sidewalk Maintenance Program (budget change)
NMC 08700	Citywide School Walk Route Enhancements (budget change)
NMC 11010	Citywide Accessibility Improvements (budget change)
NMC 11300	Citywide Greenways Networks (budget change)
TRC 11600	Annual Signal Maintenance Program (budget change)
TRC 11700	Citywide Traffic Management Safety Improvements (budget change)
TRC 11702	Vision Zero Safety Improvements (budget change)
TRC 12000	Kirkland Intelligent Transportation System Phase 3 (budget change)
TRC 13500	100 Ave NE/Simonds Road Intersection Improvements (budget change)
TRC 13600	100 <sup>th</sup> Ave NE/145 <sup>th</sup> St Intersection Improvements (budget change)
TRC 13800	NE 100 <sup>th</sup> Street/132 <sup>nd</sup> Ave NE Intersection Improvements (moved to funded from unfunded, budget change)
TRC 13900	NE 85 <sup>th</sup> St/132 <sup>nd</sup> Ave NE Dual Left Turn Lanes (budget change)
PTC 00400	108 <sup>th</sup> Avenue NE Transit Queue Jump – Phase I (timing change)
PTC 00500	108 <sup>th</sup> Avenue NE Transit Queue Jump – Phase II (timing change)

**Table CF-6 – Capital Facilities Plan: Utility Projects 2021-2026**

## SOURCES OF FUNDS

No Changes

## USES OF FUNDS

**Removed/Completed Projects:**

WAC 88880	Annual Watermain Replacement Program
WAC 99990	Annual Water Pump Station/System Upgrade Program
SSC 88880	Annual Sanitary Pipeline Replacement Program
SSC 99990	Annual Sanitary Pump Station/System Upgrade Program

**New Projects:**

WAC 16900	NE 85 <sup>th</sup> St and I-405 Watermain Relocation
SSC 08600	8 <sup>th</sup> Avenue W Sewermain Improvements
SSC 08700	West of Market Sewermain Replacement Predesign

**Changed Projects:**

WAC 05700	116 <sup>th</sup> Ave NE Watermain Replacement (moved from unfunded to funded, budget change)
WAC 12900	South Reservoir Seismic & Recoating Construction (timing change)
WAC 13400	5 <sup>th</sup> Avenue S/8 <sup>th</sup> Street S watermain Replacement (timing change)
WAC 13700	NE 73 <sup>rd</sup> Street Watermain Replacement (moved from unfunded to funded, budget change)
WAC 14900	Lake Washington Blvd Watermain Replacement (moved from unfunded to funded, budget change)
WAC 15700	8 <sup>th</sup> Avenue W Watermain Improvement (timing change)
WAC 16000	126 <sup>th</sup> Avenue NE Watermain Replacement (timing change)
WAC 16400	NE 116 <sup>th</sup> Place Watermain Replacement (timing change, budget change)
WAC 16700	11 <sup>th</sup> Avenue Watermain Replacement (timing change, budget change)
WAC 16800	11 <sup>th</sup> Place Watermain Replacement (timing change, budget change)
SSC 06200	NE 108 <sup>th</sup> Street Sewermain Replacement (timing change, budget change)
SSC 07710	West of Market Sewermain Replacement Phase I (timing change)

**Table CF-7 – Capital Facilities Plan: Surface Water Projects 2021-2026**

## SOURCES OF FUNDS

No changes

## USES OF FUNDS

**Removed/Completed Projects:**

SDC 05400	Forbes Creek/Cross Kirkland Corridor Fish Passage Improvements
SDC 12100	Kirkland Advanced Mitigation Project

**New Projects:**

SDC 12700	Storm Rehabilitation at Rose point Lift Station
SDC 12800	NE 85 <sup>th</sup> Street/122 <sup>nd</sup> Avenue NE Stormwater Improvements
SDC 12900	NE Juanita Drive Storm Failure Near 86 <sup>th</sup> Avenue NE
SDC 13200	Water Quality Treatment and Infiltration at NE 111 <sup>th</sup> PI/127 <sup>th</sup> PI NE
SDC 13300	Bioretention, Water Quality Treatment, and Storage at 126 <sup>th</sup> Ave NE

SDC 13900	122 <sup>nd</sup> Avenue NE Storm Replacement
SDC 14000	Holiday Drive Conveyance Improvement Study
SDC 14100	Storm Line Rehabilitation on NE 136 <sup>th</sup> Street
SDC 14200	93 <sup>rd</sup> Avenue NE Hillside Improvements

**Changed Projects:**

SDC 04700	Annual Replacement of Aging/Failing Infrastructure (budget change)
SDC 04900	Forbes Creek/108 <sup>th</sup> Avenue NE Fish Passage Improvements (timing change, budget change)
SDC 05300	Forbes Creek/Coors Pond Channel Grade Controls (timing change, budget change)
SDC 06300	Everest Creek – Slater Avenue at Alexander Street (budget change)
SDC 09000	Goat Hill Drainage Ditch Conveyance & Channel Stabilization (budget change)
SDC 09200	Juanita Creek Culvert at NE 137 <sup>th</sup> Street (budget change)
SDC 10000	Brookhaven Pond Modifications (timing change)
SDC 10800	Maintenance Center SW Pollution Prevention (budget change)
SDC 10900	Holmes Point Drive Pipe Replacement – Phase 2 Outfall (budget change)
SDC 12500	NE 120 <sup>th</sup> Street Water Quality Treatment (budget change)

**Table CF-8 – Capital Facilities Plan: Parks Projects 2021-2026**

## SOURCES OF FUNDS

**Added:**

External Sources for Indoor Recreation & Aquatic Facility Study  
External Sources for Green Loop Master Plan & Acquisition

## USES OF FUNDS

**Removed/Completed Projects:**

PKC 12100	Green Kirkland Forest Restoration Program
PKC 15300	Synthetic Turf Playfields Master Plan (removed, unfunded)

**New Projects:**

PKC 15900	Off Leash Dog Areas
PKC 16100	McAuliffe Park Sanitary Sewer
PKC 16200	Wayfinding and Park Signage Program Plan
PKC 16300	Trail Upgrades
PKC 16400	Peter Kirk Park – Fencing and Drainage Improvements (unfunded)
PKC 16500	Skate Park Upgrades (unfunded)
PKC 16600	Brink Park Gun Mount Renovation (unfunded)
PKC 16700	O.O. Denny Park Improvements – Sand Volleyball (unfunded)
PKC 16800	Spray Park (unfunded)
PKC 16900	Marina Park Dock and Shoreline Renovations (unfunded)
PKC 17000	ADA Compliance Upgrades

**Changed Projects:**

PKC 06600	Parks, Play Areas & Accessibility Enhancements (budget change)
PKC 13310	Dock & Shoreline Renovations (budget change)
PKC 13320	City School Playfield Partnership (Kamiakan) (budget change)
PKC 13330	Neighborhood Park Land Acquisition (budget change)
PKC 15100	Park Facilities Life Cycle Projects (budget change)

PKC 15200	O.O. Denny Park Improvements – Picnic Shelter (budget change)
PKC 15400	Indoor Recreation & Aquatic Facility Study (timing change)
PKC 15500	Green Loop Master Plan & Acquisition (timing change, budget change)
PKC 15600	Park Restrooms Renovation/Replacement Program (timing change)
PKC 15700	Neighborhood Park Development Program (budget change)

### Table CF-9 – Capital Facilities Plan: Public Safety Projects 2021-2026

#### SOURCES OF FUNDS

No Changes

#### USES OF FUNDS

##### Removed/Completed Projects:

PSC 08000 Emergency Generators

##### New Projects:

PSC 30080 Temporary Fire Station (unfunded)

##### Changed Projects:

PSC 06300 Air Fill Station Replacement (budget change)  
 PSC 07100 Self Contained Breathing Apparatus (SCBA) (budget change)  
 PSC 07600 Personal Protective Equipment (budget change)  
 PSC 10000 Police Equipment Replacement (budget change)  
 PSC 20000 Fire Equipment Replacement (budget change)

PSC 30040 Fire Station 21 Expansion & Remodel (Unfunded, budget change)  
 PSC 30050 Fire Station 22 Expansion & Remodel (Unfunded, budget change)  
 PSC 30060 Fire Station 26 Expansion & Remodel (Unfunded, budget change)  
 PSC 30070 Fire Station 27 Replacement (Unfunded, budget change)

### Table CF-10 – Capital Facilities Plan: Facility Projects 2021-2026

#### SOURCES OF FUNDS

No changes

#### USES OF FUNDS

##### Changed Projects:

GGC 00800 Electrical, Energy Management & Lighting Systems (budget change)  
 GGC 00900 Mechanical/HVAC Systems Replacements (budget change)  
 GGC 01000 Painting, ceilings, Partition & Window Replacements (budget change)  
 GGC 01100 Roofing, Gutter, Siding and Deck Replacements (budget change)  
 GGC 01200 Flooring Replacements (budget change)



Revenue Type	Revenue Source	2021	2022	2023	2024	2025	2026	Six-Year Total	2027 - 2035
Local	Gas Tax	660,000	673,000	686,000	700,000	700,000	700,000	4,119,000	5,899,700
Local	Gas Tax (Transportation Package)	200,000	200,000	250,000	150,000	200,000	200,000	1,200,000	2,200,000
Local	Revenue Generating Regulatory License	270,000	270,000	270,000	270,000	270,000	270,000	1,620,000	2,970,000
Local	Real Estate Excise Tax 1 (REET 1)	736,000	766,400	733,000	717,000	550,000	950,000	4,552,400	13,750,000
Local	Real Estate Excise Tax 2 (REET 2)	1,189,000	1,311,000	1,251,100	1,211,900	965,000	1,537,000	7,465,000	13,750,000
Local	Street Levy	2,733,000	2,760,000	2,788,000	2,816,000	2,816,000	2,816,000	16,729,000	28,407,000
Local	Solid Waste	386,000	393,000	401,000	409,000	417,000	425,000	2,431,000	3,300,000
Local	Surface Water	500,000	541,000	500,000	130,000	30,000	333,000	2,034,000	5,500,000
Local	Impact Fees	1,500,000	1,500,000	1,319,500				4,319,500	11,000,000
Local	Prior Years	439,000						439,000	
Local	REET 2 Reserves	404,000	150,000	2,230,200	350,000			3,134,200	
Local	Debt	4,000,000	3,982,000	1,568,500				1,568,500	
External	Unsecured Grants	3,484,000	7,642,000	7,780,000	4,336,200	2,569,000	2,985,000	17,872,200	35,025,400
External	Secured Grants				1,680,000			1,680,000	
	<b>Subtotal 2021-2026 Fund Sources</b>	<b>16,501,000</b>	<b>20,188,400</b>	<b>19,777,300</b>	<b>12,690,100</b>	<b>8,517,000</b>	<b>10,216,000</b>	<b>87,889,800</b>	<b>121,802,100</b>
<b>Total Sources</b>		<b>16,501,000</b>	<b>20,188,400</b>	<b>19,777,300</b>	<b>12,690,100</b>	<b>8,517,000</b>	<b>10,216,000</b>	<b>87,889,800</b>	<b>121,802,100</b>
	<b>Total 2021 - 2035 Revenue</b>								<b>209,691,900</b>

