



City of Kenmore - 18120 68th Avenue NE - P.O. Box 82607 - Kenmore, WA 98028
Phone: 425-398-8900 - Fax: 425-481-3236 - E-mail: cityhall@kenmorewa.gov

City of Kenmore
City Council Regular and Special Meeting Agenda
6:30 p.m., Monday, January 23, 2017
Kenmore City Hall, Council Chambers
18120 68th Ave. NE, Kenmore, WA 98028

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at 425-398-8900. You may also stop by City Hall at 18120 68th Avenue NE, Kenmore. Council agendas are also available on our website at www.kenmorewa.gov.

I. 6:30 p.m. EXECUTIVE SESSION

- A. Pursuant to RCW 42.30.110(1)(i), Litigation

II. POSSIBLE ACTION RELATING TO EXECUTIVE SESSION

III. 7:00 p.m. - CALL REGULAR MEETING TO ORDER

IV. ROLL CALL

V. FLAG SALUTE

VI. AGENDA APPROVAL

VII. PROCLAMATION

- A. Children's Dental Health Month - February, 2017
[Proclamation](#)

VIII. CITIZEN COMMENTS

- A. This is an opportunity to express your views on issues that are important to you and to the community. Please limit your comments to three (3) minutes.

IX. CONSENT AGENDA

- A. Adopt Minutes for the December 29, 2016 and January 4, 2017 City Council Meetings
[12-29-16 Minutes](#)
[1-4-17 Minutes](#)

- B. The Following Checks and Electronic Payments are Approved for Payment:
Total Check Numbers 35918 Through 36017 in the Amount of \$520,856.65.
Payroll Check Number 9423 in the Amount of \$2,462.97.
Total Payroll Electronic Deposits Dated 12/23/2016 in the Amount of \$80,673.77.
[Check Vouchers and Payroll](#)
- C. The Following Checks and Electronic Payments are Approved for Payment:
Total Check Numbers 36018 Through 36107 in the Amount of \$620,278.27.
Total Payroll Electronic Deposits Dated 1/6/17 in the Amount of \$82,114.21.
[Check Vouchers and Payroll](#)
- D. Receive and File October and November 2016 Financial Reports for the City of Kenmore, Washington
[October Financial Report](#)
[November Financial Report](#)
- E. Authorize the City Manager to Execute Amendment No. 4 to Contract No. 14-C1322 with Corey Hansen for Consultant Services for the Kenmore Business Incubator
[Agenda Bill](#)
- F. Authorize the City Manager to Execute Amendment No. 2 to Contract No. 12-C1083 with Kenmore Commercial LLC, a Lease Agreement
[Agenda Bill](#)
- G. Authorize the City Manager to Execute a Retail Lease Agreement in the Town Square Hangar Building with Diva II LLC
[Agenda Bill](#)

X. BUSINESS AGENDA

- A. Adopt the 2017 Annual Docket for the Planning Commission - Debbie Bent, Community Development Director
[Agenda Bill](#)

XI. JOINT PLANNING COMMISSION MEETING

- A. Review Planning Commission's Recommendations on the Housing Strategy Plan - Debbie Bent, Community Development Director
[Agenda Bill](#)
[Attachments](#)

XII. COUNCILMEMBER REPORTS & COMMENTS

XIII. COUNCILMEMBER INITIATIVES

XIV. EXECUTIVE SESSION

Pursuant to RCW 42.30.110(1)(i), Litigation

XV. POSSIBLE ACTION RELATING TO EXECUTIVE SESSION

XVI. ADJOURNMENT

Upcoming Meetings:

February 7, 2017 Planning Commission Meeting

February 13, 2017 City Council Meeting

February 21, 2017 Planning Commission Meeting

February 27, 2017 City Council Meeting

**City of Kenmore, Washington
Proclamation**

WHEREAS, our community's future depends, to a large measure, on the good health of our children and families; and

WHEREAS, good oral health can be achieved in part through good dental habits learned early and reinforced throughout life; and

WHEREAS, good oral health contributes to better nutrition, greater ability to concentrate, and improved school attendance, and

WHEREAS, the City of Kenmore has demonstrated a strong commitment to all children in our community through many early childhood and school programs, and

WHEREAS, National Children's Dental Health Month is celebrated each February, in order to raise awareness about the importance of good oral health.

NOW, THEREFORE, I, David Baker, Mayor of the City of Kenmore, Washington, on behalf of the City Council, am pleased to proclaim the month of February 2017 to be:

"Children's Dental Health Month"

in the City of Kenmore, and I urge all citizens and community organizations to join with the City Council in this observance.

IN WITNESS WHEREOF, signed this 23rd day of January, 2017.

Signed: _____
David Baker, Mayor

Attested: _____
Kelly M. Chelin, City Clerk

**City of Kenmore, Washington
City Council Special Meeting
Minutes
December 29, 2016**

CALL SPECIAL MEETING TO ORDER – The Kenmore City Council special meeting was called to order by Mayor David Baker at 12:15 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Allan Van Ness and Councilmembers Brent Smith, Laurie Sperry, Nigel Herbig and Stacey Denuski.

Councilmembers excused: Milton Curtis.

Staff present: Rob Karlinsey, City Manager and Kelly Chelin, City Clerk.

CITIZEN COMMENTS

Elizabeth Mooney, 5934 NE 201st Street, Kenmore, was present to thank the Council for all their work and listening to the concerns on the WSDOT's "The Rest of the West".

Janet Hays, 6303 NE 181st Street #301, Kenmore, was present to hand out two documents to the Council regarding LakePointe.

Mayor Baker thanked the citizens for their comments.

BUSINESS AGENDA

Authorize the City Manager to Sign and Execute the Lakepointe Commercial Site Development Plan (CSDP) and Transportation Mitigation Agreement (TMA) Extension and Funding Agreement, Contract No. 16-C1627 - City Manager Karlinsey explained the amendments to the two agreements. These agreements were approved at the December 12 Council Meeting. Since December 12, the City Manager has been in discussions with LakePointe regarding potential future SR 520 bridge work on the site. As a result of these discussions, the following additional language is proposed to be added to Section 2 (or other relevant section) of the CSDP Extension and Funding Agreement:

Furthermore, Lakepointe, Pioneer, and Weidner agree to not allow future SR 520 bridge work pertaining to "The Rest of the West" (Interstate 5 to Lake Washington) to occur on the Lakepointe site as long as the CSDP is still active and approved. For purposes of this paragraph, "bridge work" pertains to construction, fabrication, staging, storage, equipment and material transport, barging, trucking, and demolition work. This condition only applies to SR 520 "Rest of the West" work and has been voluntarily agreed to by Lakepointe, Pioneer, and Weidner. This condition shall not be construed to waive or limit, or set a precedent for waiver or limitation of, other uses to which the property may legally be put.

Councilmember Sperry moved to Authorize the City Manager to Sign and Execute the LakePointe Commercial Site Development Plan and Transportation Mitigation Agreement Extension and Funding Agreement, Contract No. 16-C1627. Deputy Mayor Van Ness seconded the motion. The motion passed 6-0.

ADJOURNMENT

Mayor Baker adjourned the special meeting at 12:29 p.m.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk

**City of Kenmore, Washington
City Council Special Meeting
Minutes
January 4, 2017**

CALL SPECIAL MEETING TO ORDER – The Kenmore City Council special meeting was commenced at 6:00 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Allan Van Ness and Councilmembers Brent Smith, Laurie Sperry, Nigel Herbig and Stacey Denuski.

STATE LEGISLATIVE SESSION SEND OFF

Discussion of City of Kenmore 2017 Legislative Agenda.

ADJOURNMENT

The special meeting adjourned at 7:12 p.m. There was a 46th District Town Hall Meeting immediately following the special meeting.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk

Voucher Certification and Approval

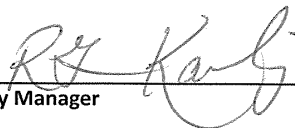
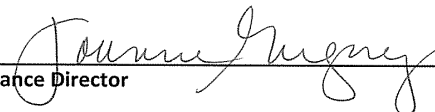
I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Kenmore and that I am authorized to authenticate and certify to said claim.

The following checks and electronic payments are approved for payment:

Total Check numbers: 35918 through 36017 \$ 520,856.65

Payroll check number: 9423 \$ 2,462.97

Total Payroll electronic deposits dated: 12/23/2016 \$ 80,673.77

 _____ City Manager	<u>12/30/16</u> _____ Date
 _____ Finance Director	<u>12/30/16</u> _____ Date

Check #	Vendor Name	Description	Check Amount
35918	VERIZON WIRELESS	11/27-12-26 Cell Phones/I-Pads	616.95
35919	WA STATE DEPARTMENT OF AGRICULTURE	2017 Pesticide License	33.00
35920	NATIONWIDE FINANCIAL 401a	Social Security Replacement Plan	10,170.61
35921	NATIONWIDE RETIREMENT SOLUTIONS 457	Deferred Comp Payroll Deduction	2,195.00
35922	ICMA RETIREMENT TRUST 457 - 304745	Deferred Comp Payroll Deduction	3,203.81
35923	DRS 457	Deferred Comp Payroll Deduction	460.00
35924	AFLAC	Private Medical/ Disability Plans	348.94
35925	CITY OF KENMORE FS	Flexible Spending Medical Plans	396.38
35926	BANK OF AMERICA 941	Payroll Taxes	17,901.47
35927	DEPARTMENT OF RETIREMENT SYSTEMS	WA State Retirement	19,523.43
35928	DEPARTMENT OF LABOR AND INDUSTRIES	Worker's Compensation	2,250.94
35929	UNITED WAY OF KING COUNTY	Employee Charitable Contribution	442.00
35930	NATIONAL LIFE OF VERMONT	Life Insurance	123.17
35931	AMERICAN GENERAL LIFE GPO-400S	Life Insurance	409.94
35932	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Deduction	275.00
35933	HSA BANK	Employee Health Savings Acct. Contribution	80.76
35934	KING COUNTY ASSESSOR	Multi-Family Housing Application Fee	358.00
35935	AWC EMPLOYEE BENEFITS	Employee Health Insurance	50,569.51
35936	LINCOLN NATIONAL LIFE INSURANCE	Life/Long Term Disability/AD&D	921.95
35937	ESA ADOLFSON	Shoreline Permit Appeal	5,357.50
35938	ASSOCIATION OF WA CITIES	Workers' Comp Retro Progress Assessment	1,691.00
35939	VOID	Void	-
35940	BRUCE DEES & ASSOCIATES	Nov 16-C1496 St. Edward Sport Fields Prof. Svcs	2,838.15
35941	CODE PUBLISHING COMPANY	Kenmore Municipal Code Supplement Update	1,787.20
35942	CROWN PRODUCTS LLC	Pet Waste Bags for Parks	1,015.60
35943	EMPLOYMENT SECURITY DEPT	Dec. Unemployment Payment	23.41
35944	CALPORTLAND COMPANY	Fill Sand for Bin Stocking	145.25
35945	HERRERA ENVIRONMENTAL CONSULTANTS	10/29-11/25 16-C1606 Aquatic Vegetation Mgmt.	656.82
35946	INSLEE, BEST, DOEZIE & RYDER, P.S.	October Legal Services	31,898.36
35947	KING COUNTY FINANCE W.L.R.D.	November Water Quality Site Audits	744.92
35948	KING COUNTY FINANCE	November Community Work Program	8,580.00
35949	SOUND PUBLISHING, INC.	Bothell/Kenmore Reporter Sept. & Nov. Ads	1,481.70

35950	LIGHTHOUSE CONSULTING INC	Nov. Protection/Backup Service & IT Services	4,362.86
35951	PENDLETON, MICHAEL	City Manager Evaluation Professional Service	1,498.50
35952	MORGAN SOUND INC	Tree Lighting Sound Services	1,147.01
35953	MR. T'S TROPHIES	City Clerk Name Plate	14.18
35954	NORTHSHORE FIRE DEPT	November Fire Marshal Plan Review	960.00
35955	NORTHSHORE SENIOR CENTER	3rd Qtr Human Services - Transportation	1,650.00
35956	NORTHSHORE SENIOR CENTER	3rd Qtr Human Services Funding	5,500.00
35957	NORTHSHORE YMCA	3rd Qtr Human Services Funding	1,625.00
35958	HONEY BUCKET	12/3-12/30 Squire's Landing Rental	218.35
35959	PUGET SOUND ENERGY	11/11-12/13 Electricity/Street Lights/Signals/Gas	4,237.89
35960	SEATTLE TIMES	Legal Ads/Notices Dec. 8-14th	1,634.68
35961	SIGN UP, SIGN CO, INC	Kenmore Holiday Lights Signs & Moorlands Park Sign	411.75
35962	STEWART MACNICHOLS HARMELL, INC.	November Public Defender Services	5,000.00
35963	TOTAL LANDSCAPE CORP	Dec. City Hall & Parks Landscaping	5,002.61
35964	VIBRANT PLANTS INC	Plants for NE 181st North Sidewalk	1,919.41
35965	WA STATE DEPT OF TRANSPORTATION	Nov. 68th/175th & 68th/181st Signal Maintenance	276.45
35966	COLUMBIA RIDGE LANDFILL	Nov. Street Sweeper Debris Dumping	854.82
35967	MACLEOD RECKORD	16-C1502 Nov. Moorlands Park Engineering Svcs	20,296.50
35968	VAN NESS, ALLAN	Airfare Reimbursement	451.20
35969	SNOHOMISH COUNTY	November Vactor Waste Disposal	3,139.00
35970	HARRIS, LESLIE	Tree Lighting Supplies Reimbursement	85.18
35971	VOID	Void	-
35972	BANNER BANK LD	Tree Lighting Supplies/Social Media	1,031.53
35973	BANNER BANK NO	Bus. Directory/Parking/Bus. Meeting Expenses	155.87
35974	NORTHSHORE ROTARY CLUB	Quarterly Dues & Meals	184.00
35975	BANNER BANK JG	Supplies/ Computer Equipment	1,958.99
35976	BANNER BANK KENMORE	Supplies/Meals/Lodging/Transportation	2,284.81
35977	BANNER BANK KENMORE	Supplies/Bus. Meeting Expenses/Registration	2,395.93
35978	UNCLE STINKY'S MAGIC	Holiday Lighting Event Entertainment	547.50
35979	SHRED-IT USA LLC	12/15 Shredding Service	56.94
35980	ALCALDE & FAY	December Gov't. Affairs Consulting	5,018.07
35981	KENMORE ELEMENTARY PTA	Qtr 3 Human Services Funding	1,500.00
35982	COMCAST	12/14-1/13 City Hall Internet/Cable	288.77
35983	INTEGRA TELECOM	12/8-1/7/16 City Hall Phones	896.84
35984	COX PRINTING & SIGNS	Hank Heron Special Event Sign	411.76
35985	AM TEST, INC	Swamp Creek Water Sampling	250.00
35986	PAWS	November Animal Sheltering Services	1,050.00
35987	DEVRIES, DENIS	Police Volunteer Mileage Reimbursement	27.00
35988	MILLER STEPHENS, MARY	November Public Defense Svcs @ SCORE	1,250.00
35989	PERTEET INC.	November On Call Consulting Services	6,224.39
35990	AAA FLAG & BANNER MFG. CO., INC.	Street Banners	4,185.52
35991	BANNER BANK VAN NESS	Parking/Lodging/Conference Registration	1,626.73
35992	ANCHOR QEA, LLC	16-C1524 Sediment Sampling - Technical Support	1,656.00
35993	KBA INC.	Nov. 15-C1475 Town Green Construction Mgmt.	4,235.81
35994	WAGE WORKS	Nov. FSA/Aflac/Flex Plan Administrative Fees	116.00
35995	KARLINSEY, ROB	Art Pieces for Hanger Building	1,991.00
35996	KARLINSEY, ROB	Ballard Consignment - Hangar Building Furniture	6,850.00
35997	KENMORE COMMERCIAL LLC	January Incubator Lease Payment	3,281.00
35998	FASTSIGNS	Special Event Signs	263.90
35999	HESTON VISUAL ARTS	Christmas Tree Lighting Photography	328.50
36000	ROAD CONSTRUCTION NW, INC.	Retainage Reimbursement	4,581.22
36001	TRINITY CONTRACTORS, INC.	15-C1484 NE 181st North Sidewalk Construction	121,017.02
36002	KPFF CONSULTING ENGINEERS	15-C1484 October Transportation On-Call Svcs	34,037.77
36003	SITTS & HILL ENGINEERS, INC.	15-C1454 Squire's & 15-C1464 Rhod. Park Prof. Svcs	1,482.00
36004	THE SEATTLE TIMES NIE	SWM Public Education/Outreach	1,750.00
36005	BANNER BANK RK	Holiday Event Expenses/Parking	2,024.64