Use of Funds

CIP Project Number	Project Title	Included in Impact Fee calculation?	Capacity project for concurrency?	Funded in CIP						Six-Year Funded CIP 2021-2026	2027-2035 CIP Projects	Candidate Projects for Unanticipated Revenue
				2021	2022	2023	2024	2025	2026			
STC 00600	Annual Street Preservation Program	No - maintenance	No - maintenance	\$ 950,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 9,450,000	\$ 15,300,000	
STC 00603	Street Levy Street Preservation	No - maintenance	No - maintenance	\$ 1,683,000	\$ 2,460,000	\$ 2,488,000	\$ 2,516,000	\$ 2,516,000	\$ 2,516,000	\$ 14,179,000	\$ 22,644,000	
STC 00604	Central Way Street Preservation	No - maintenance	No - maintenance	\$ 1,500,000						\$ 1,500,000		
STC 00608	Local Road Maintenance	No - maintenance	No - maintenance	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 450,000	
STC 00609	Totem Lake Boulevard & 120th Ave NE Preservation	Yes	Yes	\$ 555,000						\$ 555,000		
STC 05912	124th Ave NE Roadway Improvements (North Section) ROW	Yes R24	Yes	\$ 802,000						\$ 802,000		
STC 05913	124th Ave NE Roadway Improvements (North Section) Construction	Yes R24	Yes	\$ 846,500	\$ 935,000					\$ 940,000		
STC 08000	Annual Striping Program	No - maintenance	No - maintenance	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 3,000,000	\$ 4,500,000	
STC 08313	100th Avenue NE Roadway Improvements (North Section)	Yes R10	Yes	\$ 1,527,000	\$ 203,900					\$ 1,730,900		
STC 08314	100th Avenue NE Roadway Imps (Mid-North Section)	Yes R10	Yes	\$ 2,584,000						\$ 2,584,000		
STC 08900	Juanita Drive Intersection and Safety Improvements	Yes R12	Yes	\$ 980,000	\$ 1,477,500	\$ 2,338,000				\$ 4,795,500		
STC 10700	NE 85th Street Ped/Bike Connection 114th Ave NE to 6th Street	Yes	Yes	\$ 870,000	\$ 2,450,000	\$ 3,580,000				\$ 6,900,000		
STC 10800	NE 85th St and 6th St Westbound Transit Queue Jump	Yes	Yes	\$ 1,300,000						\$ 1,300,000		
STC 10900	NE 85th Street Eastbound Third Lane 120th Ave NE to 122nd Ave NE	Yes	Yes	\$ 2,700,000						\$ 2,700,000		
STC 99990	Regional Inter-Agency Coordination	No - not capacity	No - not capacity		\$ 82,000	\$ 82,000	\$ 82,000	\$ 82,000	\$ 82,000	\$ 410,000	\$ 738,000	
NMC 00620	Street Levy-Pedestrian Safety	No - safety	No - safety	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 900,000	\$ 1,350,000	
NMC 05700	Annual Sidewalk Maintenance Program	No - maintenance	No - maintenance	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000	\$ 900,000	
NMC 08700	Safer Routes to School Action Plans Implementation	Yes NM4*	Yes	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 3,300,000	\$ 4,950,000	
NMC 11010	NE 131st Way/90th Ave NE Nonmot. Impr. (97th Ave NE to NE 134th St) Scope & Citywide Accessibility Improvements	No	No	\$ 439,000						\$ 439,000		
NMC 11300	Citywide Greenways Networks	Yes NM2	Yes		\$ 50,000	\$ 100,000	\$ 50,000	\$ 100,000		\$ 2,400,000	\$ 900,000	
NMC 12500	CKC Lighting 120th Avenue NE to NE 124th Street	No	No	\$ 680,000						\$ 680,000		
NMC 12600	School & Transit Connector Sidewalk on 120th Avenue NE	Yes	Yes	\$ 130,000						\$ 130,000		
NMC 12700	Juanita Drive Nonmotorized Improvements 79th Way NE to NE 120th St	Yes	Yes	\$ 680,000						\$ 680,000		
NMC 12800	CKC/Eastrail Crossing Study at 132nd Avenue NE	No	No	\$ 100,000						\$ 100,000		
TRC 11600	Annual Signal Maintenance Program	No - maintenance	No - safety	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000	\$ 900,000	
TRC 11700	Citywide Traffic Management Safety Improvements	No - safety	No - safety		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000		\$ 200,000	\$ 450,000	
TRC 11702	Vision Zero Safety Improvement	No - not capacity	No - safety	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000	\$ 450,000	
TRC 11703	Neighborhood Traffic Control	No - not capacity	No - safety	\$ 50,000						\$ 50,000	\$ 225,000	
TRC 12000	Kirkland Intelligent Transportation System Phase 3	Yes R19, R20	Yes		\$ 244,100	\$ 455,900		\$ 1,710,000		\$ 2,410,000		
TRC 12400	116th Avenue NE/NE 124th Street Intersection Improvements	Yes	Yes	\$ 565,000						\$ 565,000		
TRC 13500	100th Avenue NE/Simonds Road Intersection Imps	Yes R10	Yes	\$ 582,000						\$ 582,000		
TRC 13600	100th Avenue NE/145th Street Intersection Imps	Yes R10	Yes	\$ 424,000	\$ 150,000					\$ 574,000		
TRC 13800	NE 100th Street/132nd Avenue NE Intersection Improvements	Yes R10	Yes						\$ 2,558,000	\$ 2,558,000		
TRC 13900	NE 85th St/132nd Ave NE Dual Left Turn Lanes	Yes	Yes	\$ 350,000						\$ 350,000		
PTC 00400	108th Avenue NE Transit Queue Jump - Phase 1	Yes	Yes		\$ 1,717,000	\$ 1,898,300	\$ 1,260,000			\$ 4,875,300		
PTC 00500	108th Avenue NE Transit Queue Jump - Phase 2	Yes	Yes		\$ 1,893,200	\$ 2,437,900	\$ 1,309,000			\$ 5,640,100		
				\$ 16,501,000	\$ 20,188,400	\$ 19,777,300	\$ 12,690,100	\$ 8,517,000	\$ 10,216,000	\$ 87,889,800		
STC 06300	120th Avenue NE Roadway Improvements (north)	Yes R18*	Yes								\$ 4,500,000	
STC 07200	NE 120th St Roadway Improvements	Yes R25	Yes								\$ 15,780,600	
STC 07700	NE 132nd St Rdwy Imprv-Phase I (West Section)	Yes R1	Yes								\$ 1,739,000	
STC 07800	NE 132nd St Rdwy Imprv-Phase II (Mid Section)	Yes R2	Yes								\$ 408,000	
STC 07900	NE 132nd St Rdwy Imprv-Phase III (East Section)	Yes R3	Yes								\$ 1,444,000	
STC 08100	Totem Lake Area Development Opportunity Program	Yes*	Yes								\$ 500,000	
STC 08315	100th Avenue NE Roadway Improvements (Mid-South Section)	Yes R10	Yes								\$ 5,530,000	
STC 08316	100th Avenue NE Roadway Improvements (South Section)	Yes R10	Yes								\$ 3,619,000	
STC 09400	Holmes Point Dr NE Road Embankment Stabilization Location 1	No - maintenance	No - maintenance								\$ 246,000	
STC 09500	Holmes Point Dr NE Road Embankment Stabilization Location 2	No - maintenance	No - maintenance								\$ 412,000	
STC 09600	Holmes Point Dr NE Road Embankment Stabilization Location 3	No - maintenance	No - maintenance								\$ 503,000	
STC 09700	Holmes Point Dr NE Road Embankment Stabilization Location 4	No - maintenance	No - maintenance								\$ 551,000	
STC 09800	Holmes Point Dr NE Road Embankment Stabilization Location 5	No - maintenance	No - maintenance								\$ 232,000	
STC 09900	Champaign Pl Road NE Embankment Stabilization	No - maintenance	No - maintenance								\$ 563,000	
STC 10000	62nd Ave NE Road Embankment Stabilization	No - maintenance	No - maintenance								\$ 823,000	
STC 10100	114th Ave NE Road Reconstruction	No - maintenance	No - maintenance								\$ 1,900,000	
STC 10200	90th Ave NE Road Surface Water Drainage Repair	No - maintenance	No - maintenance								\$ 420,000	
PTC 00200	Public Transit Speed and Reliability Improvements	Yes T1	Yes								\$ 500,000	
PTC 00300	Public Transit Passenger Environment Improvements	Yes T2	Yes								\$ 500,000	
TRC 09500	NE 132nd St/Fire Stn Access Dr Intersect'n Imp	Yes R6	Yes								\$ 480,000	
TRC 09600	NE 132nd St/124th Ave NE Intersect'n Imp	Yes R7	Yes								\$ 7,400,000	
TRC 09700	NE 132nd St/132nd Ave NE Intersect'n Imp	Yes R8	Yes								\$ 1,150,000	
TRC 12500	Kirkland ITS Implementation Phase 4	Yes R19, R20	Yes								\$ 2,620,000	
TRC 12800 ^	6th Street S/5th Place/CKC Transit Signal Priority	Yes	Yes								\$ 2,600,000	
TRC 12900 ^	NE 133rd Street Intersection Improvements	Yes	Yes								\$ 4,345,000	
TRC 13000 ^^	NE 145th Street/Juanita-Woodinville Way Intersection Imps	Yes	Yes								\$ 2,100,000	
TRC 13100 ^^	NE 80th Street/120th Avenue NE Intersection Improvements	Yes	Yes								\$ 1,700,000	
TRC 13200 ^^	100th Avenue NE/132nd Street Intersection Improvements	Yes R10	Yes								\$ 1,647,000	
TRC 13300 ^^	100th Avenue NE/Juanita-Woodinville Way Intersection Imps	Yes R10	Yes								\$ 2,161,000	
TRC 13400 ^^	100th Avenue NE/137th Street Intersection Improvements	Yes R10	Yes								\$ 1,475,000	
NMC 01299	Crosswalk Upgrade Program	Yes NM5*	Yes								\$ 4,100,000	
NMC 08630	CKC Roadway Crossings	Yes NM3	Yes								\$ 3,370,100	
NMC 09011	Juanita Drive Bicycle and Pedestrian Improvements	Yes NM1, NM4	Yes								\$ 10,650,000	
NMC 11100 ^	108th Avenue NE Bicycle Lane Upgrades	Yes	Yes								\$ 845,000	
NMC 11399	Citywide Greenway Network	Yes NM2	Yes								\$ 4,450,000	
NMC 11700	On-Street Bicycle Network Phase I	Yes NM1	Yes								\$ 1,120,000	
NM 88881	On-street Bicycle Network	Yes NM1	Yes								\$ 3,280,000	
NM 99991	Sidewalk Completion Program	Yes NM4*	Yes								\$ 6,096,800	
											\$ 155,517,500	
											\$ 243,407,300	
NMC 02421	Cross Kirkland Corridor Opportunity Fund	No										









**Table CF-10  
Capital Facilities Plan: Facility Projects**

(Updated 8-19-2020)

**SOURCES OF FUNDS**

<i>Revenue Type</i>	<i>Revenue Source</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>Six-Year Total</i>
Local	General Fund Cash							-
Local	Carryover Prior Year Savings							-
Local	General Government Reserves	1,244,300	150,300	935,800	922,300	384,800	557,300	4,194,800
Local	Other Reserves							-
Local	Stormwater Management Reserves							-
Local	Water/Sewer Reserves							-
<b>Total Sources</b>		<b>1,244,300</b>	<b>150,300</b>	<b>935,800</b>	<b>922,300</b>	<b>384,800</b>	<b>557,300</b>	<b>4,194,800</b>

**USES OF FUNDS**

**Funded Projects**

<i>Project Number</i>	<i>Project Title</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>Six-Year Total</i>
GGC 00800	Electrical, Energy Management & Lighting Systems	27,200	96,400	28,400	152,600	23,400	170,000	498,000
GGC 00900	Mechanical/HVAC Systems Replacements	14,600	12,000	406,800	299,400	141,700	51,000	925,500
GGC 01000	Painting, Ceilings, Partition & Window Replacements	59,900	13,500	140,800	292,200	57,000	178,900	742,300
GGC 01100	Roofing, Gutter, Siding and Deck Replacements	970,100		337,100	20,200	8,000	7,400	1,342,800
GGC 01200	Flooring Replacements	172,500	28,400	22,700	157,900	154,700	150,000	686,200
<b>Total Funded Facility Projects</b>		<b>1,244,300</b>	<b>150,300</b>	<b>935,800</b>	<b>922,300</b>	<b>384,800</b>	<b>557,300</b>	<b>4,194,800</b>

<b>SURPLUS (DEFICIT) of Resources</b>		-	-	-	-	-	-	-
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**Goal CF-7: Ensure that the Capital Facilities Element is consistent with other City, local, regional, and State adopted plans.**

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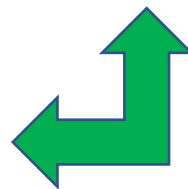
The following documents have been reviewed and taken into consideration during the development of the [Capital Facilities Element](#). These are considered to be “functional or management plans.” They are intended to be more detailed, often noting technical specifications and standards. They are designed to be an implementation tool rather than a policy-guiding document.

**Table CF-4**

**Functional and Management Plans**

City of Kirkland Fire Strategic Plan
City of Kirkland Water System Plan
City of Kirkland Sewer Plan
City of Kirkland Capital Improvement Programs
City of Kirkland Surface Water Master Plan
City of Kirkland Transportation Master Plan
City of Kirkland Active Transportation Plan
City of Kirkland Commute Trip Reduction Basic Plan
City of Kirkland Natural Resource Management Plan
City of Kirkland Urban Forestry Strategic Management Plan
City of Kirkland Parks, Recreation and Open Space Plan
City of Kirkland Downtown Strategic Plan
City of Kirkland Housing Strategy Plan

**Add the following functional plans to Table CF-4:**  
 -Totem Lake Urban Center Enhancement and Multimodal Transportation Network Plan (R-5316)  
 -Sustainability Master Plan (*if adopted in time*)



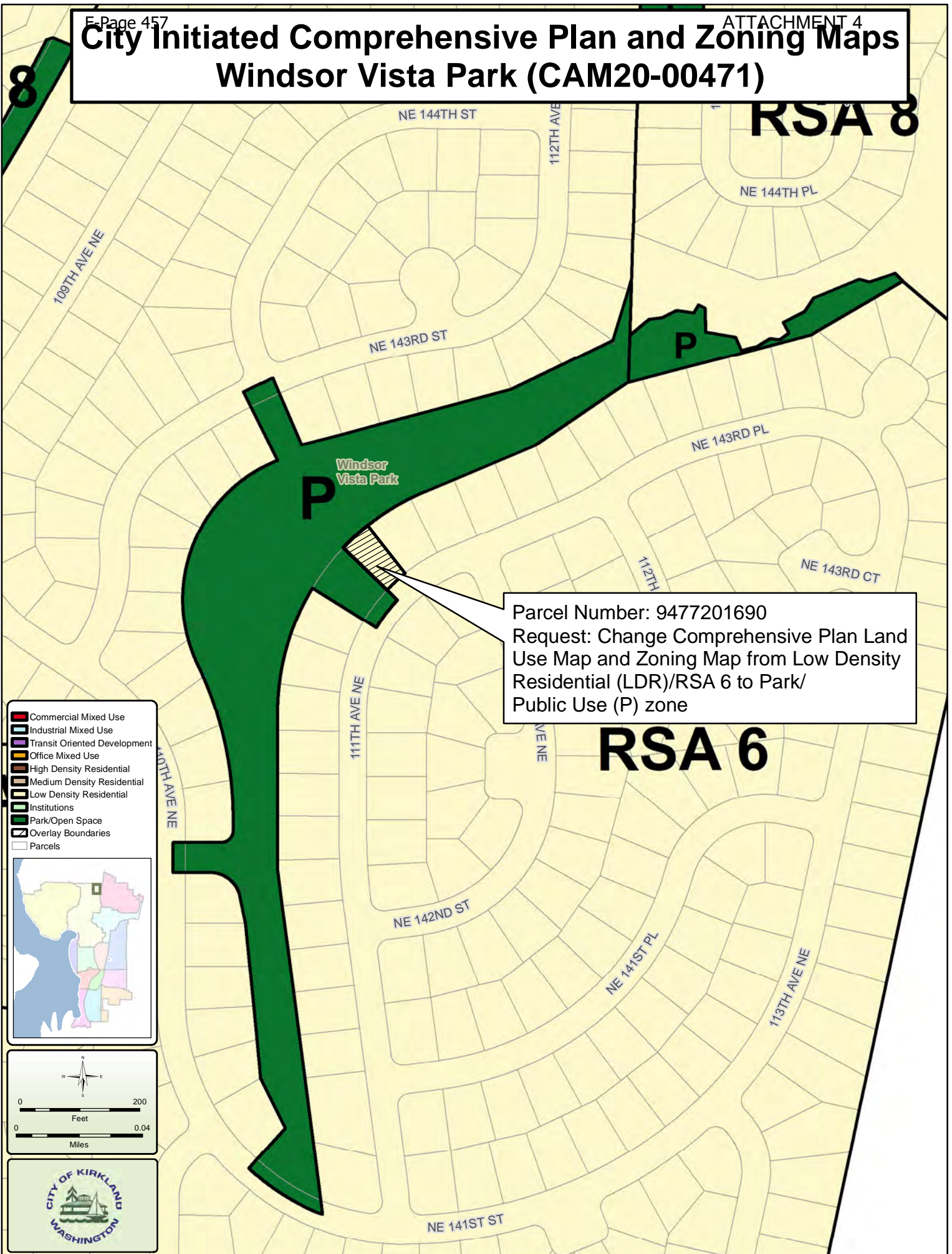
City of Kirkland Climate Protection Action Plan
City of Kirkland <a href="#">Shoreline Master Program</a>
King County Solid Waste Division Comprehensive Solid Waste Management Plan
Northshore Utility District Comprehensive Water Plan
Northshore Utility District Sewer and Water Plan
Woodinville Water District Plan
Lake Washington School District Capital Facilities Plan

***Policy CF-7.1: In the event of any inconsistency between the City's Comprehensive Plan and a functional or management plan, the Comprehensive Plan will take precedence.***

As required under the Growth Management Act, the Comprehensive Plan is the overall plan to which all other functional plans must be consistent. Table CF-4 above lists the City's major functional and management plans. As functional and management plans are updated, they may result in proposed revisions to the Comprehensive Plan.

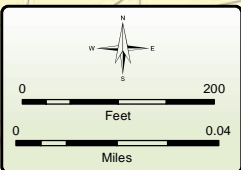
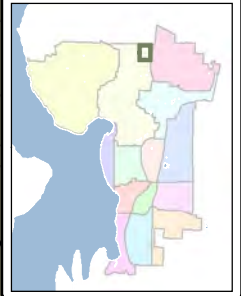