36006	RESOURCE EXPLORATION, LLC	Priority Based Budgeting License Fee	8,000.00
36007	TOP TO BOTTOM JANITORIAL, INC.	December City Hall Janitorial Service	3,500.00
36008	TYLER TECHNOLOGIES, INC.	Financial Management Software	6,605.91
36009	CABOT DOW ASSOCIATES, INC.	November Salary Study Services	2,227.50
36010	GEOFF VICEK PHOTOGRAPHY	Art Piece for Hangar Building	1,200.00
36011	ABBEY PARTY RENTS OF WA, INC.	Tree Lighting Event Rentals	625.71
36012	CAMPBELL SCIENTIFIC	Stream Telemetry Monitoring Equipment	11,053.91
36013	TRUST ACCT OF CONNOR & SARGENT PLLC	Settlement Agreement	7,000.00
36014	S&P GLOBAL RATINGS	Bond Rating Services	14,000.00
36015	YSI INCORPORATED, A XYLEM BRAND	Stream Monitoring Equipment	22,849.80
36016	BANNER BANK BAKER	Lodging/Meals/Registration/Transportation	1,820.82
36017	CROWN PRODUCTS LLC	Pet Waste Bags for Parks	227.33
9423	CHELIN, KELLY	Payroll Check	2,462.97
12/23/2016	PAYROLL	Direct Deposit	80,673.77
			<u>\$ 603,993.39</u>

2016	PRIOR VENDOR ACTIVITY	TOTAL	FOR 2016
	A & A LIMOUSINE & BUS SERVICE		1,653.00
	A+ CONFERENCING		1,195.69
	AA ASPHALTING, INC		11,389.51
	AAA FLAG & BANNER MFG. CO., INC.		4,918.36
	AAA PRINTING		1,100.65
	AABCO BARRICADE COMPANY INC.		2,726.55
	ABBETT, R. ROY		325.00
	ABIGANIA, ALBERT		300.00
	ACF WEST INC		3,533.01
	ACTION ENTERTAINMENT		770.00
	ACTIVE SHOOTER TRAINING LLC		1,425.00
	ADMAN, STACI		6,296.26
	ADVANCE TESTING & SERVICE INC		702.00
	AFLAC		3,838.34
	AGORA NW LLC		336.39
	ALCALDE & FAY		56,119.67
	ALEXANDER, JEFF		400.00
	ALL CITY FENCE CO.		5,226.44
	ALL CLIMATE HEATING AND AIR		36.05
	ALL TRAFFIC SOLUTIONS		2,625.00
	ALLPLAY SYSTEMS LLC		1,190.28
	ALPHAGRAPHICS US718		1,500.51
	ALTA MAXINE MELVIN		14,674.00
	AM TEST, INC		1,775.00
	AMERICAN GENERAL LIFE GPO-400S		4,709.41
	AMERICAN PLANNING ASSOCIATION		2,124.00
	AMERICAN PUBLIC WORKS ASSOCIATION		1,225.00
	AMERICAN SOCIETY OF CIVIL ENGINEERS		225.00
	AMERICAN SOCIETY OF COMPOSERS		336.63
	ANCHOR QEA, LLC		7,611.50
	ANDERSON, LAURI		178.50
	APPLIED CONCEPTS, INC.		2,979.50
	AQUATECHNEX LLC		37,624.20
	ARC - PACIFIC NORTHWEST		2,711.51
	ARTS OF KENMORE		5,294.76
	ARTSITE LTD, LLC		1,435.76
	ASPLUNDH		5,420.25
	ASSOCIATION OF WA CITIES		16,935.04
	ATHENAS		320.00
	AURELIAN DESIGN		342.00
	AURORA RENTS		2,290.85
	AUTO BEE		150.00
	AUTOMATED CONTROLS		3,087.90
	AV CAPTURE ALL		4,718.57
	AVCA HARDWARE		341.33
	AWC EMPLOYEE BENEFITS		498,629.27
	BAKER, BRIDGIT		138.62
	BAKER, DAVID		4,128.08
	BANK OF AMERICA 941		388,845.84
	BANNER BANK		3,774.45
	BANNER BANK DB		1,204.04
	BANNER BANK LD		2,264.98
	BANNER BANK BAKER		9,555.63
	BANNER BANK BH		5,051.13

BANNER BANK	CS	5,200.42
BANNER BANK	DB	3,506.05
BANNER BANK	JG	5,988.62
BANNER BANK	JGORDON	9,473.66
BANNER BANK	KENMORE	32,819.61
BANNER BANK	LD	6,948.00
BANNER BANK	NO	4,439.08
BANNER BANK	PS	2,189.67
BANNER BANK	RK	3,539.17
BANNER BANK	VAN NESS	5,291.82
BARTLETT TREE EXPERTS		394.20
BASTYR UNIVERSITY		50,200.00
BELLEVUE COLLEGE		219.12
BELMARK, LLC		7,776.05
BEN HOLT INDUSTRIES		6,050.00
BERK CONSULTING		77,532.28
BEST BUY BUSINESS ADVANTAGE ACCOUNT		21,943.51
BJELDE, LAUREN		1,750.00
BLACKBAUD		7,225.80
BLUEBEAM, INC.		2,592.00
BRAVO ENVIRONMENTAL SERVICE		83,724.34
BRIEN, GAYLYNN		600.00
BROADCAST MUSIC, INC.		336.00
BRUCE DEES & ASSOCIATES		57,114.16
BUILDERS EXCHANGE OF WASHINGTON INC		451.95
BULGER SAFE & LOCK, INC.		450.26
CABOT DOW ASSOCIATES, INC.		5,816.25
CALPORTLAND COMPANY		2,262.74
CAPITAL ONE COMMERCIAL/ COSTCO		68.29
CAPPS, DAWNA		50.00
CARSTAR		1,793.19
CASCADE PEST CONTROL		1,323.50
CASCADE RECREATION, INC		301.13
CATHOUSE PIZZA		112.00
CEMEX		3,282.47
CENTER FOR HUMAN SERVICES		15,000.00
CHICAGO TITLE		1,099.78
CITY OF BELLEVUE		132,718.60
CITY OF KENMORE FS		7,513.12
CITY OF KENT		500.00
CITY OF LAKE FOREST PARK		841,353.41
CITY OF SHORELINE		12,538.07
CITY OF TACOMA		40.00
CITY WIDE FENCE COMPANY, INC		804.83
CITYWORKS/ AZTECA SYSTEMS INC.		21,900.00
CLEARWATER LEAK DETECTION, INC.		1,100.00
CLOWNS UNLIMITED, INC.		897.90
COAST & HARBOR ENGINEERING		63,329.05
COASTAL WEAR PRODUCTS INC		1,356.71
COASTWIDE LABORATORIES		8,372.98
COBRA BEC, INC.		8,945.94
CODE PUBLISHING COMPANY		12,332.70
COLUMBIA RIDGE LANDFILL		9,945.93
COMCAST		5,370.58
CONSOLIDATED PRESS		14,360.02
CONTOUR FENCE CO. INC.		6,605.04

CORT PARTY RENTAL	582.98
COX PRINTING & SIGNS	766.40
CUES	46.86
CULLEY, AMBERLY	9,096.26
CURTIS, DR. MILTON	560.16
D.R. HORTON	15,000.00
DAILY JOURNAL OF COMMERCE	2,509.15
DANSOUND INC	8,830.08
DAY WIRELESS SYSTEMS	76.44
DEPARTMENT OF ECOLOGY	34,739.65
DEPARTMENT OF LABOR AND INDUSTRIES	27,884.34
DEPARTMENT OF RETIREMENT SYSTEMS	432,768.39
DEPPA, DOUG	127.50
DEVRIES, DENIS	504.93
DIGITAL REPROGRAPHICS SERVICES INC.	540.17
DRS 457	25,520.00
DURRANT, JEFF	178.50
EA ENGINEERING SCIENCE & TECHNOLOGY	97,641.15
ECONOMIC DEV COUNCIL OF SEATTLE/KC	5,000.00
ECOSS	3,841.54
EJ USA, INC.	3,091.51
EMERALD FIRE LLC	289.08
EMPLOYMENT SECURITY DEPT	14,378.85
ENVIRONMENTAL SYSTEMS RESEARCH INST	5,694.00
ESA ADOLFSON	34,929.05
EVERGREEN FIRE AND SAFETY, INC.	122.91
EVERGREEN PRINT SOLUTIONS	1,489.70
EVERGREEN SAFETY COUNCIL	299.00
EVER-MARK, LLC	2,959.77
EXPONENT, INC.	53,259.76
FAZZARI MARKETING	3,555.92
FCS GROUP, INC.	40,693.25
FEDEX OFFICE	1,746.15
FEENEY WIRELESS	1,195.81
FERGUSON ENTERPRISES INC #1539	8,686.79
FINANCIAL CONSULTANTS INT'L INC	495.50
FIRE PROTECTION, INC	5,325.40
FIRE SYSTEMS WEST, INC.	547.50
FIX AUTO	1,000.00
FLEMINGS HOLIDAY LIGHTING LLC	6,279.93
FLOW TECHNOLOGIES INC.	54,497.61
FOOTPRINT PROMOTIONS	1,912.53
FRONTIER	12,547.42
FRUHLING SAND & TOPSOIL	4,558.79
FUJII, GLORIA	1,700.00
FUNRENT	458.81
G & H PRINTING	516.25
GALLATIN PUBLIC AFFAIRS	40,925.03
GLENMOOR 6, LLC	7,500.00
GOOD TO GO	32.50
GOODSELL POWER EQUIPMENT #2 INC.	142.05
GORDON THOMAS HONEYWELL	41,330.31
GOVDELIVERY, INC.	11,025.00
GOVERNMENT FINANCE OFFICERS ASSOC	190.00
GRAINGER	2,090.37
GREATER BOTHELL CHAMBER OF COMMERCE	5,200.00

GREGORY, JOANNE	459.50
GRINDLINE SKATEPARKS INC.	12,850.01
GROUP FOUR INC.	7,620.00
GRYPHON TRAINING GROUP, INC.	150.00
HAMPSON, BRYAN	138.14
HANSEN, COREY	48,275.00
HARRIS, LESLIE	242.38
HATFIELD, CHRISTOPHER	75.00
HDR ENGINEERING, INC	572,786.90
HERBIG, NIGEL	61.56
HERMANSON COMPANY, LLP	6,769.32
HERRERA ENVIRONMENTAL CONSULTANTS	15,703.18
HESTON VISUAL ARTS	1,051.75
HEWITT	134,956.66
HOME DEPOT CREDIT SERVICES	641.43
HONEY BUCKET	4,206.38
HOPELINK	22,500.00
HOPKINS, CRAIG	839.16
HORIZON DISTRIBUTORS INC	2,779.70
HSA BANK	1,938.24
IAP2 PUGET SOUND CHAPTER	1,550.00
ICMA RETIREMENT TRUST 457 - 304745	73,641.44
iCOMPASS TECHNOLOGIES, INC.	9,650.00
INDEPENDENT STATIONERS	1,831.62
INGLEWOOD GOLF COURSE	1,248.30
INSLEE, BEST, DOEZIE & RYDER, P.S.	401,705.39
INTEGRA TELECOM	9,979.33
INTERNATIONAL BUSINESS INNOVATION	525.00
INTERNATIONAL CITY/CNTY MGMT ASSOC	2,633.13
INTERNATIONAL CODE COUNCIL	135.00
INTERNATIONAL INST OF MUNI CLERKS	220.00
iWORQ SYSTEMS	2,800.00
J&K ASSOCIATES	2,460.47
JACOBS ENGINEERING GROUP	242,090.61
JAYMARC - AV	48,017.75
JD PLUMBING & FIRE PROTECTION INC.	214.03
JET CITY PRINTING	5,032.82
JOYCE ZIKER PARKINSON	11,017.50
JP HENNESSY	500.00
JUSTIN BREWER WEB DESIGN	945.00
KAMINS CONSTRUCTION INC.	582,217.77
KARLINSEY, ROB	154.72
KBA INC.	119,742.06
KCDA PURCHASING COOP	1,693.69
KD CANOPY	771.00
KEARNEY GROUP, LLC	668.00
KEEP POSTED INC	608.00
KENMORE CAMERA	2,994.70
KENMORE COMMERCIAL LLC	36,515.19
KENMORE COMMUNITY CLUB	490.00
KENMORE ELEMENTARY PTA	3,000.00
KENMORE HERITAGE SOCIETY	475.00
KIMBERLY LANE 9, LLC	8,645.82
KING COUNTY ANIMAL SVCS	3,369.00
KING COUNTY DISTRICT COURT	121,748.00
KING COUNTY FINANCE	442,062.32

KING COUNTY FINANCE W.L.R.D.	70,049.67
KING COUNTY FINANCE/ GIS	2,644.47
KING COUNTY FLEET ADMIN	882.17
KING COUNTY MUNICIPAL CLERKS ASSOC	25.00
KING COUNTY OFFICE OF FINANCE	1,838.87
KING COUNTY RADIO COMM SERVICES	1,134.44
KING COUNTY RECORDER'S OFFICE	166.00
KING COUNTY SHERIFF	3,260,015.21
KING COUNTY TREASURY	12,024.01
KING CTY EASTSIDE TRANSP PARTNERSH	200.00
KING'S DRYWALL REPAIR LLC	2,299.50
KINGS HEATING	28.84
KOMPAN, INC	169.73
KONICA MINOLTA BUSINESS SOLUTIONS	8,032.27
KORTE, BRENT	27.61
KPFF CONSULTING ENGINEERS	252,357.13
KRAZAN & ASSOCIATES, INC.	8,522.50
KUSTOM SIGNALS, INC.	293.53
KVO INDUSTRIES, INC	1,245.00
LACONNER CHANNEL LODGE	250.00
LANDSCAPE FORMS, INC.	15,665.89
LANEY JONES AND THE SPIRITS	1,000.00
LANGTON SPIETH, LLC	35,000.00
LANGUAGE LINE SERVICES, INC.	4.83
LAW OFFICE OF JOHN RUNGERUDE, PS	3,000.00
LENNAR NORTHWEST, INC.	28,334.10
LIGHTHOUSE CONSULTING INC	66,322.13
LINCOLN NATIONAL LIFE INSURANCE	10,057.97
LITTLE, ERIK	7,500.00
LOVE BOMB GO-GO	1,500.00
LOYUK, SAMANTHA	52.92
M M COMFORT SYSTEMS	28.84
MACDONALD MILLER FACILITY SOLUTIONS	3,277.44
MACLEOD RECKORD	36,606.73
MAGEE, STEVEN	49.44
MAIL FINANCE	2,812.00
MAINSTREET MASONRY RESTORATION LLC	1,228.25
MARINE EXCHANGE OF PUGET SOUND	1,000.00
MARINE FLOATS CORPORATION	4,844.19
MARSHBANK CONSTRUCTION	4,725,683.87
MARY BRABEC	3,500.00
MCALLISTER, TERESA	232.12
MCKINNEI, SHAHIN	102.35
MEEHAN, NANCY	90.89
METROPOLITAN TRANS. COMMISSION	1,500.00
MILLER STEPHENS, MARY	16,250.00
MIWONGTUM, RACHEL	120.99
MOBILE MINI, INC.	2,917.20
MOON CONSTRUCTION COMPANY	27,199.81
MORGAN SOUND INC	2,581.80
MOTT MACDONALD GROUP, INC.	945.00
MR. T'S TROPHIES	437.61
MRSC ROSTERS	90.00
MUMMA, RYAN	58.32
MUNIMANAGE, LLC	34,625.00
NATIONAL LEAGUE OF CITIES	1,563.45