# City Initiated Comprehensive Plan and Zoning Maps Windsor Vista Park (CAM20-00471)



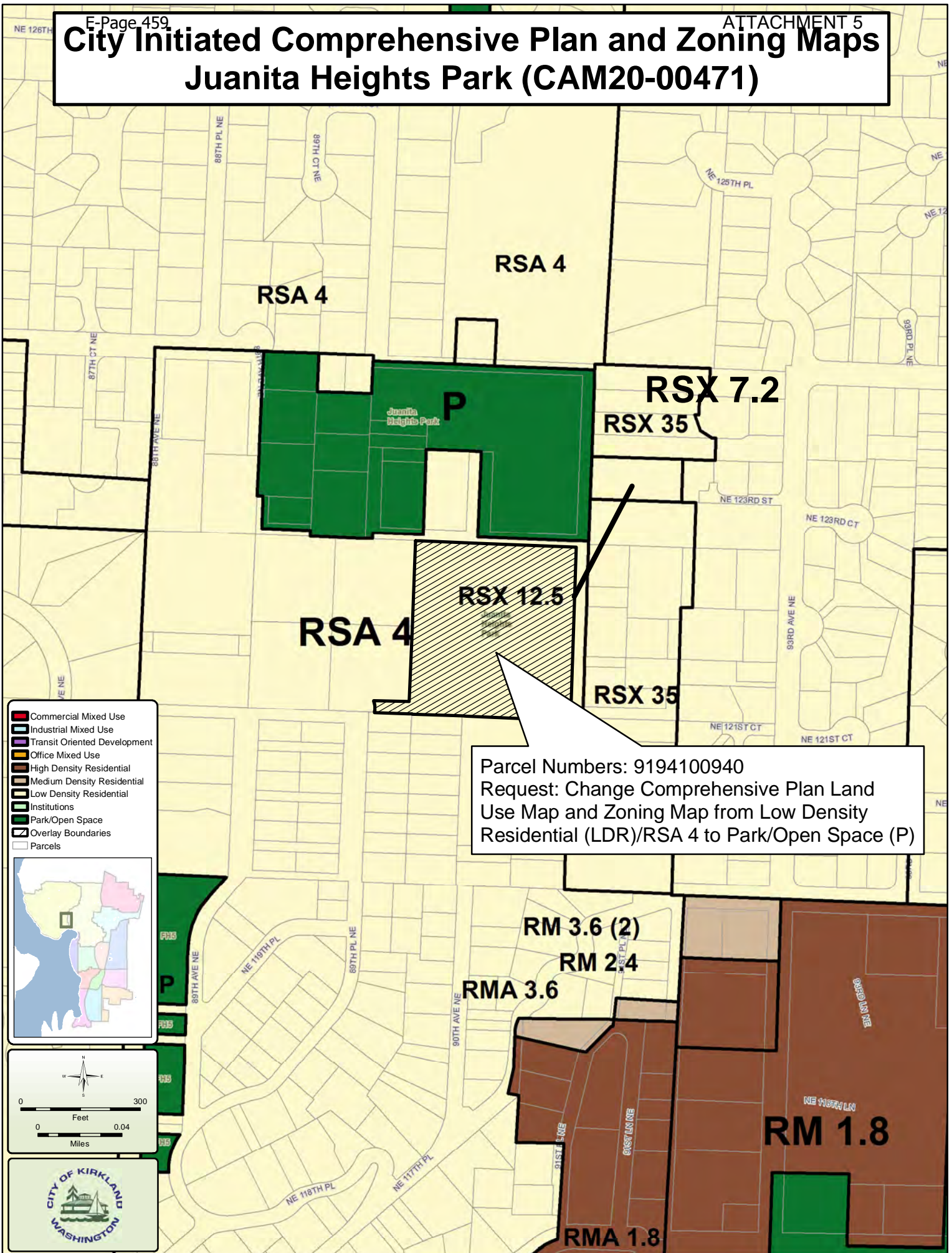
Parcel Number: 9477201690  
 Request: Change Comprehensive Plan Land Use Map and Zoning Map from Low Density Residential (LDR)/RSA 6 to Park/ Public Use (P) zone

- Commercial Mixed Use
- Industrial Mixed Use
- Transit Oriented Development
- Office Mixed Use
- High Density Residential
- Medium Density Residential
- Low Density Residential
- Institutions
- Park/Open Space
- Overlay Boundaries
- Parcels

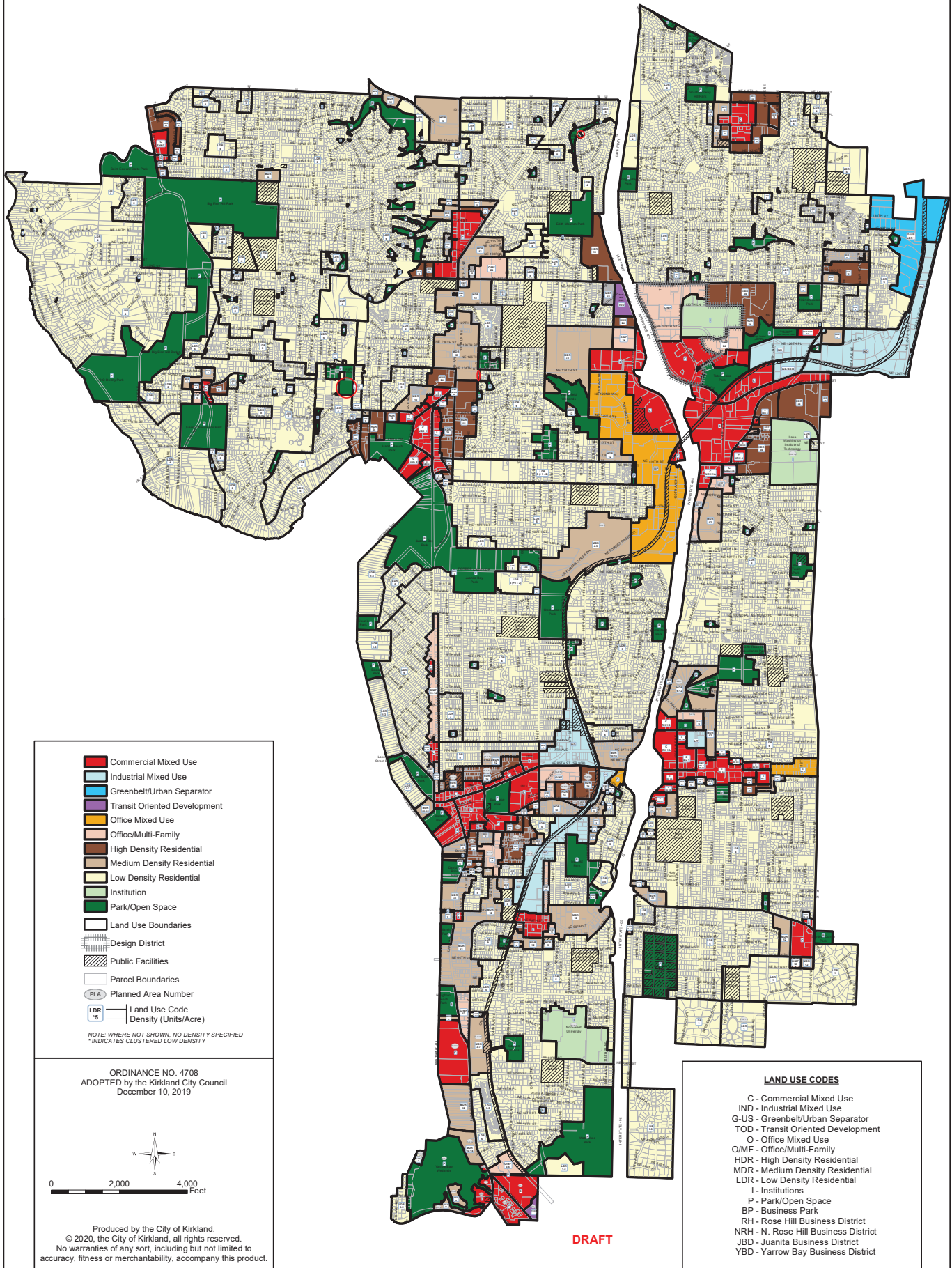




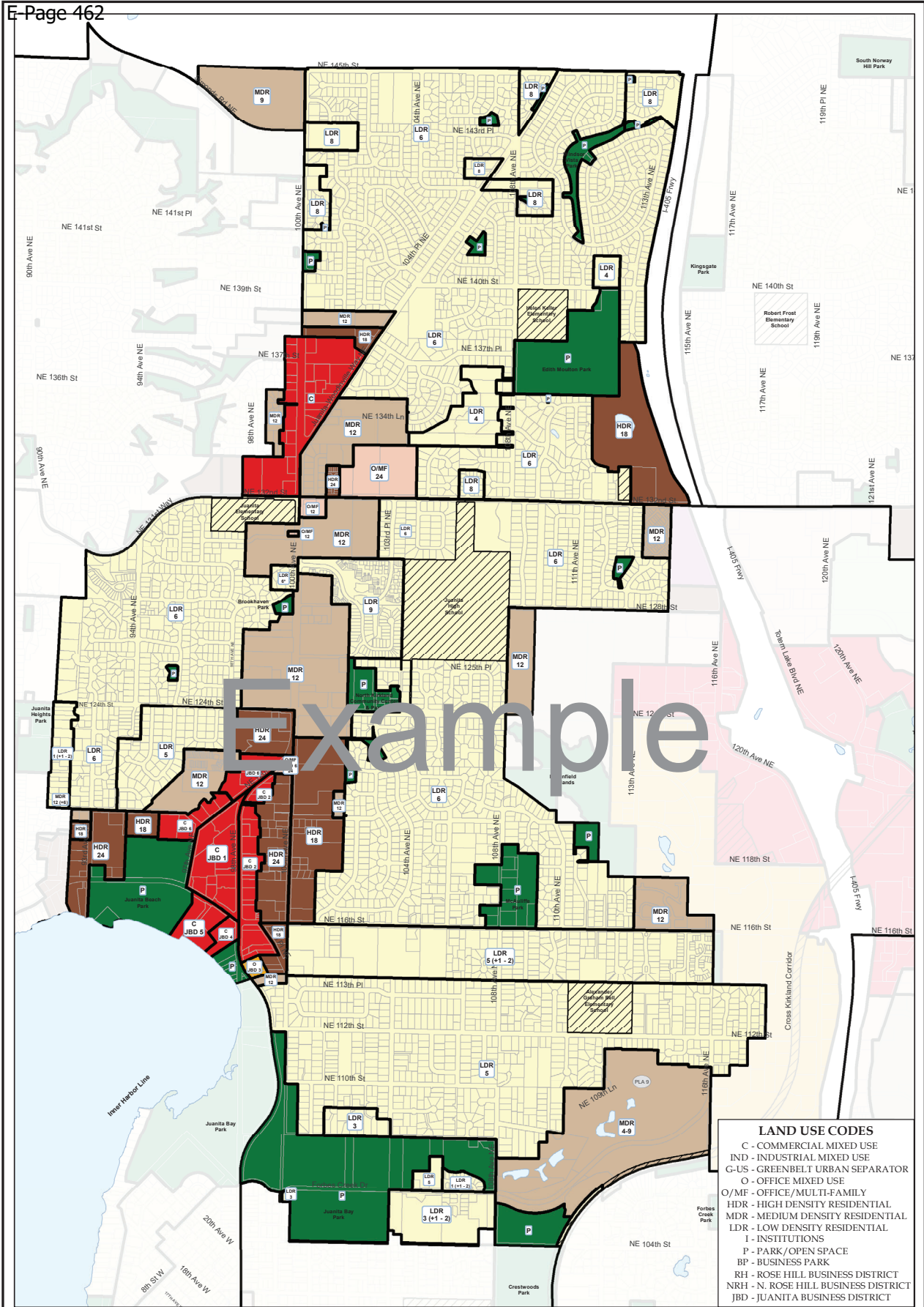
# City Initiated Comprehensive Plan and Zoning Maps Juanita Heights Park (CAM20-00471)







# LU-1 Comprehensive Land Use Map



**LAND USE CODES**

- C - COMMERCIAL MIXED USE
- IND - INDUSTRIAL MIXED USE
- G-US - GREENBELT URBAN SEPARATOR
- O - OFFICE MIXED USE
- O/MF - OFFICE/MULTI-FAMILY
- HDR - HIGH DENSITY RESIDENTIAL
- MDR - MEDIUM DENSITY RESIDENTIAL
- LDR - LOW DENSITY RESIDENTIAL
- I - INSTITUTIONS
- P - PARK / OPEN SPACE
- BP - BUSINESS PARK
- RH - ROSE HILL BUSINESS DISTRICT
- NRH - N. ROSE HILL BUSINESS DISTRICT
- JBD - JUANITA BUSINESS DISTRICT