NATIONAL LIFE OF VERMONT	1,354.87
NATIONWIDE FINANCIAL 401a	289,094.75
NATIONWIDE RETIREMENT SOLUTIONS 457	16,630.00
NEOPOST NORTHWEST	58.02
NORTHLAKE LUTHERAN CHURCH	100.00
NORTHSHORE FIRE DEPT	6,063.00
NORTHSHORE PARK & REC SERVICE AREA	1,360.00
NORTHSHORE ROTARY CLUB	714.00
NORTHSHORE SCHOOL DISTRICT	7,500.00
NORTHSHORE SENIOR CENTER	14,300.00
NORTHSHORE UTILITY DIST	180,520.54
NORTHSHORE YMCA	4,875.00
NORTHSHORE YOUTH & FAMILY SERVICES	12,000.00
NORTHWEST ARBORICULTURE LLC	6,979.47
NORTHWEST LANDSCAPE SERVICES	41,993.92
NORTHWEST MARINE TRADE ASSOCIATION	425.00
NORTHWEST PLAYGROUND EQUIPMENT INC.	14.97
NORTHWEST PRECISION BUILDERS	15,902.80
NORTHWEST TROPHY	4,280.73
NORTHWESTERN COLLECTION SERVICE INC	690.00
NRC ENVIRONMENTAL SERVICES, INC.	4,975.10
OAC SERVICES, INC	307.97
OFFICE DEPOT	11,579.43
OFFICE TEAM	15,599.41
OGDEN, MURPHY, WALLACE	15,502.50
OLBRECHTS & ASSOCIATES, PLLC	4,485.50
OLYMPIC ENVIRONMENTAL RESOURCES INC	33,723.87
ORNAMENTAL STONE	12,857.71
OSBORN CONSULTING INC.	50,185.76
OUSLEY, NANCY	1,020.86
OVERLEESE, KRISTEN	170.15
OWEN EQUIPMENT COMPANY	1,246.98
PACE ENGINEERS, INC.	109,828.92
PACIFIC TOPSOILS	5,513.35
PACIFICA LAW GROUP LLP	632.50
PAJEK, KELLY	22.00
PAMPLIN MEDIA GROUP	190.00
PARAMETRIX INC	32,539.40
PASSPORT TRAVEL AND TOURS	924.40
PAT'S TREES AND LANDSCAPE INC.	4,043.52
PAWS	3,500.00
PCS MOBILE	4,741.35
PEARSON ESTATES LLC	14,897.46
PEMBERTON, JIM	3,086.64
PENDLETON, MICHAEL	3,186.34
PEOPLES STORAGE	1,608.00
PERFORMANCE SYSTEMS INTEGRATION LLC	826.73
PERSONAL BEST/ TOPHEALTH	117.20
PERTEET INC.	183,929.01
PETERSON, JANET	3,125.00
PETTY CASH CUSTODIAN	1,224.65
PHSI PURE HEALTH SOLUTIONS INC.	323.82
PHSI PURE WATER FINANCE	1,424.11
PRINTWEST	492.75
PROFFITT, QUINN	150.00
PROTECTION TECHNOLOGIES, INC	1,224.63

PROTHMAN COMPANY	14,275.80
PRSA	307.00
PUBLIC HEALTH DEPT. OF KING COUNTY	430.00
PUGET SOUND BUSINESS JOURNAL	105.00
PUGET SOUND CLEAN AIR AGENCY	17,411.00
PUGET SOUND ENERGY	239,084.79
PUGET SOUND FINANCE OFFICERS ASSOC	50.00
QUALITY BUSINESS SYSTEMS INC.	11,033.40
QUINN, JANET	71.60
R.C. PAINTING & SONS, INC.	1,314.00
RAMCO CONSULTING SERVICES, INC.	185.00
RANDALL, BRIAN	381.58
REACTCS	250.00
REID, JAMES FALCONER	5,400.00
REIQUAM, PETER	19,500.00
REPUBLIC SERVICES	8,548.17
RESOURCE EXPLORATION, LLC	12,000.00
RFI ENTERPRISES INC.	10,827.37
RICHARDSON, ZACK	116.00
RICHMOND AMERICAN HOMES OF WA	47.00
RYCO EQUIPMENT, INC.	216.81
SALTER, JON	444.00
SAMYN, DR. JEFFREY	250.00
SANDRA OWEN DESIGN	585.00
SARAH ROBERTS	116,859.82
SAUVE, GAYLEN	350.00
SAWYER, RICHARD	124.11
SCHINDLER ELEVATOR CORPORATION	7,163.74
SCHOCK, BRETT	116.00
SCORE	352,976.38
SEATTLE TIMES	17,624.86
SELECT AIR SERVICES DBA GREENWOOD	32.14
SESAC	378.00
SHRED-IT USA LLC	2,371.94
SIGN UP, SIGN CO, INC	2,312.20
SITEIMPROVE, INC.	4,998.00
SITTS & HILL ENGINEERS, INC.	27,416.46
SKILLET	404.00
SKYWARD CONSTRUCTION	3,098,320.19
SMITH, BRENT	63.72
SMITH, JARRETT	140.49
SNOHOMISH COUNTY	11,900.00
SNO-KING WATERSHED COUNCIL	3,000.00
SOFTRESOURCES LLC	4,243.75
SOFTWAREONE, INC.	10,353.38
SOLAR TRAFFIC SYSTEMS INC.	4,935.00
SOLOMON ARTS & ENTERTAINMENT	300.00
SOLTERRA	298.65
SOUND CITIES ASSOC	13,353.25
SOUND LAW CENTER	17,948.00
SOUND OCEAN	188.96
SOUND PUBLISHING, INC.	7,680.27
SPERRY, LAURIE	64.80
ST EDWARD STATE PARK	7,410.40
STARDOM SERVICES, INC.	5,610.00
STATE AUDITOR'S OFFICE	26,851.92

STATE OF FLORIDA DISBURSEMENT UNIT	6,600.00
STATEWIDE RENT-A-FENCE INC.	370.31
STEWART MACNICHOLS HARMELL, INC.	55,803.00
SUNGARD PUBLIC SECTOR INC.	52,554.50
SWANK MOTION PICTURES, INC.	386.55
TACOS LA FLACA	40.00
TECHNEX	24,768.90
TELESYSTEMS WEST	634.12
TERREBONNE LIMITED	301.83
THE DAVEY TREE EXPERT COMPANY	3,613.50
THE TILLERS, LLC	1,750.00
THE WIDE FORMAT COMPANY	1,045.73
THOMAS, MICHAEL	223.30
TOP TO BOTTOM JANITORIAL, INC.	28,625.00
TOPIA TECHNOLOGY/ BIS	1,300.00
TOTAL LANDSCAPE CORP	109,083.41
TOWN CENTER HARDWARE	1,389.93
TRAFFICALM SYSTEMS	4,571.00
TRINITY CONTRACTORS, INC.	157,109.28
TWO STORY ZORI	1,750.00
TYLER TECHNOLOGIES, INC.	46,821.38
UNCLE STINKY'S MAGIC	273.75
UNITED RENTALS NW, INC	1,355.45
UNITED STATES POSTMASTER	6,452.24
UNITED STATES TREASURY	4.10
UNITED WAY OF KING COUNTY	5,304.00
UPS STORE	383.80
US POSTAL SERVICE (HASLER)	11,690.26
UTILITIES UNDERGROUND LOCATION CTR	1,986.60
V2WORKS	935.55
VAN NESS, ALLAN	2,601.43
VAUGHAN, KENT	314.00
VERIZON WIRELESS	10,036.43
VERTICAL VISUAL SOLUTIONS INC.	793.88
VICENTE, JOHN	47.00
VINTAGE AMBIANCE	93.08
VOLGISTICS, INC	540.00
W.S.S.O. Advanced Training	520.00
WA ASSOC OF BUILDING OFFICIALS	1,670.00
WA ASSOC OF PUBLIC RECORDS OFFICERS	400.00
WA CITIES INSURANCE AUTHORITY	229,194.00
WA FINANCE OFFICERS ASSOCIATION	475.00
WA STATE DEPARTMENT OF AGRICULTURE	25.00
WA STATE DEPT OF LABOR & INDUSTRIES	141.60
WA STATE DEPT OF TRANSPORTATION	39,205.41
WA TRUST FOR HISTORIC PRESERVATION	100.00
WAGE WORKS	1,110.00
WALL, JOHN	187.83
WALTERS, GEORGE	7,500.00
WASHINGTON ARCHITECTURAL HARDWARE	1,664.41
WASHINGTON AWARDS	546.39
WASHINGTON CITY/COUNTY MGMT ASSOC	630.00
WASHINGTON STATE DEPT OF REVENUE	2,667.11
WASHINGTON STATE OFFICE CASH MGMT	2,847.50
WASHINGTON STATE PATROL	3,198.86
WASHINGTON TREE SERVICE INC	4,599.00

WATSON, ELIZABETH	500.00
WELLS FARGO FINANCIAL	11,867.52
WELWEST CONSTRUCTION INC.	36,050.00
WESTERN DISPLAY FIREWORKS, LTD.	17,000.00
WETLANDS & WOODLANDS INC	1,251.04
WHELHAM, STEPHANIE	250.00
WINTERBOURNE LANDSCAPE	1,149.76
WONDERLAND DEVELOPMENT	1,250.00
WRIGHT, MARCI	1,500.00
WSU URBAN IPM & PESTICIDE SAFETY	58.00
YOURMEMBERSHIP.COM, INC	150.00
ZONAR SYSTEMS	525.33
ZONES	1,122.80
ZORNES, GARY	688.19
ZUMAR	2,190.40
21523704.07	- <u>\$ 21,523,704.07</u>

Voucher Certification and Approval

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Kenmore and that I am authorized to authenticate and certify to said claim.

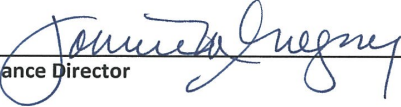
The following checks and electronic payments are approved for payment:

Total Check numbers: 36018 through 36107 \$ 620,278.27

Total Payroll electronic deposits dated: 01/06/2017 \$ 82,114.21


 City Manager

1-13-2017
 Date


 Finance Director

1-13-17
 Date

Check #	Vendor Name	Description	Check Amount
36018	NATIONWIDE FINANCIAL 401a	Social Security Replacement Plan	13,231.95
36019	NATIONWIDE RETIREMENT SOLUTIONS 457	Deferred Comp Payroll Deduction	145.00
36020	ICMA RETIREMENT TRUST 457 - 304745	Deferred Comp Payroll Deduction	3,163.81
36021	DRS 457	Deferred Comp Payroll Deduction	460.00
36022	BANK OF AMERICA 941	Payroll Taxes	17,240.12
36023	DEPARTMENT OF RETIREMENT SYSTEMS	WA State Retirement	19,347.09
36024	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Deduction	275.00
36025	H.S.A./AVIDIA BANK	Employee Health Savings Account Contribution	42.30
36026	NAVIA	Flexible Spending Medical & Dependent Care Plans	551.60
36027	UFF DA LOGISTICS	Hangar Bldg. Furniture Delivery	283.59
36028	BRAVO ENVIRONMENTAL SERVICE	16-C1495 Vactor Services - December	42,537.81
36029	CASCADE PEST CONTROL	Dec. Rhododendron Park Pest Control	142.35
36030	CITY OF BELLEVUE	4th Qtr Human Svcs Pooled Programs	9,250.00
36031	CITY OF LAKE FOREST PARK	Nov. Public Works Crew & Equipment	75,417.61
36032	REPUBLIC SERVICES	Dec. Rhododendron Park & City Hall Solid Waste Svcs.	642.97
36033	FRUHLING SAND & TOPSOIL	Vegetation Disposal	300.00
36034	HOPELINK	4th Qtr Emergency Financial Services	2,500.00
36035	HOPELINK	4th Qtr Emergency Food Services	3,750.00
36036	HOPELINK	4th Qtr Human Services - Housing	1,250.00
36037	INSLEE, BEST, DOEZIE & RYDER, P.S.	November Legal Charges	22,873.08
36038	JET CITY PRINTING	Envelopes	301.13
36039	KING COUNTY FINANCE W.L.R.D.	16-C1578 Beach Monitoring/Log Boom Park Samples	7,875.00
36040	KING COUNTY ANIMAL SVCS	Pet Licenses & Renewals	605.00
36041	KING COUNTY FINANCE	Nov. Road Svcs/Simonds Overlay/Signals/Crosswalks	72,182.60
36042	KING COUNTY FINANCE	Dec. Adult & Juvenile Detention Maint/Work Release	7,951.54
36043	KING COUNTY SHERIFF	November Police Dept. School District Overtime	6,677.63
36044	LAKE CITY PICTURE FRAMING	Council Picture Framing	139.74
36045	LIGHTHOUSE CONSULTING INC	December Protection/Backup & IT Services	5,279.16
36046	PENDLETON, MICHAEL	Council Retreat Services	2,111.90
36047	NORTHSHORE FIRE DEPT	December Fire Marshal Plan Review	220.00
36048	NORTHSHORE SCHOOL DISTRICT	Qtr 4 Human Services -Kenmore Hangtime	2,500.00
36049	NORTHSHORE UTILITY DIST	Town Green Water Service Repair	743.54
36050	NORTHSHORE YOUTH & FAMILY SERVICES	Qtr 4 Human Services Program	4,000.00
36051	OFFICE DEPOT	Office Supplies	1,593.41
36052	OFFICE TEAM	Front Desk Temporary Services	850.23
36053	PACIFIC TOPSOILS	12/6 & 12/19 Brush Dumping & Mulch Purchased	88.73

36054	PARAMETRIX INC	10/30-12/31 15-C1471 Lakepointe Project Mgmt.	4,143.97
36055	PUGET SOUND ENERGY	December Electricity/Gas/Street Lights	4,351.36
36056	PUGET SOUND ENERGY	NTPP Lighting Upgrades - LED Update	8,785.55
36057	CEMEX	Asphalt for Sidewalk Repair & Potholes	117.73
36058	SEATTLE TIMES	Legal Ads - Public Hearings & Ordinance Summary	1,200.21
36059	SOUND CITIES ASSOC	SCA Planning Commissioners Networking Dinner	100.00
36060	COLUMBIA RIDGE LANDFILL	December Street Sweeper Dump Fees	401.76
36061	WONDERLAND DEVELOPMENT	Qtr's 2 - 4 Human Services Early Intervention	3,750.00
36062	MACLEOD RECKORD	16-C1502 December Moorlands Park Prof. Svcs.	25,110.65
36063	SNOHOMISH COUNTY	December Vactor Disposal Charges	5,280.00
36064	KONICA MINOLTA BUSINESS SOLUTIONS	December Incubator Copy Machine Lease	209.32
36065	PACE ENGINEERS, INC.	Nov. 15-C1483 Surface Water/Parks On-Call Services	18,432.08
36066	OUSLEY, NANCY	10/5-12/16 Mileage & Toll Reimbursement	143.08
36067	QUALITY BUSINESS SYSTEMS INC.	12/2/16-1/1/17 1st & 2nd Floor Copier Charges	924.22
36068	FINANCIAL CONSULTANTS INT'L INC	Police Car Radar Cable/Bracket Repair/Replacement	206.91
36069	JACOBS ENGINEERING GROUP	15-C1411 10/1-11/25 West Samm Bridge Services	24,218.14
36070	JACOBS ENGINEERING GROUP	15-C1450 6/1-12/9 Swamp Creek Bridge Analysis	4,337.16
36071	ZUMAR	Critical Area Signs	742.26
36072	GORDON THOMAS HONEYWELL	Dec. Government Relations Consulting	3,751.94
36073	WALL, JOHN	Squire's & Rhododendron Park Lock Repairs	202.58
36074	HORIZON DISTRIBUTORS INC	Irrigation Parts	99.74
36075	SARAH ROBERTS	December Prosecution Services	10,623.62
36076	INDEPENDENT STATIONERS	Office Supplies	833.14
36077	WELLS FARGO FINANCIAL	12/21-1/20 1st & 2nd Floor Copier Leases	1,041.25
36078	HOPKINS, CRAIG	December Police Volunteer Mileage	73.44
36079	KENMORE AIR	Seaplane Model	3,000.00
36080	PERTEET INC.	December 12-C1082 On-Call Engineering Services	34,918.08
36081	WASHINGTON STATE PATROL	November Bridge Load Rating Enforcement	371.38
36082	GREATER BOTHELL CHAMBER OF COMMERCE	Kenmore Business Alliance Dec. Support Services	200.00
36083	KARLINSEY, ROB	Town Square Furniture Expense Reimbursement	3,709.87
36084	OSBORN CONSULTING INC.	November 12-C1081 Surface Water On-Call Services	8,873.00
36085	BRIEN, GAYLYNN	October Sales Tax Data Conversion	50.00
36086	HERBIG, NIGEL	November Travel Expense Reimbursement	461.85
36087	SCORE	August & October Outside Health Services	1,560.31
36088	SCORE	December Inmate Housing	18,795.00
36089	HANSEN, COREY	December Business Incubator Consulting	3,425.00
36090	STARDOM SERVICES, INC.	December Incubator Building Janitorial Service	510.00
36091	KPFF CONSULTING ENGINEERS	15-C1484 Nov Transportation On-Call Services	21,214.87
36092	KPFF CONSULTING ENGINEERS	15-C1414 10/29-11/25 62nd Ave Corridor Improve.	2,918.31
36093	KPFF CONSULTING ENGINEERS	15-C1414 11/26-12/30 62nd Ave Corridor Improve.	7,831.34
36094	GOOD TO GO	405 Toll Lane Charge	2.75
36095	EA ENGINEERING SCIENCE & TECHNOLOGY	16-C1582 11/7-12/16 Lodge at Saint Edward Project	13,291.75
36096	FCS GROUP, INC.	Dev. Svcs Fee Study & Public Works Svcs Analysis	14,471.49
36097	M M COMFORT SYSTEMS	Refund for MEC16-0892 Permit Cancelled	52.50
36098	CABOT DOW ASSOCIATES, INC.	December Salary Study Professional Services	855.89
36099	EXPONENT, INC.	December 16-C1580 PSE Energy Reliability Study	3,740.00
36100	GORLIN, LARRY N.	Seaplanes 40 x 60 Photo	1,314.00
36101	COSTTREE, LLC	Cost Allocation Software License Agreement	3,000.00
36102	PIPER JAFFRAY & CO.	Financial Advisory Services Following Bond Sale	26,022.04
36103	ASSOCIATION OF WA CITIES	Safety Alliance Program Service Fee	1,028.75
36104	A+ CONFERENCING	Conference Call 12/21	8.90
36105	AM TEST, INC	December Swamp Creek Water Samples	350.00
36106	APPLIED CONCEPTS, INC.	Police Department Radar	1,875.19
36107	AURELIAN DESIGN	Seaplane T-Shirt Design	822.00
1/6/2017	PAYROLL	Direct Deposit	82,114.21
			<u>\$ 702,392.48</u>

2016	PRIOR VENDOR ACTIVITY	TOTAL	FOR 2016
	A & A LIMOUSINE & BUS SERVICE		1,653.00
	A+ CONFERENCING		1,195.69
	AA ASPHALTING, INC		11,389.51
	AAA FLAG & BANNER MFG. CO., INC.		9,103.88
	AAA PRINTING		1,100.65
	AABCO BARRICADE COMPANY INC.		2,726.55
	ABBETT, R. ROY		325.00
	ABBEY PARTY RENTS OF WA, INC.		625.71
	ABIGANIA, ALBERT		300.00
	ACF WEST INC		3,533.01
	ACTION ENTERTAINMENT		770.00
	ACTIVE SHOOTER TRAINING LLC		1,425.00
	ADMAN, STACI		6,296.26
	ADVANCE TESTING & SERVICE INC		702.00
	AFLAC		4,187.27
	AGORA NW LLC		336.39
	ALCALDE & FAY		61,137.75
	ALEXANDER, JEFF		400.00
	ALL CITY FENCE CO.		5,226.44
	ALL CLIMATE HEATING AND AIR		36.05
	ALL TRAFFIC SOLUTIONS		2,625.00
	ALLPLAY SYSTEMS LLC		1,190.28
	ALPHAGRAPHICS US718		1,500.51
	ALTA MAXINE MELVIN		14,674.00
	AM TEST, INC		2,025.00
	AMERICAN GENERAL LIFE GPO-400S		5,119.35
	AMERICAN PLANNING ASSOCIATION		2,124.00
	AMERICAN PUBLIC WORKS ASSOCIATION		1,225.00
	AMERICAN SOCIETY OF CIVIL ENGINEERS		225.00
	AMERICAN SOCIETY OF COMPOSERS		336.63
	ANCHOR QEA, LLC		9,267.50
	ANDERSON, LAURI		178.50
	APPLIED CONCEPTS, INC.		2,979.50
	AQUATECHNEX LLC		37,624.20
	ARC - PACIFIC NORTHWEST		2,711.51
	ARTS OF KENMORE		5,294.76
	ARTSITE LTD, LLC		1,435.76
	ASPLUNDH		5,420.25
	ASSOCIATION OF WA CITIES		18,626.04
	ATHENAS		320.00
	AURELIAN DESIGN		342.00
	AURORA RENTS		2,290.85
	AUTO BEE		150.00
	AUTOMATED CONTROLS		3,087.90
	AV CAPTURE ALL		4,718.57
	AVCA HARDWARE		341.33
	AWC EMPLOYEE BENEFITS		549,198.78
	BAKER, BRIDGIT		138.62
	BAKER, DAVID		4,128.08
	BANK OF AMERICA 941		406,747.31
	BANNER BANK		3,774.45
	BANNER BANK DB		1,204.04
	BANNER BANK LD		2,264.98
	BANNER BANK BAKER		11,376.45
	BANNER BANK BH		5,051.13

BANNER BANK	CS	5,200.42
BANNER BANK	DB	3,506.05
BANNER BANK	JG	7,947.61
BANNER BANK	JGORDON	9,473.66
BANNER BANK	KENMORE	37,500.35
BANNER BANK	LD	7,979.53
BANNER BANK	NO	4,594.95
BANNER BANK	PS	2,189.67
BANNER BANK	RK	5,563.81
BANNER BANK	VAN NESS	6,918.55
BARTLETT TREE EXPERTS		394.20
BASTYR UNIVERSITY		50,200.00
BELLEVUE COLLEGE		219.12
BELMARK, LLC		7,776.05
BEN HOLT INDUSTRIES		6,050.00
BERK CONSULTING		77,532.28
BEST BUY BUSINESS ADVANTAGE ACCOUNT		21,943.51
BJELDE, LAUREN		1,750.00
BLACKBAUD		7,225.80
BLUEBEAM, INC.		2,592.00
BRAVO ENVIRONMENTAL SERVICE		83,724.34
BRIEN, GAYLYNN		600.00
BROADCAST MUSIC, INC.		336.00
BRUCE DEES & ASSOCIATES		59,952.31
BUILDERS EXCHANGE OF WASHINGTON INC		451.95
BULGER SAFE & LOCK, INC.		450.26
CABOT DOW ASSOCIATES, INC.		8,043.75
CALPORTLAND COMPANY		2,407.99
CAMPBELL SCIENTIFIC		11,053.91
CAPITAL ONE COMMERCIAL/ COSTCO		68.29
CAPPS, DAWNA		50.00
CARSTAR		1,793.19
CASCADE PEST CONTROL		1,323.50
CASCADE RECREATION, INC		301.13
CATHOUSE PIZZA		112.00
CEMEX		3,282.47
CENTER FOR HUMAN SERVICES		15,000.00
CHICAGO TITLE		1,099.78
CITY OF BELLEVUE		132,718.60
CITY OF KENMORE FS		7,909.50
CITY OF KENT		500.00
CITY OF LAKE FOREST PARK		841,353.41
CITY OF SHORELINE		12,538.07
CITY OF TACOMA		40.00
CITY WIDE FENCE COMPANY, INC		804.83
CITYWORKS/ AZTECA SYSTEMS INC.		21,900.00
CLEARWATER LEAK DETECTION, INC.		1,100.00
CLOWNS UNLIMITED, INC.		897.90
COAST & HARBOR ENGINEERING		63,329.05
COASTAL WEAR PRODUCTS INC		1,356.71
COASTWIDE LABORATORIES		8,372.98
COBRA BEC, INC.		8,945.94
CODE PUBLISHING COMPANY		14,119.90
COLUMBIA RIDGE LANDFILL		10,800.75
COMCAST		5,659.35
CONSOLIDATED PRESS		14,360.02
CONTOUR FENCE CO. INC.		6,605.04

CORT PARTY RENTAL	582.98
COX PRINTING & SIGNS	1,178.16
CROWN PRODUCTS LLC	1,242.93
CUES	46.86
CULLEY, AMBERLY	9,096.26
CURTIS, DR. MILTON	560.16
D.R. HORTON	15,000.00
DAILY JOURNAL OF COMMERCE	2,509.15
DANSOUND INC	8,830.08
DAY WIRELESS SYSTEMS	76.44
DEPARTMENT OF ECOLOGY	34,739.65
DEPARTMENT OF LABOR AND INDUSTRIES	30,135.28
DEPARTMENT OF RETIREMENT SYSTEMS	452,291.82
DEPPA, DOUG	127.50
DEVRIES, DENIS	531.93
DIGITAL REPROGRAPHICS SERVICES INC.	540.17
DRS 457	25,980.00
DURRANT, JEFF	178.50
EA ENGINEERING SCIENCE & TECHNOLOGY	97,641.15
ECONOMIC DEV COUNCIL OF SEATTLE/KC	5,000.00
ECOSS	3,841.54
EJ USA, INC.	3,091.51
EMERALD FIRE LLC	289.08
EMPLOYMENT SECURITY DEPT	14,402.26
ENVIRONMENTAL SYSTEMS RESEARCH INST	5,694.00
ESA ADOLFSON	40,286.55
EVERGREEN FIRE AND SAFETY, INC.	122.91
EVERGREEN PRINT SOLUTIONS	1,489.70
EVERGREEN SAFETY COUNCIL	299.00
EVER-MARK, LLC	2,959.77
EXPONENT, INC.	53,259.76
FASTSIGNS	263.90
FAZZARI MARKETING	3,555.92
FCS GROUP, INC.	40,693.25
FEDEX OFFICE	1,746.15
FEENEY WIRELESS	1,195.81
FERGUSON ENTERPRISES INC #1539	8,686.79
FINANCIAL CONSULTANTS INT'L INC	495.50
FIRE PROTECTION, INC	5,325.40
FIRE SYSTEMS WEST, INC.	547.50
FIX AUTO	1,000.00
FLEMINGS HOLIDAY LIGHTING LLC	6,279.93
FLOW TECHNOLOGIES INC.	54,497.61
FOOTPRINT PROMOTIONS	1,912.53
FRONTIER	12,547.42
FRUHLING SAND & TOPSOIL	4,558.79
FUJII, GLORIA	1,700.00
FUNRENT	458.81
G & H PRINTING	516.25
GALLATIN PUBLIC AFFAIRS	40,925.03
GEOFF VICEK PHOTOGRAPHY	1,200.00
GLENMOOR 6, LLC	7,500.00
GOOD TO GO	32.50
GOODSELL POWER EQUIPMENT #2 INC.	142.05
GORDON THOMAS HONEYWELL	41,330.31
GOVDELIVERY, INC.	11,025.00
GOVERNMENT FINANCE OFFICERS ASSOC	190.00

GRAINGER	2,090.37
GREATER BOTHELL CHAMBER OF COMMERCE	5,200.00
GREGORY, JOANNE	459.50
GRINDLINE SKATEPARKS INC.	12,850.01
GROUP FOUR INC.	7,620.00
GRYPHON TRAINING GROUP, INC.	150.00
HAMPSON, BRYAN	138.14
HANSEN, COREY	48,275.00
HARRIS, LESLIE	327.56
HATFIELD, CHRISTOPHER	75.00
HDR ENGINEERING, INC	572,786.90
HERBIG, NIGEL	61.56
HERMANSON COMPANY, LLP	6,769.32
HERRERA ENVIRONMENTAL CONSULTANTS	16,360.00
HESTON VISUAL ARTS	1,380.25
HEWITT	134,956.66
HOME DEPOT CREDIT SERVICES	641.43
HONEY BUCKET	4,424.73
HOPELINK	22,500.00
HOPKINS, CRAIG	839.16
HORIZON DISTRIBUTORS INC	2,779.70
HSA BANK	2,019.00
IAP2 PUGET SOUND CHAPTER	1,550.00
ICMA RETIREMENT TRUST 457 - 304745	76,845.25
iCOMPASS TECHNOLOGIES, INC.	9,650.00
INDEPENDENT STATIONERS	1,831.62
INGLEWOOD GOLF COURSE	1,248.30
INSLEE, BEST, DOEZIE & RYDER, P.S.	433,603.75
INTEGRA TELECOM	10,876.17
INTERNATIONAL BUSINESS INNOVATION	525.00
INTERNATIONAL CITY/CNTY MGMT ASSOC	2,633.13
INTERNATIONAL CODE COUNCIL	135.00
INTERNATIONAL INST OF MUNI CLERKS	220.00
iWORQ SYSTEMS	2,800.00
J&K ASSOCIATES	2,460.47
JACOBS ENGINEERING GROUP	242,090.61
JAYMARC - AV	48,017.75
JD PLUMBING & FIRE PROTECTION INC.	214.03
JET CITY PRINTING	5,032.82
JOYCE ZIKER PARKINSON	11,017.50
JP HENNESSY	500.00
JUSTIN BREWER WEB DESIGN	945.00
KAMINS CONSTRUCTION INC.	582,217.77
KARLINSEY, ROB	8,995.72
KBA INC.	123,977.87
KCDA PURCHASING COOP	1,693.69
KD CANOPY	771.00
KEARNEY GROUP, LLC	668.00
KEEP POSTED INC	608.00
KENMORE CAMERA	2,994.70
KENMORE COMMERCIAL LLC	39,796.19
KENMORE COMMUNITY CLUB	490.00
KENMORE ELEMENTARY PTA	4,500.00
KENMORE HERITAGE SOCIETY	475.00
KIMBERLY LANE 9, LLC	8,645.82
KING COUNTY ANIMAL SVCS	3,369.00
KING COUNTY ASSESSOR	358.00