## Juanita Neighborhood Land Use Map

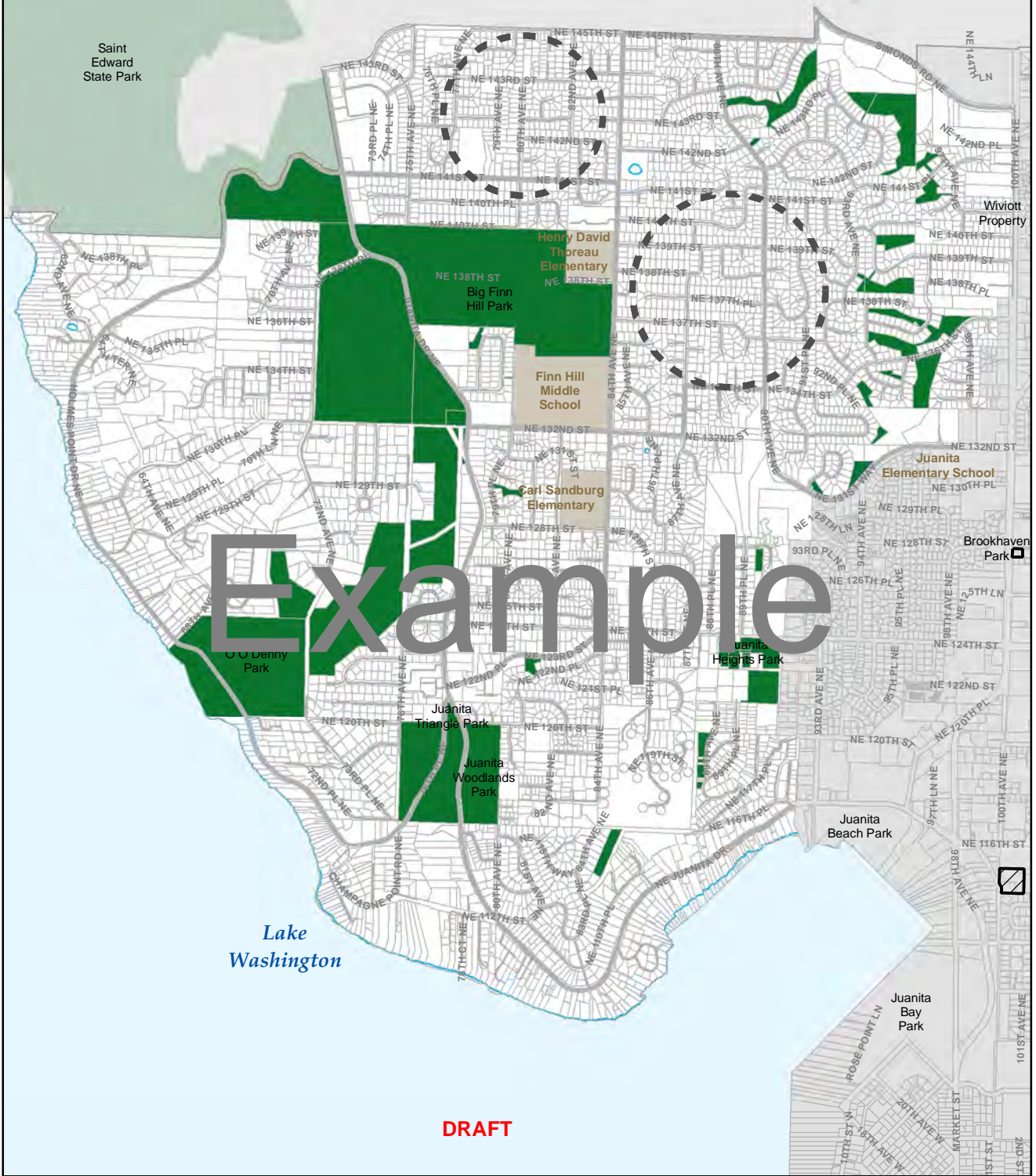
ORDINANCE NO. 4624  
 ADOPTED BY THE Kirkland City Council  
 December 12, 2017

**DRAFT**

	LAND USE BOUNDARIES		PARCEL BOUNDARIES
	PUBLIC FACILITIES		PLANNED AREA NUMBER
	LAND USE CODE DENSITY (UNITS/ACRE)	NOTE: WHERE NOT SHOWN, NO DENSITY SPECIFIED * INDICATES CLUSTERED LOW DENSITY	



Maps produced September 22, 2020.  
 Produced by the City of Kirkland. © 2020, the City of Kirkland, all rights reserved.  
 No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.



- Parcel Boundaries
- Interstate
- Arterial / Collector
- Neighborhood Access
- Lakes
- School
- Park/Open Space Desired

N

1 inch = 2,000 feet

Produced by the City of Kirkland.  
 © 2020, the City of Kirkland, all rights reserved.  
 No warranties of any sort, including but not limited  
 to accuracy, fitness or merchantability, accompany this product.