KING COUNTY DISTRICT COURT	121,748.00
KING COUNTY FINANCE	450,642.32
KING COUNTY FINANCE W.L.R.D.	70,794.59
KING COUNTY FINANCE/ GIS	2,644.47
KING COUNTY FLEET ADMIN	882.17
KING COUNTY MUNICIPAL CLERKS ASSOC	25.00
KING COUNTY OFFICE OF FINANCE	1,838.87
KING COUNTY RADIO COMM SERVICES	1,134.44
KING COUNTY RECORDER'S OFFICE	166.00
KING COUNTY SHERIFF	3,260,015.21
KING COUNTY TREASURY	12,024.01
KING CTY EASTSIDE TRANSP PARTNERSH	200.00
KING'S DRYWALL REPAIR LLC	2,299.50
KINGS HEATING	28.84
KOMPAN, INC	169.73
KONICA MINOLTA BUSINESS SOLUTIONS	8,032.27
KORTE, BRENT	27.61
KPFF CONSULTING ENGINEERS	286,394.90
KRAZAN & ASSOCIATES, INC.	8,522.50
KUSTOM SIGNALS, INC.	293.53
KVO INDUSTRIES, INC	1,245.00
LACONNER CHANNEL LODGE	250.00
LANDSCAPE FORMS, INC.	15,665.89
LANEY JONES AND THE SPIRITS	1,000.00
LANGTON SPIETH, LLC	35,000.00
LANGUAGE LINE SERVICES, INC.	4.83
LAW OFFICE OF JOHN RUNGERUDE, PS	3,000.00
LENNAR NORTHWEST, INC.	28,334.10
LIGHTHOUSE CONSULTING INC	70,684.99
LINCOLN NATIONAL LIFE INSURANCE	10,979.92
LITTLE, ERIK	7,500.00
LOVE BOMB GO-GO	1,500.00
LOYUK, SAMANTHA	52.92
M M COMFORT SYSTEMS	28.84
MACDONALD MILLER FACILITY SOLUTIONS	3,277.44
MACLEOD RECKORD	56,903.23
MAGEE, STEVEN	49.44
MAIL FINANCE	2,812.00
MAINSTREET MASONRY RESTORATION LLC	1,228.25
MARINE EXCHANGE OF PUGET SOUND	1,000.00
MARINE FLOATS CORPORATION	4,844.19
MARSHBANK CONSTRUCTION	4,725,683.87
MARY BRABEC	3,500.00
MCALLISTER, TERESA	232.12
MCKINNEI, SHAHIN	102.35
MEEHAN, NANCY	90.89
METROPOLITAN TRANS. COMMISSION	1,500.00
MILLER STEPHENS, MARY	17,500.00
MIWONGTUM, RACHEL	120.99
MOBILE MINI, INC.	2,917.20
MOON CONSTRUCTION COMPANY	27,199.81
MORGAN SOUND INC	3,728.81
MOTT MACDONALD GROUP, INC.	945.00
MR. T'S TROPHIES	451.79
MRSC ROSTERS	90.00
MUMMA, RYAN	58.32
MUNIMANAGE, LLC	34,625.00

PROTHMAN COMPANY	14,275.80
PRSA	307.00
PUBLIC HEALTH DEPT. OF KING COUNTY	430.00
PUGET SOUND BUSINESS JOURNAL	105.00
PUGET SOUND CLEAN AIR AGENCY	17,411.00
PUGET SOUND ENERGY	243,322.68
PUGET SOUND FINANCE OFFICERS ASSOC	50.00
QUALITY BUSINESS SYSTEMS INC.	11,033.40
QUINN, JANET	71.60
R.C. PAINTING & SONS, INC.	1,314.00
RAMCO CONSULTING SERVICES, INC.	185.00
RANDALL, BRIAN	381.58
REACTCS	250.00
REID, JAMES FALCONER	5,400.00
REIQUAM, PETER	19,500.00
REPUBLIC SERVICES	8,548.17
RESOURCE EXPLORATION, LLC	20,000.00
RFI ENTERPRISES INC.	10,827.37
RICHARDSON, ZACK	116.00
RICHMOND AMERICAN HOMES OF WA	47.00
ROAD CONSTRUCTION NW, INC.	4,581.22
RYCO EQUIPMENT, INC.	216.81
S&P GLOBAL RATINGS	14,000.00
SALTER, JON	444.00
SAMYN, DR. JEFFREY	250.00
SANDRA OWEN DESIGN	585.00
SARAH ROBERTS	116,859.82
SAUVE, GAYLEN	350.00
SAWYER, RICHARD	124.11
SCHINDLER ELEVATOR CORPORATION	7,163.74
SCHOCK, BRETT	116.00
SCORE	352,976.38
SEATTLE TIMES	19,259.54
SELECT AIR SERVICES DBA GREENWOOD	32.14
SESAC	378.00
SHRED-IT USA LLC	2,428.88
SIGN UP, SIGN CO, INC	2,723.95
SITEIMPROVE, INC.	4,998.00
SITTS & HILL ENGINEERS, INC.	28,898.46
SKILLET	404.00
SKYWARD CONSTRUCTION	3,098,320.19
SMITH, BRENT	63.72
SMITH, JARRETT	140.49
SNOHOMISH COUNTY	15,039.00
SNO-KING WATERSHED COUNCIL	3,000.00
SOFTRESOURCES LLC	4,243.75
SOFTWAREONE, INC.	10,353.38
SOLAR TRAFFIC SYSTEMS INC.	4,935.00
SOLOMON ARTS & ENTERTAINMENT	300.00
SOLTERRA	298.65
SOUND CITIES ASSOC	13,353.25
SOUND LAW CENTER	17,948.00
SOUND OCEAN	188.96
SOUND PUBLISHING, INC.	9,161.97
SPERRY, LAURIE	64.80
ST EDWARD STATE PARK	7,410.40
STARDOM SERVICES, INC.	5,610.00

STATE AUDITOR'S OFFICE	26,851.92
STATE OF FLORIDA DISBURSEMENT UNIT	6,875.00
STATEWIDE RENT-A-FENCE INC.	370.31
STEWART MACNICHOLS HARMELL, INC.	60,803.00
SUNGARD PUBLIC SECTOR INC.	52,554.50
SWANK MOTION PICTURES, INC.	386.55
TACOS LA FLACA	40.00
TECHNEX	24,768.90
TELESYSTEMS WEST	634.12
TERREBONNE LIMITED	301.83
THE DAVEY TREE EXPERT COMPANY	3,613.50
THE SEATTLE TIMES NIE	1,750.00
THE TILLERS, LLC	1,750.00
THE WIDE FORMAT COMPANY	1,045.73
THOMAS, MICHAEL	223.30
TOP TO BOTTOM JANITORIAL, INC.	32,125.00
TOPIA TECHNOLOGY/ BIS	1,300.00
TOTAL LANDSCAPE CORP	114,086.02
TOWN CENTER HARDWARE	1,389.93
TRAFFICALM SYSTEMS	4,571.00
TRINITY CONTRACTORS, INC.	278,126.30
TRUST ACCT OF CONNOR & SARGENT PLLC	7,000.00
TWO STORY ZORI	1,750.00
TYLER TECHNOLOGIES, INC.	53,427.29
UNCLE STINKY'S MAGIC	821.25
UNITED RENTALS NW, INC	1,355.45
UNITED STATES POSTMASTER	6,452.24
UNITED STATES TREASURY	4.10
UNITED WAY OF KING COUNTY	5,746.00
UPS STORE	383.80
US POSTAL SERVICE (HASLER)	11,690.26
UTILITIES UNDERGROUND LOCATION CTR	1,986.60
V2WORKS	935.55
VAN NESS, ALLAN	3,052.63
VAUGHAN, KENT	314.00
VERIZON WIRELESS	10,653.38
VERTICAL VISUAL SOLUTIONS INC.	793.88
VIBRANT PLANTS INC	1,919.41
VICENTE, JOHN	47.00
VINTAGE AMBIANCE	93.08
VOLGISTICS, INC	540.00
W.S.S.O. Advanced Training	520.00
WA ASSOC OF BUILDING OFFICIALS	1,670.00
WA ASSOC OF PUBLIC RECORDS OFFICERS	400.00
WA CITIES INSURANCE AUTHORITY	229,194.00
WA FINANCE OFFICERS ASSOCIATION	475.00
WA STATE DEPARTMENT OF AGRICULTURE	58.00
WA STATE DEPT OF LABOR & INDUSTRIES	141.60
WA STATE DEPT OF TRANSPORTATION	39,481.86
WA TRUST FOR HISTORIC PRESERVATION	100.00
WAGE WORKS	1,226.00
WALL, JOHN	187.83
WALTERS, GEORGE	7,500.00
WASHINGTON ARCHITECTURAL HARDWARE	1,664.41
WASHINGTON AWARDS	546.39
WASHINGTON CITY/COUNTY MGMT ASSOC	630.00
WASHINGTON STATE DEPT OF REVENUE	2,667.11

WASHINGTON STATE OFFICE CASH MGMT	2,847.50
WASHINGTON STATE PATROL	3,198.86
WASHINGTON TREE SERVICE INC	4,599.00
WATSON, ELIZABETH	500.00
WELLS FARGO FINANCIAL	11,867.52
WELWEST CONSTRUCTION INC.	36,050.00
WESTERN DISPLAY FIREWORKS, LTD.	17,000.00
WETLANDS & WOODLANDS INC	1,251.04
WHELFHAM, STEPHANIE	250.00
WINTERBOURNE LANDSCAPE	1,149.76
WONDERLAND DEVELOPMENT	1,250.00
WRIGHT, MARCI	1,500.00
WSU URBAN IPM & PESTICIDE SAFETY	58.00
YOURMEMBERSHIP.COM, INC	150.00
YSI INCORPORATED, A XYLEM BRAND	22,849.80
ZONAR SYSTEMS	525.33
ZONES	1,122.80
ZORNES, GARY	688.19
ZUMAR	2,190.40
	<u>\$22,044,560.72</u>



**City Council Business Agenda Item
City of Kenmore, WA**

Subject/Topic: October 2016 Financial Report Presentation	For Council Meeting Agenda of: January 23, 2017 Department: Finance and Administration Prepared by: Joanne Gregory Approved by Department Head: Approved by City Attorney: Approved by Finance Director: Approved by City Manager: <u>Initial & Date</u>
Proposed Council Action/Motion: Receive and File October 2016 Financial Report for the City of Kenmore, Washington	Exhibits/Attachments: October 2016 Financial Report for the City of Kenmore, Washington.
Expenditure Required N/A Amount Budgeted	Appropriation Required N/A
\$59,692,797 Revenues \$69,265,349 Expenditures	
<u>INFORMATION/BACKGROUND:</u> The October 2016 monthly financial report is presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2015-2016 adopted biennial budget. The budget was adopted on December 8, 2014. It also provides an opportunity to identify any potential variances or fluctuations from the budget. The mid-biennium budget review process has been completed and the December monthly report reflects the amended budgets approved by the City Council on November 23, 2015. Not included on this October report is the year end budget amendment approved in December 2016. The final financial report for the year will reflect these adjustments.	
<u>FISCAL CONSIDERATION:</u> October was the 22nd month (92%) of the 24 month 2015-2016 biennium. Total General Fund revenues are at 94% of the amended budget and expenditures are at 87%. Sales taxes, development revenues, and franchise fees are trending ahead of budget. All segments of sales taxes (retail, construction, wholesale, other) continue to be strong. Utility tax revenues continue to be below budget projections. As of October the biennium to date expenses are outpacing revenues; however the second half of 2016 property taxes will change this situation when more receipts come in during November. Also the budget for the General Fund includes a reduction of beginning fund balance in the amount of \$1,180,786 which was transferred to the Strategic Opportunity Fund in 2015. Budgeted transfers from the General Fund to the Kenmore Village Fund have not yet been recorded for 2016.	

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COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Kenmore Budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date. Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.



PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: January 10, 2017
RE: October 2016 Financial Reports for the City of Kenmore, Washington

October 2016 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- Street Fund Summary
- Other Funds Monthly Activity
- Investment Schedule
- Cash and Investment Report
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Monthly Report for Kenmore Village
- Report for Transportation Benefit District

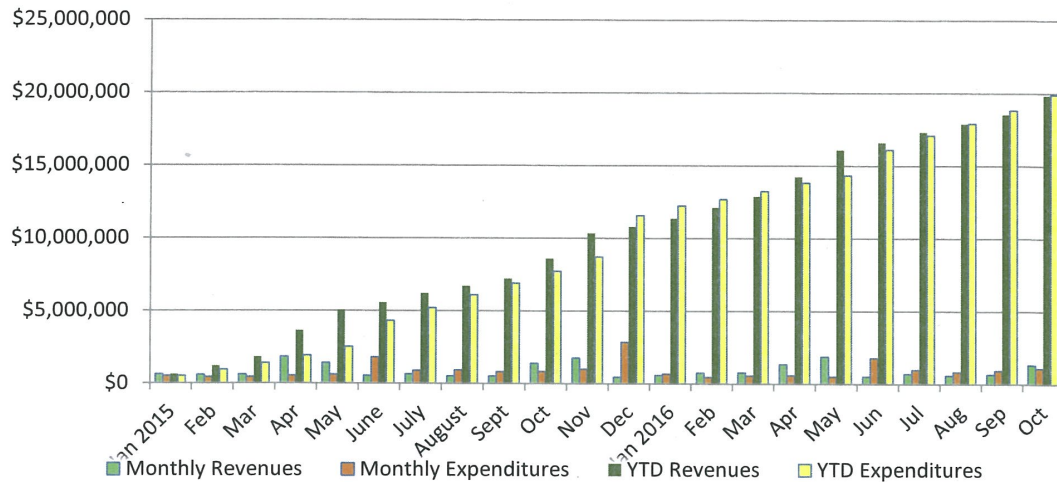
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, October is the twenty-second month (92%) of the 2015-2016 biennial budget period. For the month of October, revenues exceeded expenditures in the General Fund by \$226,264. During the biennium expenditures exceed revenues by \$53,157.

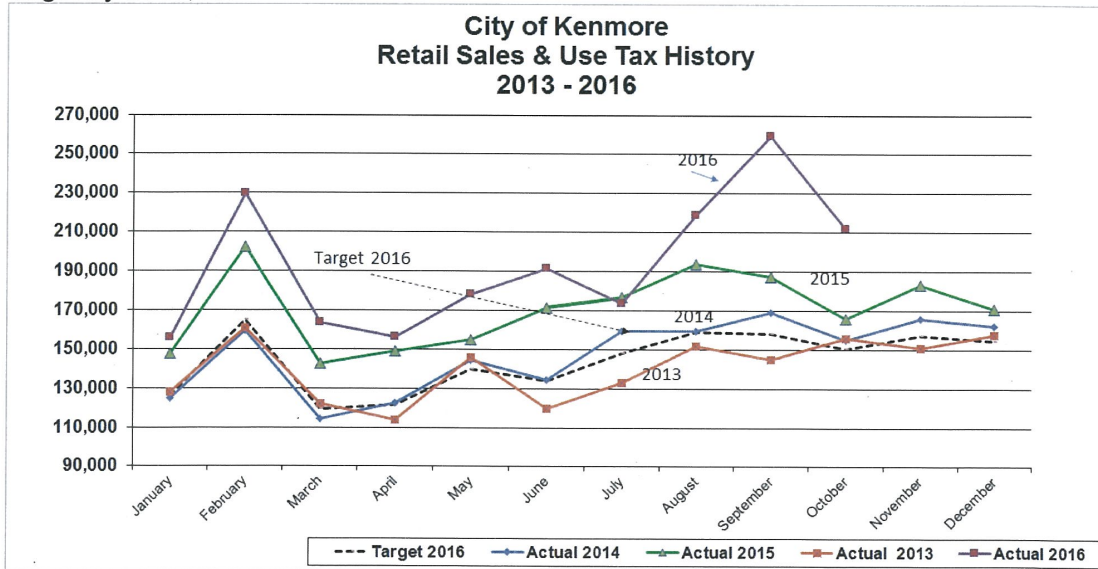
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through October 2016.