Figure 5.1: Finn Hill Parks and Open Space

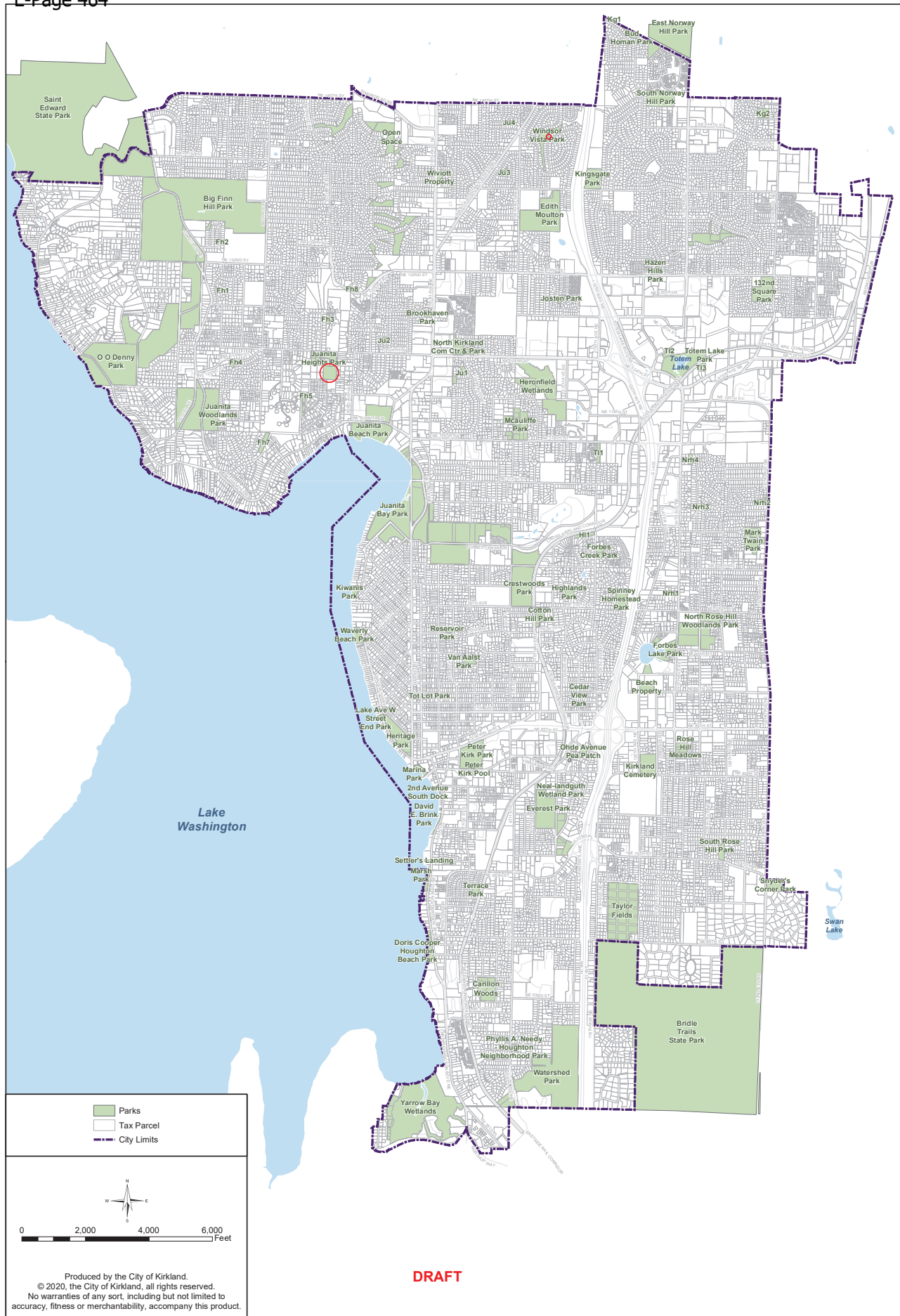


Figure PR-1: Kirkland Parks



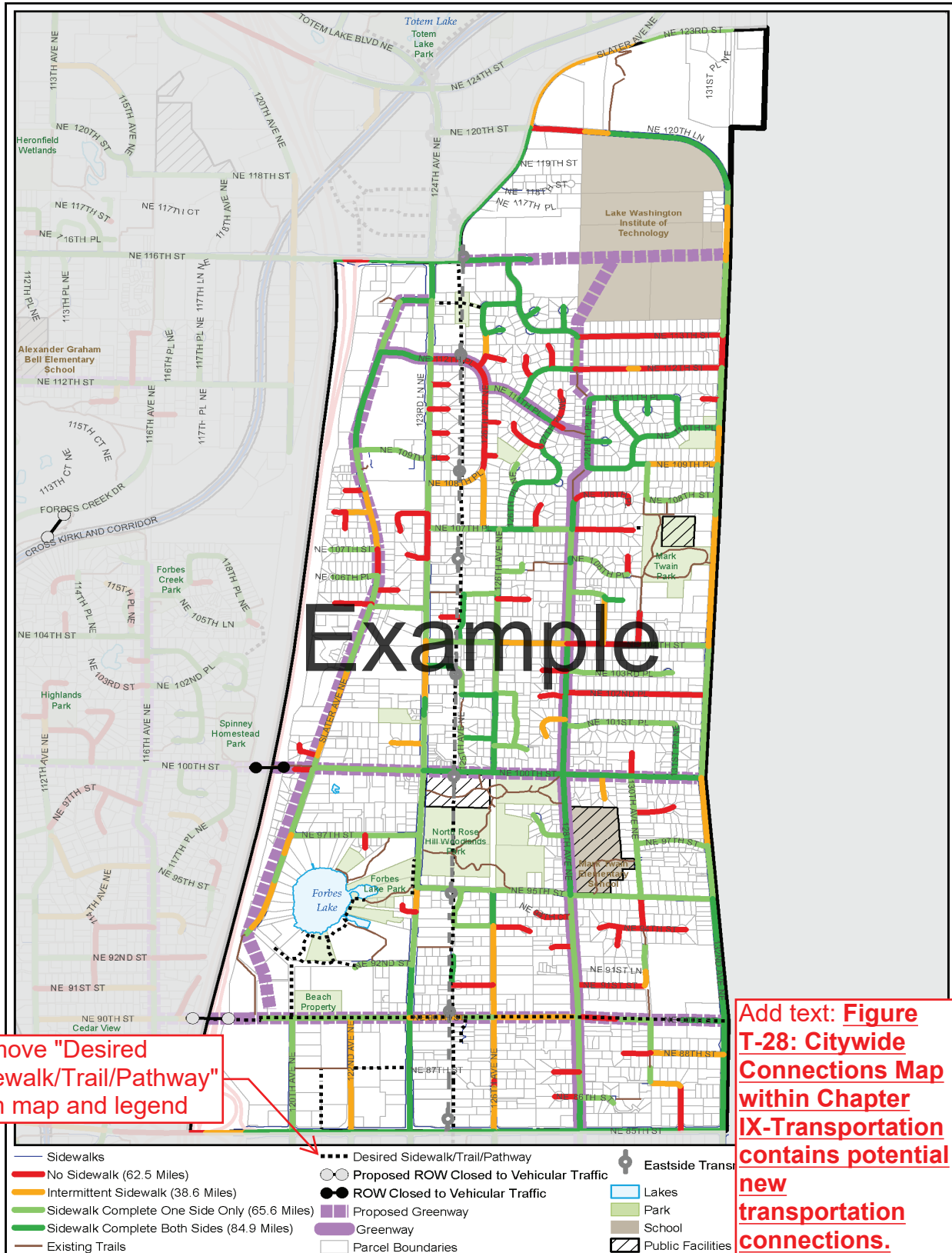


Figure RH-14: North Rose Hill Pedestrian System

Neighborhood Plan Policy		
XV.A Lakeview	L-10.5	<p>Improve pedestrian and bicycle circulation systems as both recreation amenities and as nonmotorized transportation connections to neighborhood as well as City and regional destinations.</p> <p>The path/trail system shown in Figures L-5 and L-6 indicates the major elements of the pedestrian and bicycle circulation network in the neighborhood. Pedestrian and bicycle pathways provide a recreation as well as transportation function. <b><u>Potential new connections are shown in Figure T-28 within Chapter IX-Transportation.</u></b> The following pedestrian and bicycle connections should be priorities within the neighborhood:</p> <ol style="list-style-type: none"> <li>1. From Lake Washington Boulevard east to the future Cross Kirkland Corridor on the railroad right-of-way and the Central Houghton Neighborhood.</li> <li>2. Between properties in the Yarrow Bay Business District and to the South Kirkland Park and Ride and future transit-oriented development.</li> <li>3. Along the Lake Washington shoreline with connections to Lake Washington Boulevard as required by the shoreline regulations. Existing signs marking the location of public shoreline pedestrian walkways should be maintained by private development.</li> <li>4. From Yarrow Bay Wetlands to Watershed Park.</li> <li>5. Along NE 60th Street trail from Houghton Beach Park east through the City to connect to the regional trail at Marymoor Park in Redmond.</li> <li>6. From SR 520, and Bellevue to the South.</li> </ol> <p>These trails will cross a combination of City parklands, City rights-of-way, and public access easements. The trails should be part of the City's Active Transportation Plan and implemented through the Capital Improvement Program or private development. The trails will improve neighborhood access and enhance the unique areas they traverse.</p>
XV.F Rose Hill	RH-68	<p><del>Map where anticipated street connection locations could be considered in North Rose Hill with future infill development in order to provide predictability in the development process and for the neighborhood.</del></p> <p><del>While the North Rose Hill Street Connection Plan Map (Figure RH-13 and Table RH-1) indicates and describes the potential locations of street connections for future infill development, the exact location will be determined at the time of development. The development permit process should ultimately determine these locations. When new street connections are not required or not feasible, pedestrian and bicycle connections should still be pursued.</del></p>
XV.F Rose Hill	Fig. RH-13	<i>Figure to be removed.</i>
XV.F Rose Hill	Table RH-1	<p><del>Table RH-1: North Rose Hill Street Connection Plan Description List</del></p> <ol style="list-style-type: none"> <li>1. NE 108th ST between Slater Ave NE and 123rd Ave NE</li> <li>2. Portions of NE 105th Pl between 129th Ave NE and 132nd Ave NE</li> </ol>

		<p>3. NE 103rd Pl between 132nd Ave NE and existing cul-de-sac end</p> <p>4. Portions of 125th Ave NE between NE 94th St and NE 91st St</p> <p>5. Portions of 130th Ave NE between NE 87th St and NE 94th St</p> <p>6. NE 91st St between 130th Ave NE and 132nd Ave NE</p> <p>7. Portions of NE 90th St between 128th Ave NE and 132nd Ave NE</p> <p>8. 131st Ave NE between NE 90th St and NE 91st St</p> <p>9. 122nd Ave NE between NE 90th St and NE 92nd St</p> <p>10. NE 101st Pl between 124th Ave NE and 125th Ave NE</p>
XV.F Rose Hill	RH-70	<p>Improve the following unimproved rights-of-way in North Rose Hill impacted by critical areas with less intrusive bike and pedestrian connections rather than street improvements (see Figures RH-14 and RH-16):</p> <ul style="list-style-type: none"> <li>• <del>120th Avenue NE, from NE 92nd Street to NE 90th Street.</del></li> <li>• <del>NE 92nd Street, west of 122nd Avenue NE.</del></li> </ul>
XV.F Rose Hill	RH-71	<p><del>Identify where anticipated street connection locations could be considered in South Rose Hill with future infill development in order to provide predictability in the development process and for the neighborhood.</del></p>
XV.I Totem Lake	TL-16.2	<p>Seek opportunities to create a finer grid of smaller scale streets and new connections within the business district.</p> <p>The Totem Lake Business District currently has a limited local street system. Development of a complete network of local access roads would facilitate vehicular, pedestrian and bicycle access to properties, reduce reliance on major arterial routes, and break up large blocks to provide better building orientation to the street and an improved street level environment.</p> <p>With new development and redevelopment within the business district, the opportunity exists for the dedication of right-of-way to enable the creation of new through connections. General locations for potential new connections are identified in Figure <del>TL-6</del> <b>T-28 within Chapter IX, Transportation.</b></p>
XV.N Highlands	Fig. H-5	<p><i>Figure removed with updated plan to be adopted in 2020.</i></p>
XV.O Kingsgate	K-11	<p><del>Complete through road connections in the neighborhood when properties are subdivided.</del></p> <p>The eastern portion of the neighborhood contains many large vacant or further developable lots. When these properties are subdivided, through road connections should occur where feasible to provide an efficient road network and provide more options for alternative routes for drivers, pedestrians, and bicyclists. See goals and policies in the Transportation Element chapter of the Comprehensive Plan.</p>
XV.P Finn Hill	FH-14.2	<p><del>Develop a map where potential street connections could be made.</del></p> <p>In some areas of Finn Hill the street system is underdeveloped, with dead ends,</p>

		<p>missing street connections, and with pavement and sidewalks that are not to city standards (Figures FH 7.1, FH 7.2 and FH 7.3 show the existing street classifications, status of sidewalks, pathways and trails). It is important to plan for a street network that allows access for emergency vehicles, general vehicles, pedestrians and bicycles. While circulation through the neighborhood is important, the connections should also minimize impact to neighborhoods when possible. Connections that are required as a result of redevelopment are reviewed for final alignment, location and street improvement standards when the development is submitted to the City for review. When new street connections are not required or not feasible, pedestrian and bicycle connections should still be pursued. Creating a map of potential street connections provides direction for property owners, developers, and City staff.</p> <p>Note: Figure 7.4, street connections map, to be inserted at a future time.</p>

# Sarabjit Mann Citizen Amendment Request CAM18-00741

## RM 3.6

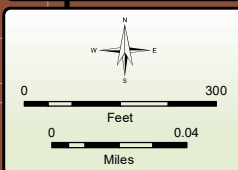
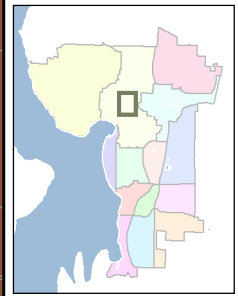
## RSX 7.2

### PUD Bowie Place

S

Parcel Numbers: 2926059176, 2926059281  
Request: Change Comprehensive Plan Land Use Map and Zoning Map from Low Density Residential (LDR)/RSX 7.2 to Medium Density Residential (MDR)/RM 3.6

- Commercial Mixed Use
- Industrial Mixed Use
- Transit Oriented Development
- Office Mixed Use
- High Density Residential
- Medium Density Residential
- Low Density Residential
- Institutions
- Park/Open Space
- Overlay Boundaries
- Parcels



## M 3.6

## 2.4

## RSX 7.2

**From:** Sarabjit Mann <sarabmann@gmail.com>  
**Sent:** Wednesday, September 30, 2020 12:56 PM  
**To:** Scott Guter; Pari  
**Subject:** Re: CAM18-00741 Citizen Amendment Request

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

**Categories:** Long Range Planning

## Adding Pari Mann

### Scott,

I am sorry I got confused and thought I already conveyed my point of view. Let me elaborate.

- Receive a statement from the applicant that they are aware that current zoning yields more housing units without a rezone. Staff note: It would be good for Sarab to stated his case as why the multifamily zoning works better for his plans for development of this property.

Under current regulations, the two 7200 lots would allow building 4 houses. However, the design would be arbitrary and may not follow the design at par with the housing standard in Kirkland which looks nicer, planned and in line with the future outlook of Kirkland. Under the proposed zone the land yields one more house but the best part is we would be able to plan modern, sleek and affordable houses syncing with the Kirkland standard enhancing the value of the neighborhood.

### Sarab Mann

Linked 

m:425.233.0406

On Mon, Sep 28, 2020 at 2:45 PM Scott Guter <[SGuter@kirklandwa.gov](mailto:SGuter@kirklandwa.gov)> wrote:

Sarab,

I'm wondering what your status is on providing me with an answer to the third bullet point below. Remember, I will want it by Wednesday. Also, have you reached out to Doug and Leo from the

Juanita neighborhood association? I'm planning on briefing them at their board meeting. It doesn't look like they are having a neighborhood meeting in October, but you should at least reach out to the chair and co-chair to discuss your proposal.

Let me know I can be of further assistance.

Sincerely,

**Scott Guter**, AICP | LEED AP

Senior Planner | City of Kirkland | Planning and Building Department

425-587-3247 | [sguter@kirklandwa.gov](mailto:sguter@kirklandwa.gov) | <http://www.kirklandwa.gov>

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**From:** Scott Guter <[SGuter@kirklandwa.gov](mailto:SGuter@kirklandwa.gov)>  
**Sent:** Tuesday, September 15, 2020 2:39 PM  
**To:** Sarabjit Mann <[sarabmann@gmail.com](mailto:sarabmann@gmail.com)>  
**Cc:** Pari <[parimann@gmail.com](mailto:parimann@gmail.com)>; Pawan Dhunna <[pdhunna88@gmail.com](mailto:pdhunna88@gmail.com)>  
**Subject:** RE: CAM18-00741 Citizen Amendment Request

Sarab,

Hello, I did not know if you saw the Planning Commission Study Session on September 10, 2020. This was a pre-hearing discussion on your CAR. Below is a summary of what I heard.

**[Planning Commission Study Session Discussion \(September 10, 2020, minutes 2:20 - 2:56\):](http://www.kirklandwa.gov/depart/planning/Boards_and_Commissions/Planning_Commission/PCMee tingArchive.htm)**  
[http://www.kirklandwa.gov/depart/planning/Boards\\_and\\_Commissions/Planning\\_Commission/PCMee tingArchive.htm](http://www.kirklandwa.gov/depart/planning/Boards_and_Commissions/Planning_Commission/PCMee tingArchive.htm)

In summary, the Planning Commission would like the following information prior to the October 22, 2020 hearing:

- Receive comments from the neighboring properties on the proposed rezone. In particular, those of the low density single-family neighbors to the east.
- Receive comments from the Juanita Neighborhood Association on the proposed rezone. Link: [http://www.kirklandwa.gov/depart/CMO/Neighborhood\\_Services/Associations/Juanita\\_Neighborhood\\_Association.htm](http://www.kirklandwa.gov/depart/CMO/Neighborhood_Services/Associations/Juanita_Neighborhood_Association.htm)
- Receive a statement from the applicant that they are aware that current zoning yields more housing units without a rezone. Staff note: It would be good for Sarab to stated his case as why the multifamily zoning works better for his plans for development of this property.

Sarab, you should work on these bullet points to the best of your ability. I also, expect to receive public comments once the noticing has been published and mail. I will be reaching out to the neighborhood association after this email informing them of your CAR. I'm currently unaware if neighborhood meetings are being held virtually. If so, the next meeting would be October 12, 2020 at 7:00 pm. I would suggest that you reach out to the Chair and Co-Chair of the neighborhood association. I will copy you to the email I send to the neighbor Chair and Co-chair to help you engage. Lastly, please have your response to bullet point three to me by September 30, 2020 so I may include it in the hearing packet materials.

Please let me know if I can be of any assistance.

Sincerely,

**Scott Guter**, AICP | LEED AP

Senior Planner | City of Kirkland | Planning and Building Department

425-587-3247 | [sguter@kirklandwa.gov](mailto:sguter@kirklandwa.gov) | <http://www.kirklandwa.gov>



Sarab,

Thanks for the information. It's not necessary to engage an architect at this point. I'm just getting a sense of what level of project detail you have developed to this point. It's also good to know what level of outreach you have had with your neighbors. By the way, your request is scheduled for a Planning Commission study session on September 10<sup>th</sup> and a public hearing on October 22<sup>nd</sup>. A public notice board will be erected on your property prior to the hearing.

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**From:** Sarabjit Mann <[sarabmann@gmail.com](mailto:sarabmann@gmail.com)>

**Sent:** Monday, August 24, 2020 10:39 AM

**To:** Scott Guter <[SGuter@kirklandwa.gov](mailto:SGuter@kirklandwa.gov)>

**Cc:** Pari <[parimann@gmail.com](mailto:parimann@gmail.com)>; Pawan Dhunna <[pdhunna88@gmail.com](mailto:pdhunna88@gmail.com)>

**Subject:** Re: CAM18-00741 Citizen Amendment Request

Scott,

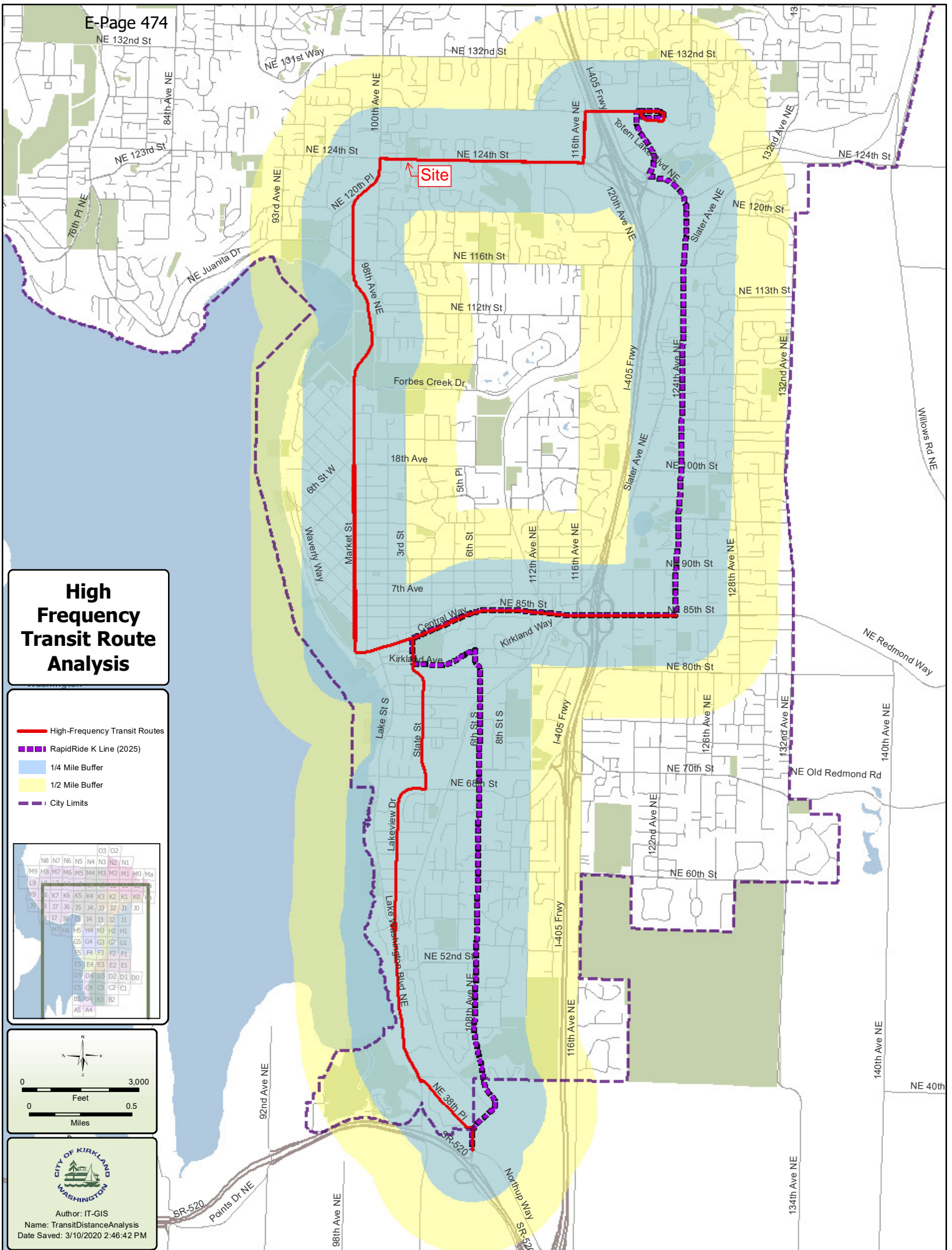
We tried to meet neighbors but due to the Covid-19 situation, they avoid interacting. Regarding the plan, if you feel architectural rendering of the planned buildings and layout help then I can get this initial architectural illustration from an architect.

Regards,

**Sarab Mann**

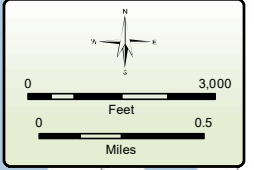
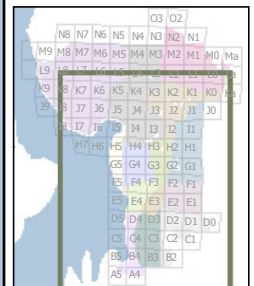
**Linked** 