City of Kenmore, Washington
Monthly Financial Report
October 2016



Total **revenues** for the month were **\$1,312,841**. Biennium to date revenues are \$19,846,763, which is 94% of the amended budgeted revenues of \$21,048,270. Primary sources of revenue for the month included property taxes in the amount of \$740,368, development fees & permits in the amount of \$73,477, retail sales and use taxes in the amount of \$211,887, franchise fees in the amount of \$76,002, and utility taxes in the amount of \$80,985.

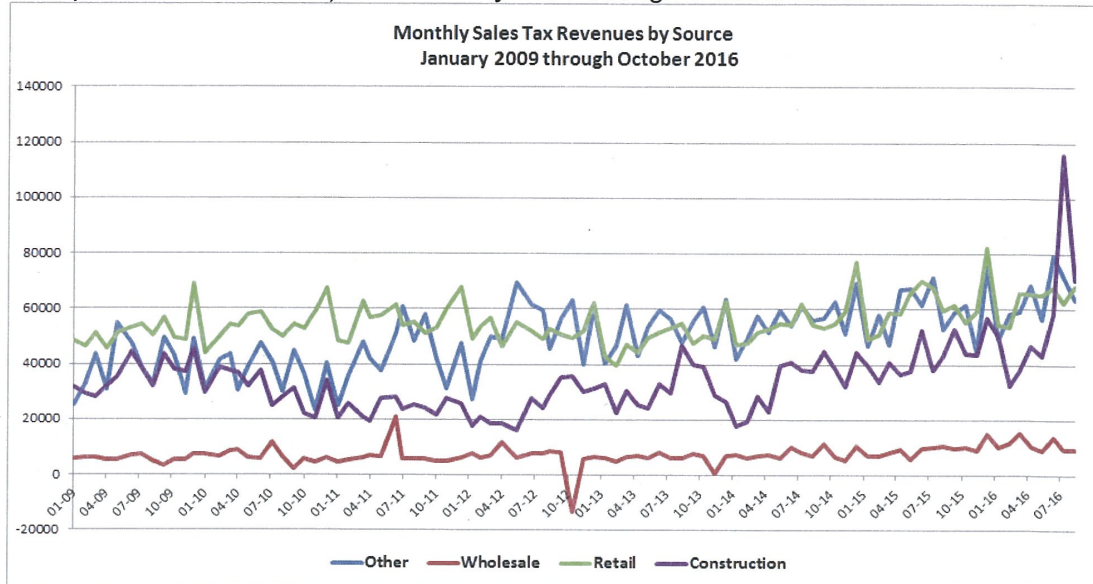
A summary of sales tax revenues received in October is attached. These receipts are based on August sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2016 line is a monthly average of actual receipts during 2013, 2014, and 2015. The purple line represents 2016 actual receipts, which are \$246,660 above 2015, and ahead of 2016 target by \$517,037



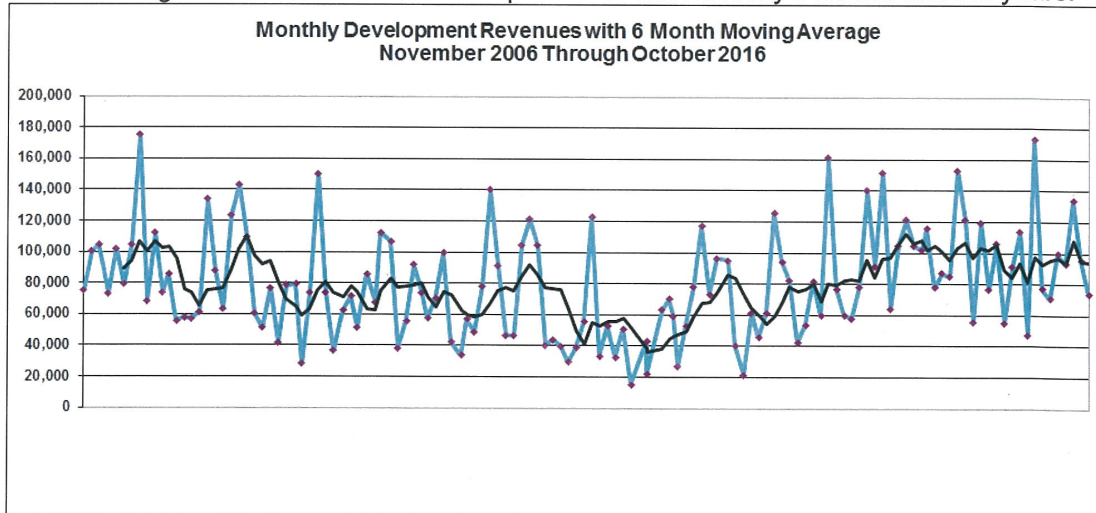
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City of Kenmore, Washington
 Monthly Financial Report
 October 2016

The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2009 through October 2016.



The following chart illustrates the development revenue activity over the last ten years.



October 2016 expenditures were **\$1,086,577**. Biennium to date expenditures are \$19,899,920, which is 87% of the amended biennial budget expenditures of \$22,772,720.

Total City cash (\$7,330,628) and long term investments (\$10,855,531), at the end of October, totaled \$18,186,159. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2015-2016 biennial budget.

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City of Kenmore, Washington
Monthly Financial Report
October 2016

Total non-General Fund revenues were \$675,602 and total non-General Fund expenditures were \$697,420.

In the **Street Fund** revenue from gas tax distributions was \$44,834. \$91,613 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund** expenditures were \$41,331 for SR 522 West A construction. The fund also had Sidewalk projects expenditures of \$72,563 during the month. The fund received \$28,888 in reimbursements for West Sammamish Bridge project.

The **Park Impact Fee** fund received \$12,825 in revenues during the month.

There was \$45,715 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received \$150,786 of real estate excise taxes (REET) in October from sales activity that occurred in September. 59 transactions were reported this month. The 2016 year to date revenue exceeds the 2015 revenue by \$125,847 and by the 2016 Target by \$401,475.

The **Kenmore Village** Fund expended \$198,461 during the month for the Town Green project.

The **Transportation Benefit District** Fund received \$29,720 in vehicle license fees during October bringing the total for the biennium to \$632,890.

SUMMARY

This concludes the financial report for the City of Kenmore as of **October 31, 2016**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

City of Kenmore, Washington
General Fund Summary Report
October 31, 2016



	CURRENT PERIOD 2015-2016				PRIOR PERIOD 2013-2014			
	MONTH October 2016	BIENNIUM TO DATE 2015-2016	% of BUDGET	BIENNIUM BUDGET 2015-2016	MONTH October 2014	BIENNIUM TO DATE 2013-2014	% of BUDGET	BIENNIUM BUDGET 2013-2014
REVENUES								
Beginning Fund Balance		4,233,568		4,221,475				5,525,153
Property Taxes	740,368	7,761,984	86.7%	8,948,766	1,538,422	8,248,719	96.6%	8,542,053
Sales and Use Taxes	263,834	5,018,057	106.8%	4,700,532	198,676	4,008,188	101.2%	3,960,331
Utility Taxes	80,985	2,198,512	79.6%	2,763,390	87,943	2,478,437	84.2%	2,942,395
Other Taxes	333	156,422	138.8%	112,720	481	85,976	140.3%	61,300
Development Fees & Permits	73,477	2,166,830	111.0%	1,951,432	121,191	1,833,914	125.2%	1,465,185
Franchise Fees	76,002	1,520,403	106.9%	1,422,160	181,169	787,115	79.3%	992,405
Intergovernmental and Grants	59,936	780,781	110.4%	707,370	29,744	680,603	106.4%	639,866
Investment Interest	10,341	132,151	260.7%	50,700	641	118,501	202.9%	58,400
Fines and Forfeitures	-197	-6,684	0.0%	0	-8	-2,606	n/a	0
Transfers and Other Revenues	7,761	118,307	30.2%	391,200	1,143	471,391	82.3%	572,536
Total Revenues	1,312,841	19,846,763	94.3%	21,048,270	2,159,403	18,710,240	97.3%	19,234,471
Total Revenues & Beginning Fund Balance		24,080,331		25,269,745				24,759,624

	CURRENT PERIOD 2015-2016				PRIOR PERIOD 2013-2014			
	MONTH October	BIENNIUM TO DATE 2015-2016	% of BUDGET	BUDGET 2015-2016	MONTH October 2014	BIENNIUM TO DATE 2013-2014	% of BUDGET	BIENNIUM BUDGET 2013-2014
EXPENDITURES								
Cost Center								
City Council	8,011	284,929	86.8%	328,435	8,702	200,203	92.0%	217,644
City Manager	121,371	2,663,011	83.9%	3,173,222	115,128	1,979,950	110.2%	1,796,600
City Clerk	10,952	310,368	111.8%	277,683	9,871	193,471	36.1%	536,261
Finance	79,371	1,440,931	107.4%	1,342,155	52,917	631,381	98.8%	639,213
Legal	53,519	577,379	131.2%	440,000	8,663	396,570	80.2%	494,285
Non-Departmental *	0	0	0.0%	0	55,247	1,450,760	94.6%	1,532,818
Interfund Transfers	0	1,666,216	52.0%	3,202,671	0	3,454,000	220.8%	1,564,000
Public Safety	460,517	7,213,686	89.3%	8,076,115	316,925	6,752,716	94.1%	7,179,563
Engineering & Environmental Services	62,794	1,667,155	109.1%	1,527,950	97,930	1,403,318	134.2%	1,045,741
Community Development	38,764	816,018	98.3%	830,030	43,418	863,998	121.2%	712,632
Developmental Services	159,572	1,742,620	107.6%	1,620,050	80,728	1,204,371	80.2%	1,501,147
Parks & Facility Maintenance	91,704	1,517,608	77.7%	1,954,409	59,982	1,215,351	71.7%	1,695,042
Total Expenditures	1,086,577	19,899,920	87.4%	22,772,720	849,511	19,746,088	104.4%	18,914,946
Ending Fund Balance		4,180,410		2,497,025			0.0%	5,844,678
Total Expenditures and Ending Fund Balance		24,080,331		25,269,745				24,759,624

*Non-Departmental expenditures have been moved to other General Fund Cost Centers

**City of Kenmore, Washington
General Fund Revenue Graphs
October 31, 2016**

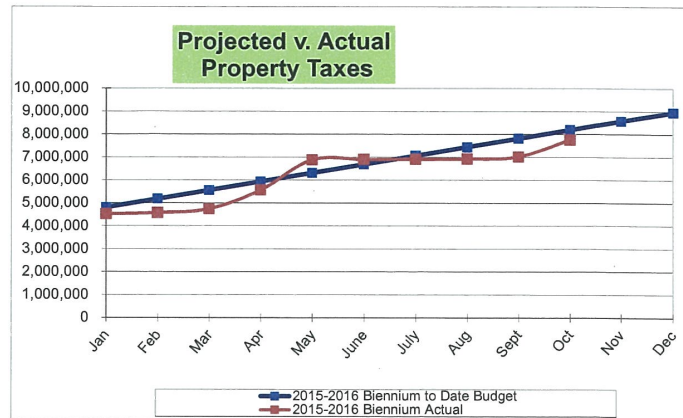
PROPERTY TAXES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	4,427,247	4,511,047
Jan	4,804,040	4,525,700
Feb	5,180,834	4,582,137
Mar	5,557,627	4,749,727
Apr	5,934,420	5,566,829
May	6,311,213	6,891,038
June	6,688,007	6,903,787
July	7,064,800	6,916,428
Aug	7,441,593	6,929,862
Sept	7,818,386	7,021,616
Oct	8,195,180	7,761,984
Nov	8,571,973	
Dec	8,948,766	
2015-16	8,948,766	

Year To Date

Actual v. Projected

95%



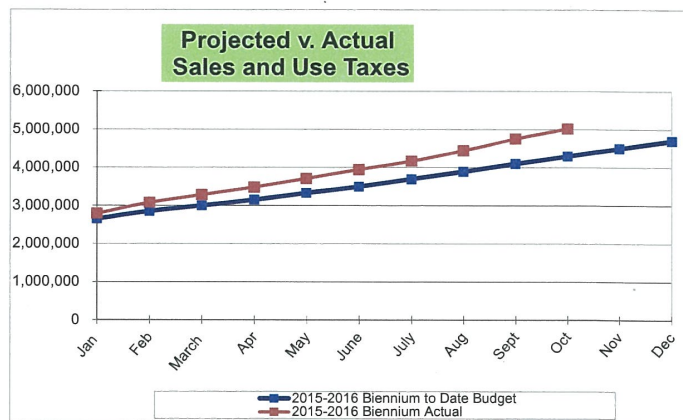
SALES, USE, CRIM JUSTICE TAXES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	2,491,685	2,592,076
Jan	2,650,828	2,792,417
Feb	2,853,765	3,080,971
March	3,000,413	3,286,344
Apr	3,153,514	3,484,605
May	3,333,030	3,712,580
June	3,501,714	3,950,070
July	3,696,509	4,171,235
Aug	3,895,328	4,445,072
Sept	4,102,013	4,754,223
Oct	4,294,991	5,018,057
Nov	4,500,931	
Dec	4,700,532	
2015-16	4,700,532	

Year To Date

Actual v. Projected

117%



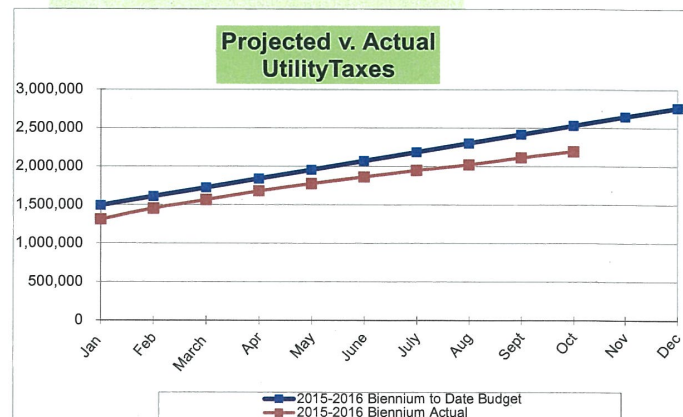
UTILITY TAXES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	1,381,695	1,185,774
Jan	1,496,836	1,316,335
Feb	1,611,978	1,457,296
March	1,727,119	1,570,026
Apr	1,842,260	1,684,213
May	1,957,401	1,780,173
June	2,072,543	1,866,813
July	2,187,684	1,953,151
Aug	2,302,825	2,027,085
Sept	2,417,966	2,117,527
Oct	2,533,108	2,198,512
Nov	2,648,249	
Dec	2,763,390	
2015-16	2,763,390	

Year To Date

Actual v. Projected

87%



**City of Kenmore, Washington
General Fund Revenue Graphs
October 31, 2016**

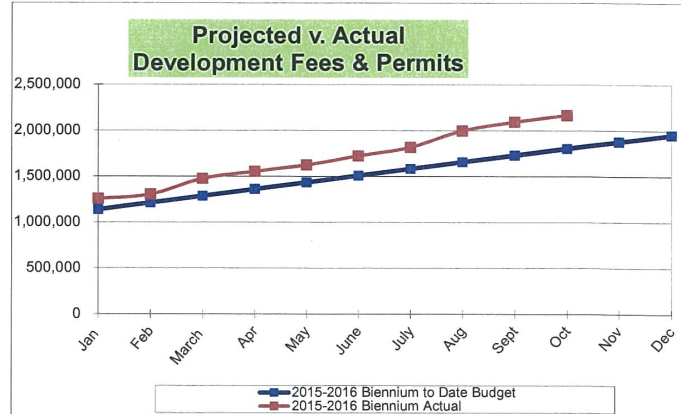
DEVELOPMENT FEES & PERMITS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	1,064,606	1,142,955
Jan	1,138,508	1,256,352
Feb	1,212,410	1,303,426
March	1,286,313	1,476,673
Apr	1,360,215	1,553,688
May	1,434,117	1,624,466
June	1,508,019	1,724,014
July	1,581,921	1,817,136
Aug	1,655,823	1,998,060
Sept	1,729,726	2,093,354
Oct	1,803,628	2,166,831
Nov	1,877,530	
Dec	1,951,432	
2015-16	1,951,432	