m:425.233.0406



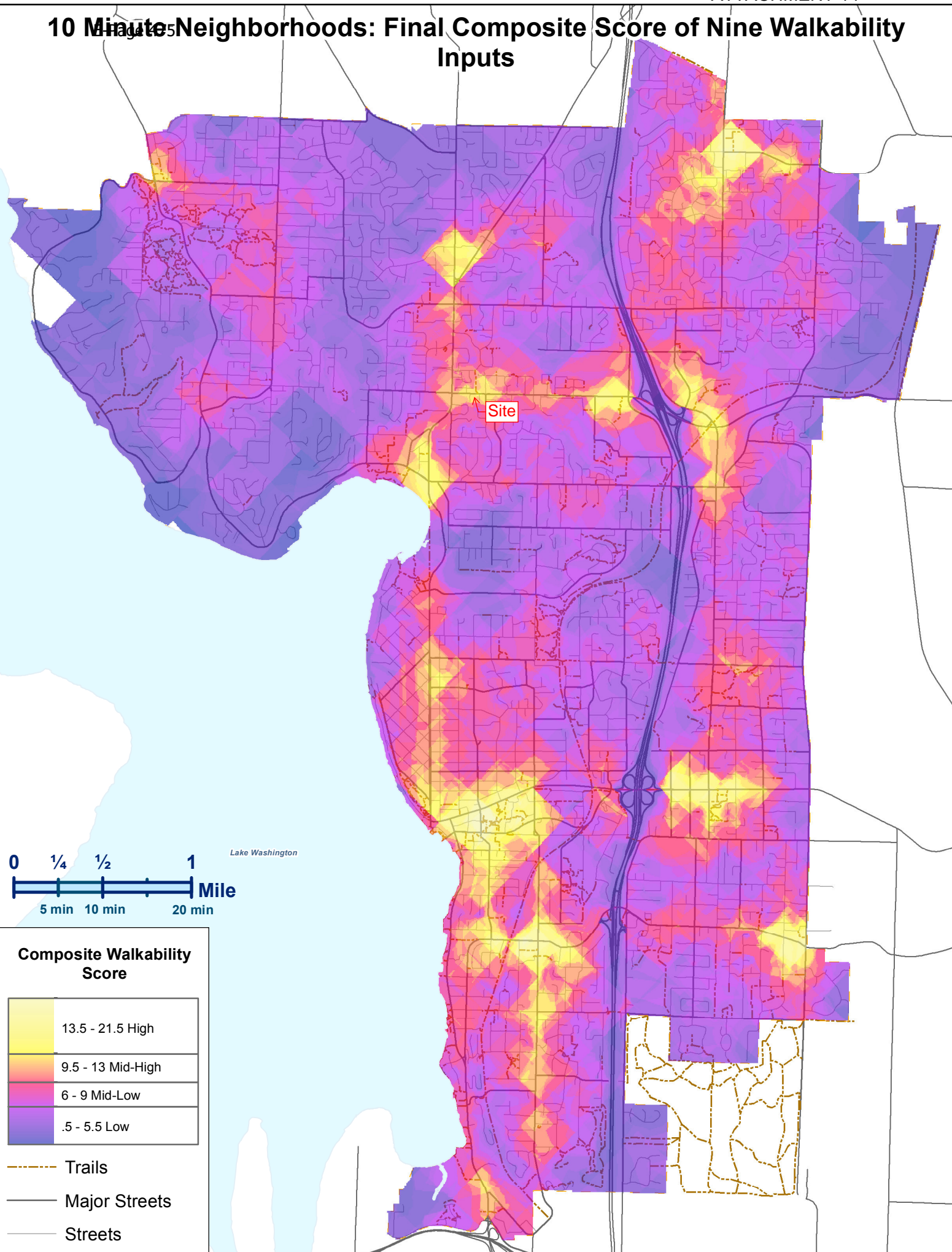
# High Frequency Transit Route Analysis

- High-Frequency Transit Routes
- - - RapidRide K Line (2025)
- 1/4 Mile Buffer
- 1/2 Mile Buffer
- City Limits



**CITY OF KIRKLAND WASHINGTON**  
 Author: IT-GIS  
 Name: TransitDistanceAnalysis  
 Date Saved: 3/10/2020 2:46:42 PM

# 10 Minute Neighborhoods: Final Composite Score of Nine Walkability Inputs



Mann Rezone Request – Existing vs. Proposed Development Standards						
	Existing Conditions (including neighboring properties)					Proposed
Density/Dimension & Development Standards	Option 1					Option 2
	Study Area Single-family w/ADUs (+ properties East/South)	Study Area w/Cottage, Carriage, 2/3-Unit Homes	Properties West	Properties Southwest	Properties North	Study Area w/ Multifamily (proposed rezone)
Zones	RSX 7.2	RSX 7.2	RM 3.6	RM 2.4	P	RM 3.6
Permitted Uses	KZC Ch. <a href="#">15/115</a> Single-Family (1 house per lot +up to 2 ADUs per lot)	KZC Ch. <a href="#">113</a> (Cottage, Carriage & 2/3 Unit Homes) + ADUs <sup>1</sup>	KZC Ch. <a href="#">20</a> Multifamily (Attached/Stacked)	KZC Chapter <a href="#">25</a> Multifamily (Attached/Stacked)	KZC Chapter <a href="#">45</a> Uses allowed: Public Utility; w/Parks & Community Services Director Review: Public Park; w/Process IIA: Community & Government Facilities	KZC Chapter <a href="#">20</a> Multifamily (Attached/Stacked)
Required Review Process	None	None	None	None	None	None
Maximum Density	LDR 7,200 sf min. (6 units/acre)	Two times the max # of detached dwelling units allowed in the underlying zone.	MDR 3,600 sf min. (12 units/acre)	HDR 2,400 sf min. (18 units/acre)	N/A	MDR 3,600 sf min. (12 units/acre)
Maximum Height	30' above ABE	30' above ABE DADUs:	30' above ABE	30' above ABE	case-by-case	30' above ABE

		1-story, 18' above ABE				
<b>Setbacks Front/Side/Rear</b>	20'/5'/10'	20'/5' <sup>2</sup> /10'	20'/5' <sup>2</sup> /10'	20'/5' <sup>2</sup> /10'	case-by-case	20'/5' <sup>2</sup> /10'
<b>Lot Coverage</b>	50%	50% <sup>3</sup>	60%	60%	case-by-case	60%
<b>Affordable Housing</b>	No	No <sup>4</sup>	Yes	Yes	N/A	Yes <sup>5</sup>
<b>Parking</b>	2 stalls/unit No additional stalls required w/ADUs <sup>6</sup>	1 stall/unit <sup>6</sup>	Single-Family: 2 stalls/unit Multifamily: 1.2 per studio unit; 1.3 per 1 bedroom unit; 1.6 per 2 bedroom unit; 1.8 per 3 or more bedroom unit. Guest parking per KZC <a href="#">105.20</a>	Single-Family: 2 stalls/unit Multifamily: 1.2 per studio unit; 1.3 per 1 bedroom unit; 1.6 per 2 bedroom unit; 1.8 per 3 or more bedroom unit. Guest parking per KZC <a href="#">105.20</a>	case-by-case	Single-Family: 2 stalls/unit Multifamily: 1.2 per studio unit; 1.3 per 1 bedroom unit; 1.6 per 2 bedroom unit; 1.8 per 3 or more bedroom unit. Guest parking per KZC <a href="#">105.20</a>
<b>Landscape Buffer</b>	N/A	N/A	5' wide adjoining single family. N/A if developed as single-family	5' wide adjoining single family. N/A if developed as single-family	case-by-case	5' wide adjoining single family. N/A if developed as single-family

<sup>1</sup> AADUs are allowed as part of a cottage or 2/3-unit home development.

<sup>2</sup> The side yard may be reduced to zero feet if the side of the dwelling unit is attached to a dwelling unit on an adjoining lot. If one side of a dwelling unit is so attached and the opposite side is not, the side that is not attached must provide a minimum side yard of five feet

<sup>3</sup> Equal to the base zoning allowance for single-family residences. Lot coverage is calculated using the entire development site. Lot coverage for individual lots may vary.

<sup>4</sup> Housing is more affordable than homes that have no size limitations (within the constraints of the height and setback regulations)

<sup>5</sup> If rezoning were approved, density will be increased from 6 units/acre to the new underlying density (within the constraints of the height and setback regulations), and this creates an opportunity for the provision of affordable housing. Specifically, four or more units shall provide 10 percent of units as affordable units. Two additional units may be constructed for each affordable housing unit provided.

<sup>6</sup> Development is within one-half mile of transit service with 15-minute headways during commute hours.

**From:** 037 <saxplayer037@gmail.com>  
**Sent:** Thursday, October 8, 2020 2:29 PM  
**To:** Scott Guter  
**Subject:** Re: CAM18-00741 Citizen Amendment Request

**Categories:** Long Range Planning

Thanks Scott, I'm glad this will be taken into consideration.

I noticed a couple auto-correct typos when I re-read my email, please see the edits in **bold**, below:

"

Hi Scott,

Thanks for reaching out on this. I did watch your presentation you shared and it sounds like there are a couple of zoning options/results being considered?

I had trouble following how many residences are on the property now, and why the zoning change is needed. My main concern with stuff like this is that Kirkland is gaining a ton of people through density changes, but we are not getting the infrastructure to keep up with so many people. Commuting through the city, pre-Covid, was getting near impossible **for** hours a day due to having reached capacity on our roads. There are no dedicated bus lanes and no protected bike lanes in the city for those who don't want to drive.

At face value, each project can be said to have a minimal impact, but there are so many in the works that they really add up, and the quality of life here in terms of having an accessible city is really suffering. I strongly feel that development has taken precedence over livability. People like me don't have the lobbying capacity the way development firms do, so the largest and loudest voices are often tied to **monied** interests rather than residents such as myself.

With this in mind, I am hesitant to see zoning changes that allow more density, without also having a strong sense from the city that infrastructure improvements are also being prioritized.

Best,

Leo

**From:** (null) jmsalem <jmsalem@frontier.com>  
**Sent:** Tuesday, October 6, 2020 2:20 PM  
**To:** Scott Guter  
**Cc:** Doug Rough; ken.albinger@gmail.com; brianmagee24@gmail.com; saxplayer037@gmail.com; edcolio@gmail.com; jimboril@live.com; sam@bizdiversity.net; rkretzlaff@gmail.com; colm319@gmail.com; amanda.g.bredlow@gmail.com; pvadiga@yahoo.com; greg.b.gunther@gmail.com; Janice Coogan; mike.wert@deainc.com  
**Subject:** Re: JNA ZOOM INFORMATION: Informational Presentations on Fire and EMSNov. 3, 2020 Ballot Measure

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** Long Range Planning

Hi Scott,

I have had one request, so far, for more information about this proposed rezone. The discussion during your September 10 study session was helpful to me. Do you mind if I send it out to our Juanita Neighborhood Association mailing list? I would send the link to the entire thing and point them to the segment, as you did. Also, where should I direct people if they have questions about affordable housing requirements and the Missing Middle Amendment?

I am assuming someone from your office will contact the owners of the neighboring properties. Our mailing list is voluntary, so we are not reaching every home.

I agree that it would be much easier to comment on this if we knew what the developer had in mind. Is there any requirement for him to do this? Also, has he developed any other properties in Kirkland?

One comment I have, as an area homeowner, is that there will need to be a two lane access driveway or road (looks narrow to me) and some consideration of how normal traffic flow is on NE 124th. It is already difficult (especially in Non-Covid times) making a turn onto NE 124th from the south side of the intersection with 103rd, just up the hill from this property. It is difficult to see the traffic coming up the hill and it may be made worse if cars are jumping out of that street/driveway. (This comment is mine, not as a representative of JNA).

Another question I have is how have the developers of the recent housing developments off of NE 116th addressed the affordable housing requirement? Have they just paid money in lieu of? It seems like an easier requirement to fulfill for apartment housing.

Thanks you for the information.

Jennifer Salem  
JNA Board member



**From:** Doug Rough <dougrough@aol.com>  
**Sent:** Tuesday, September 15, 2020 4:57 PM  
**To:** saxplayer037@gmail.com; Scott Guter  
**Cc:** Janice Coogan  
**Subject:** Re: CAM18-00741 Citizen Amendment Request

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

**Categories:** Long Range Planning

Hi Scott,

Our next JNA board meeting is the first Monday in October at 7 pm. A zoom has already been set up by the city of Kirkland, and I can send you that info later. We are not planning general meetings at this point.

My own personal opinion is that traffic and infrastructure is already being tested by 3000+ new homes in the area from the Village at Totem Lake plus new homes south of the Justice Center. I do not see a need for changing zoning to allow for more density given what is already being built unless it is part of a city-wide plan, not just some developer trying to make more money at the expense of burdening the infrastructure of nearby residents.

--Doug Rough 425-821-5529 -- [RetreatsAndReunions.com](http://RetreatsAndReunions.com)  
cell 425-443-8423