Year To Date

Actual v. Projected

120%



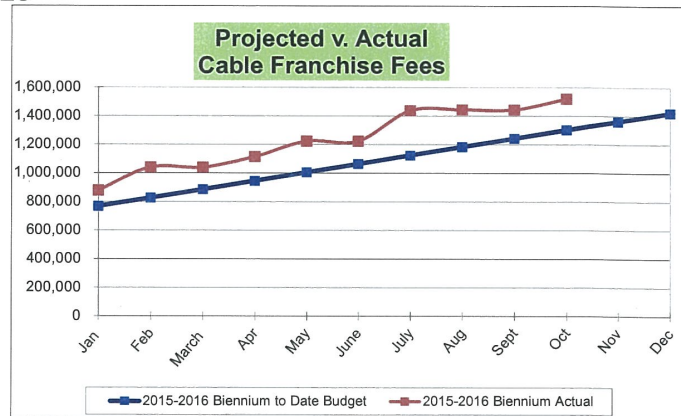
CABLE/WATER/SEWER FRANCHISE FEES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	708,000	802,881
Jan	767,513	879,309
Feb	827,027	1,040,965
March	886,540	1,040,965
Apr	946,053	1,115,715
May	1,005,567	1,224,237
June	1,065,080	1,224,237
July	1,124,593	1,437,647
Aug	1,184,107	1,444,402
Sept	1,243,620	1,444,402
Oct	1,303,133	1,520,403
Nov	1,362,647	
Dec	1,422,160	
2015-16	1,422,160	

Year To Date

Actual v. Projected

117%



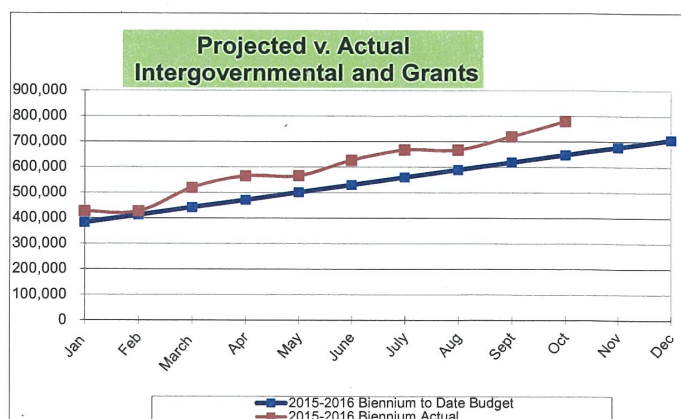
INTERGOVERNMENTAL & GRANTS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	353,685	387,283
Jan	383,159	427,322
Feb	412,633	427,322
March	442,106	520,174
Apr	471,580	565,989
May	501,054	566,793
June	530,528	627,257
July	560,001	667,732
Aug	589,475	668,148
Sept	618,949	720,845
Oct	648,423	780,781
Nov	677,896	
Dec	707,370	
2015-16	707,370	

Year To Date

Actual v. Projected

120%



**City of Kenmore, Washington
General Fund Revenue Graphs
October 31, 2016**

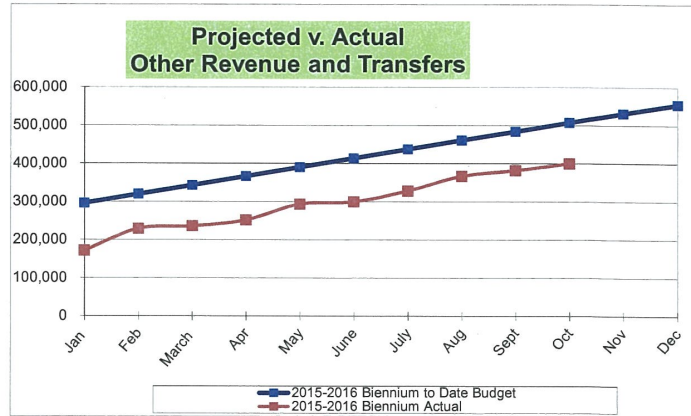
OTHER REVENUES AND TRANSFERS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	272,810	159,157
Jan	296,294	171,910
Feb	319,778	229,302
March	343,263	236,342
Apr	366,747	252,203
May	390,231	293,617
June	413,715	299,699
July	437,199	328,406
Aug	460,683	366,768
Sept	484,168	381,957
Oct	507,652	400,195
Nov	531,136	
Dec	554,620	
2015-16	554,620	

Year To Date

Actual v. Projected

79%



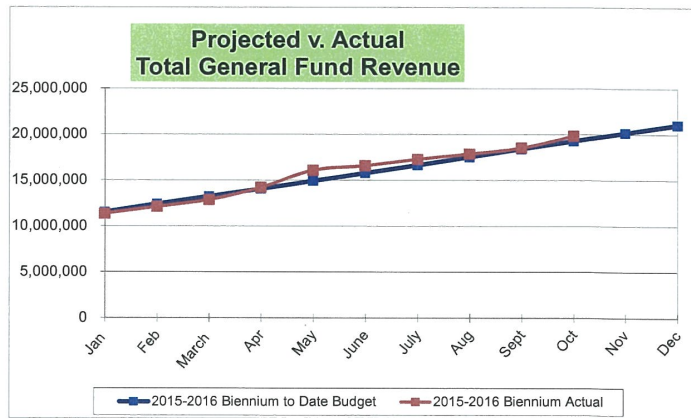
TOTAL GENERAL FUND REVENUE

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
Jan	11,537,179	11,369,345
Feb	12,418,424	12,121,418
March	13,243,380	12,880,252
Apr	14,074,789	14,223,243
May	14,932,612	16,092,903
June	15,779,604	16,595,876
July	16,652,707	17,291,735
Aug	17,529,834	17,879,397
Sept	18,414,827	18,533,923
Oct	19,286,114	19,846,763
Nov	20,170,361	
Dec	21,048,270	

Year To Date

Actual v. Projected

103%



**City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2016**

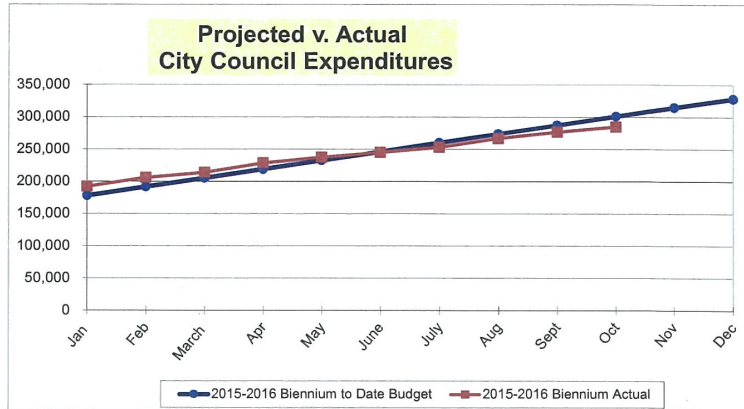
CITY COUNCIL

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	163,989	156,472
Jan	177,693	191,957
Feb	191,397	205,736
March	205,101	213,838
Apr	218,804	228,817
May	232,508	237,389
June	246,212	245,235
July	259,916	253,033
Aug	273,620	266,963
Sept	287,324	276,918
Oct	301,027	284,929
Nov	314,731	
Dec	328,435	
2015-16	328,435	

Year To Date

Actual v. Projected

95%



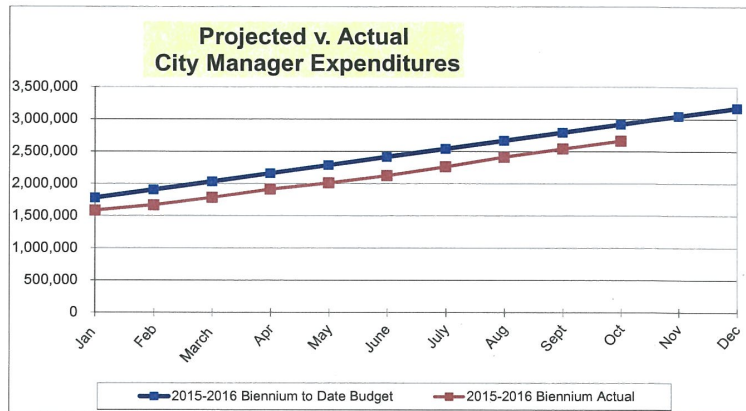
CITY MANAGER

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	1,652,808	1,482,207
Jan	1,779,509	1,582,540
Feb	1,906,210	1,667,211
March	2,032,912	1,785,525
Apr	2,159,613	1,913,330
May	2,286,314	2,011,136
June	2,413,015	2,123,685
July	2,539,716	2,265,991
Aug	2,666,417	2,412,925
Sept	2,793,119	2,541,639
Oct	2,919,820	2,663,010
Nov	3,046,521	
Dec	3,173,222	
2015-16	3,173,222	

Year To Date

Actual v. Projected

91%



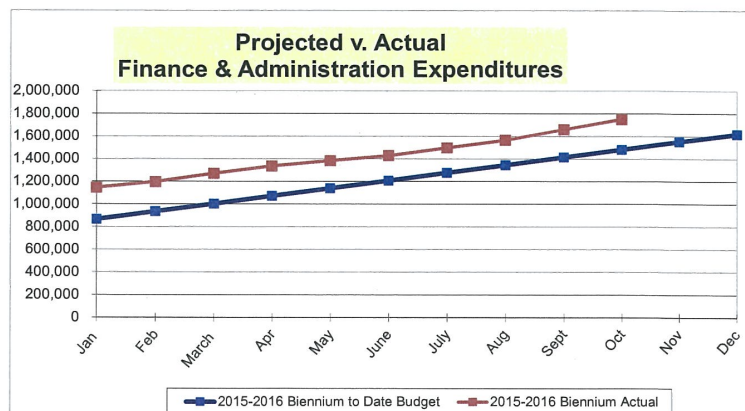
FINANCE & ADMINISTRATION

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	798,363	909,180
Jan	866,819	1,147,482
Feb	935,276	1,198,175
March	1,003,732	1,272,737
Apr	1,072,188	1,337,334
May	1,140,644	1,384,857
June	1,209,101	1,430,113
July	1,277,557	1,499,669
Aug	1,346,013	1,567,591
Sept	1,414,469	1,660,974
Oct	1,482,926	1,751,298
Nov	1,551,382	
Dec	1,619,838	
2015-16	1,619,838	

Year To Date

Actual v. Projected

118%



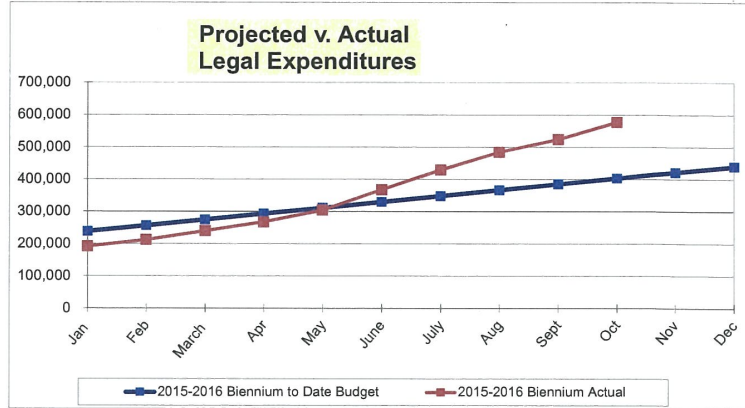
**City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2016**

LEGAL

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	220,000	189,956
Jan	238,333	192,069
Feb	256,667	212,773
March	275,000	240,324
Apr	293,333	267,991
May	311,667	304,364
June	330,000	368,508
July	348,333	429,345
Aug	366,667	484,366
Sept	385,000	523,860
Oct	403,333	577,380
Nov	421,667	
Dec	440,000	
2015-16	440,000	

Year To Date
Actual v. Projected

143%

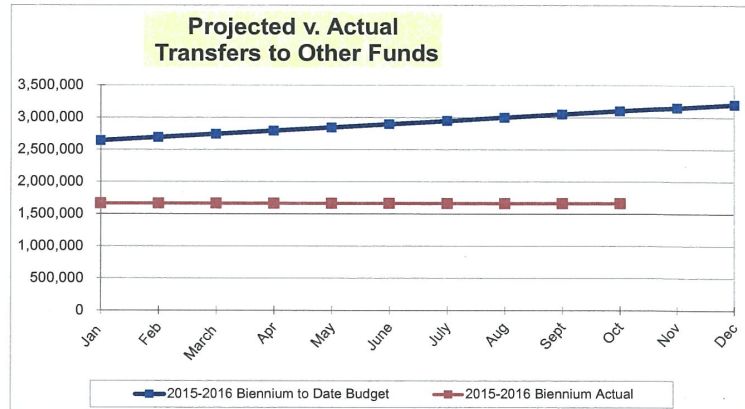


TRANSFERS TO OTHER FUNDS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	2,588,786	1,666,216
Jan	2,639,943	1,666,216
Feb	2,691,100	1,666,216
March	2,742,257	1,666,216
Apr	2,793,414	1,666,216
May	2,844,571	1,666,216
June	2,895,729	1,666,216
July	2,946,886	1,666,216
Aug	2,998,043	1,666,216
Sept	3,049,200	1,666,216
Oct	3,100,357	1,666,216
Nov	3,151,514	
Dec	3,202,671	
2015-16	3,202,671	

Year To Date
Actual v. Projected

54%

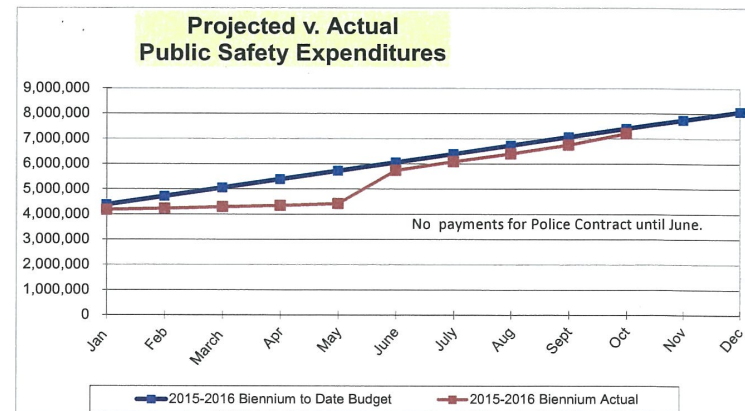


PUBLIC SAFETY

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	4,051,177	4,152,022
Jan	4,386,589	4,187,043
Feb	4,722,000	4,241,000
March	5,057,412	4,299,830
Apr	5,392,823	4,357,174
May	5,728,235	4,426,195
June	6,063,646	5,747,844
July	6,399,058	6,100,771
Aug	6,734,469	6,407,734
Sept	7,069,881	6,753,169
Oct	7,405,292	7,213,686
Nov	7,740,704	
Dec	8,076,115	
2015-16	8,076,115	

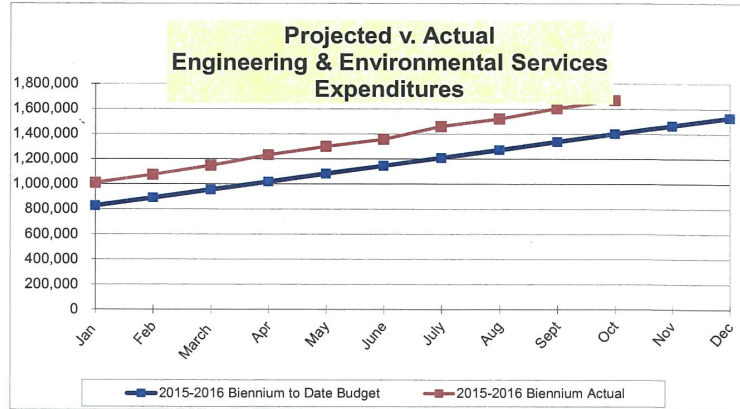
Year To Date
Actual v. Projected

97%



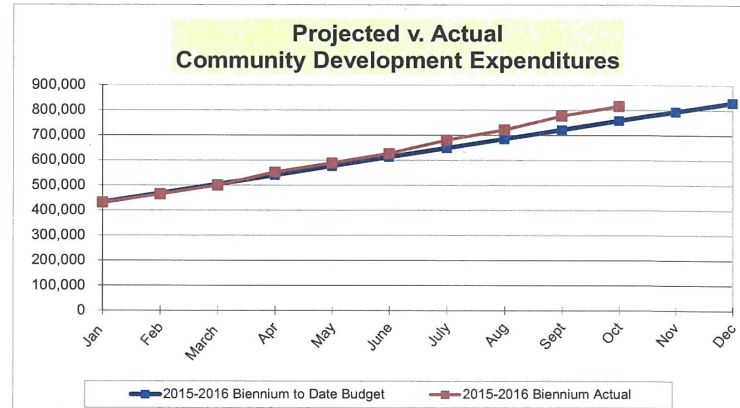
City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2016
ENGINEERING & ENVIRONMENTAL SERVICES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	763,129	937,886
Jan	826,864	1,010,654
Feb	890,599	1,075,095
March	954,334	1,149,254
Apr	1,018,069	1,231,968
May	1,081,804	1,300,931
June	1,145,540	1,358,154
July	1,209,275	1,461,127
Aug	1,273,010	1,520,662
Sept	1,336,745	1,604,361
Oct	1,400,480	1,667,155
Nov	1,464,215	
Dec	1,527,950	
2015-16	1,527,950	
Year To Date		
Actual v. Projected		119%



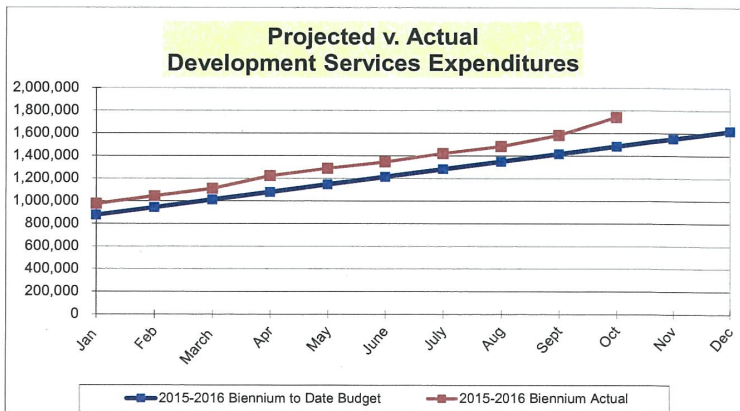
COMMUNITY DEVELOPMENT

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	395,834	401,776
Jan	432,017	431,552
Feb	468,200	464,237
March	504,383	500,153
Apr	540,566	552,279
May	576,749	589,485
June	612,932	626,915
July	649,115	680,816
Aug	685,298	722,236
Sept	721,481	777,253
Oct	757,664	816,018
Nov	793,847	
Dec	830,030	
2015-16	830,030	
Year To Date		
Actual v. Projected		108%



DEVELOPMENT SERVICES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	808,496	855,249
Jan	876,126	976,587
Feb	943,755	1,045,721
March	1,011,385	1,110,942
Apr	1,079,014	1,224,521
May	1,146,644	1,289,630
June	1,214,273	1,346,544
July	1,281,903	1,422,790
Aug	1,349,532	1,484,738
Sept	1,417,162	1,583,047
Oct	1,484,791	1,742,620
Nov	1,552,421	
Dec	1,620,050	
2015-16	1,620,050	
Year To Date		
Actual v. Projected		117%



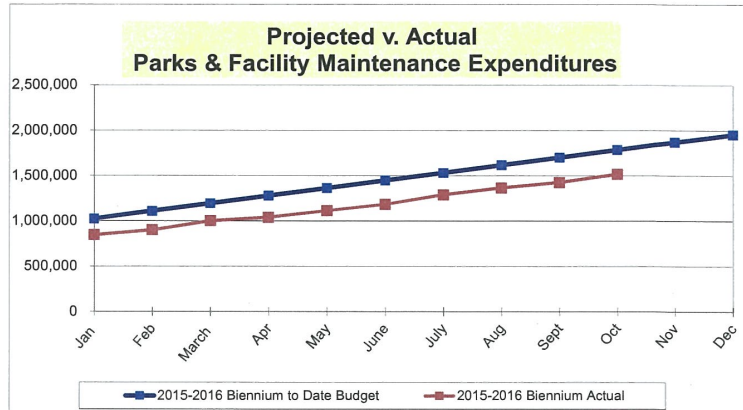
City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2016

PARKS & FACILITY MAINTENANCE

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	941,427	802,859
Jan	1,025,842	847,373
Feb	1,110,257	901,839
March	1,194,673	1,003,905
Apr	1,279,088	1,040,940
May	1,363,503	1,116,715
June	1,447,918	1,185,208
July	1,532,333	1,290,368
Aug	1,616,748	1,365,223
Sept	1,701,164	1,425,904
Oct	1,785,579	1,517,608
Nov	1,869,994	
Dec	1,954,409	
2015-16	1,954,409	

Year To Date
 Actual v. Projected

85%

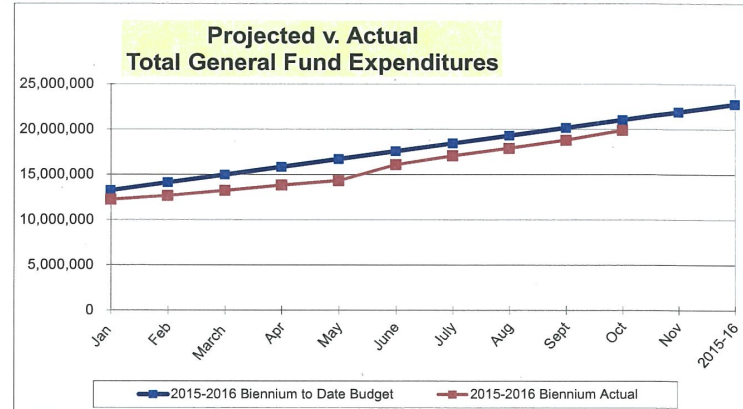


TOTAL GENERAL FUND EXPENDITURES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
Jan	13,249,735	12,233,472
Feb	14,115,461	12,678,004
March	14,981,187	13,242,725
Apr	15,846,913	13,820,571
May	16,712,639	14,326,920
June	17,578,365	16,098,424
July	18,444,090	17,070,127
Aug	19,309,816	17,898,656
Sept	20,175,542	18,813,343
Oct	21,041,268	19,899,920
Nov	21,906,994	
2015-16	22,772,720	

Year To Date
 Actual v. Projected

95%



**City of Kenmore, Washington
Street Fund Summary Report
October 31, 2016**



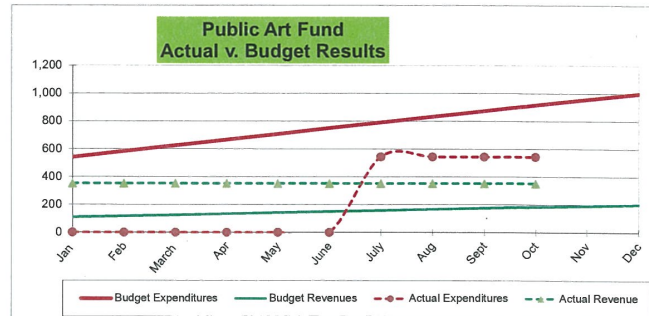
	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>October 2016</u>	<u>2015-2016</u>	<u>BUDGET</u>	<u>2015-2016</u>
<u>REVENUES</u>				
Beginning Fund Balance		899,288		899,288
Fuel Tax	44,834	832,856	95.6%	871,531
Investment Interest	0	4,458	-	0
Miscellaneous	0	5,740	-	0
ROW Permit Fees/Inspections	0	178,770	99.3%	180,000
Multimodal Transportation	0	14,667	-	0
Transfer from General Fund	0	485,430	58.3%	833,000
Transfer from TBD	0	232,000	48.8%	475,000
Total Revenues	44,834	1,753,922	74.3%	2,359,531
Total Revenues & Beginning Fund Balance		2,653,210		3,258,819

	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>October 2016</u>	<u>2015-2016</u>	<u>BUDGET</u>	<u>2015-2016</u>
<u>EXPENDITURES</u>				
Salary and Benefits	23,333	533,556	92.3%	577,783
Maintenance & Operations	91,613	1,454,014	82.6%	1,760,494
Capital	0	43,175	130.8%	33,000
Transfer to Transportation Capita	0	320,597	80.1%	400,000
Total Expenditures	114,946	2,351,342	84.8%	2,771,277
Ending Fund Balance		301,868		487,542
Total Expenditures and Ending Fund Balance		2,653,210		3,258,819

**City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2016**

PUBLIC ART FUND

	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	500	0	100	352
Jan	542	0	108	352
Feb	583	0	117	352
March	625	0	125	352
Apr	667	0	133	352
May	708	0	142	352
June	750	0	150	352
July	792	545	158	352
Aug	833	545	167	352
Sept	875	545	175	352
Oct	917	545	183	352
Nov	958		192	
Dec	1,000		200	
2015-16	1,000		200	
Total Actual to Date vs Total Budget		54%		176%

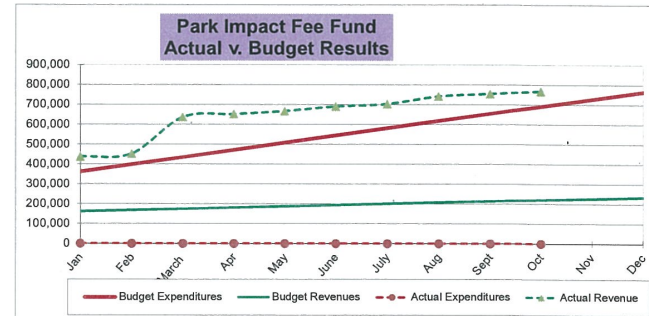


This fund accounts for public art authorized by Ordinance 01-0115. One percent (1%) of public project construction contracts is contributed to this fund to provide for public art displays or performing arts events as authorized by the City Council.

0

PARK IMPACT FEE FUND

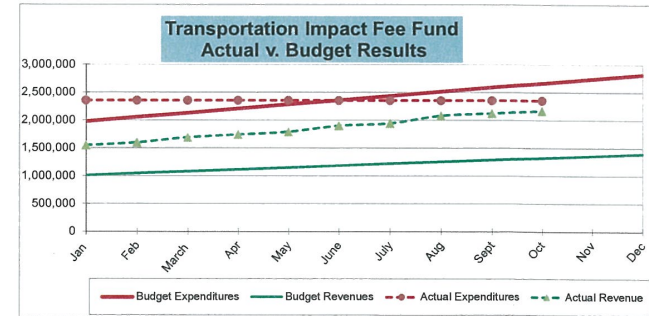
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	325,000	0	154,878	396,247
Jan	361,706	0	161,477	437,063
Feb	398,412	0	168,076	452,453
March	435,118	0	174,674	636,597
Apr	471,824	0	181,273	651,987
May	508,530	0	187,872	667,349
June	545,236	0	194,471	690,434
July	581,941	0	201,069	703,259
Aug	618,647	0	207,668	741,706
Sept	655,353	0	214,267	754,531
Oct	692,059	0	220,866	767,356
Nov	728,765		227,464	
Dec	765,471		234,063	
2015-16	765,471		234,063	
Total Actual to Date vs Total Budget		0%		328%



This fund accounts for City imposed park impact fees on new development. Expenditures are for public park acquisitions and improvements.

TRANSPORTATION IMPACT FEE FUND

	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	1,904,780	2,360,000	975,257	1,413,466
Jan	1,981,444	2,360,000	1,010,424	1,548,410
Feb	2,058,108	2,360,000	1,045,590	1,599,014
March	2,134,773	2,360,000	1,080,757	1,691,789
Apr	2,211,437	2,360,000	1,115,924	1,742,393
May	2,288,101	2,360,000	1,151,090	1,792,997
June	2,364,765	2,360,000	1,186,257	1,901,872
July	2,441,429	2,360,000	1,221,424	1,944,929
Aug	2,518,093	2,360,000	1,256,590	2,082,076
Sept	2,594,758	2,360,000	1,291,757	2,126,019
Oct	2,671,422	2,360,000	1,326,924	2,171,735
Nov	2,748,086		1,362,090	
Dec	2,824,750		1,397,257	
2015-16	2,824,750		1,397,257	
Total Actual to Date vs Total Budget		84%		155%

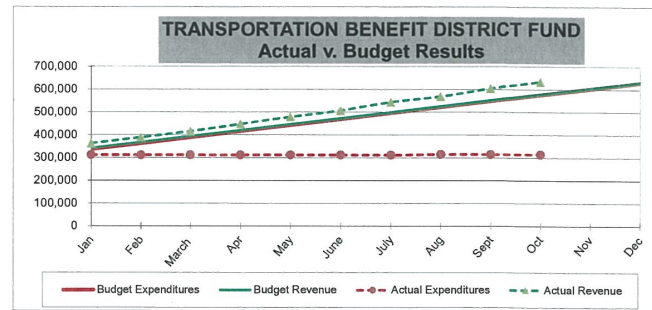


This fund accounts for City imposed transportation impact fees on new development. Expenditures are for public transportation improvements.

City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2016

TRANSPORTATION BENEFIT DISTRICT FUND

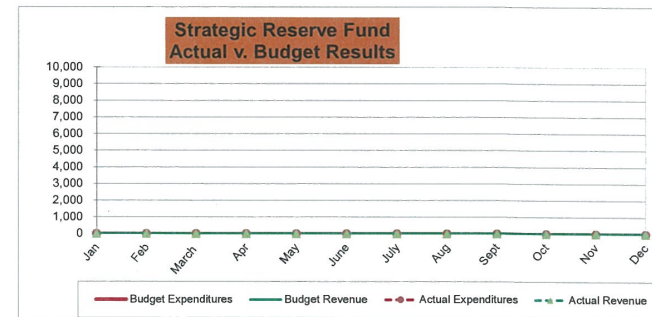
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	309,500	309,500	315,100	334,634
Jan	336,208	312,000	341,358	362,255
Feb	362,917	312,000	367,617	389,104
March	389,625	312,000	393,875	415,913
Apr	416,333	312,000	420,133	447,573
May	443,042	312,000	446,392	478,600
June	469,750	312,000	472,650	506,795
July	496,458	312,000	498,908	543,544
Aug	523,167	315,220	525,167	568,056
Sept	549,875	315,220	551,425	603,280
Oct	576,583	315,220	577,683	633,000
Nov	603,292		603,942	
Dec	630,000		630,200	
2015-16	630,000		630,200	
Total Actual to Date vs Total Budget		50%		100%



The Transportation Benefit District fund accounts for the \$20 vehicle license tab fees levied on vehicles located in the Kenmore city limits. The revenue generated will be used in maintaining the City's transportation system.

STRATEGIC RESERVE FUND

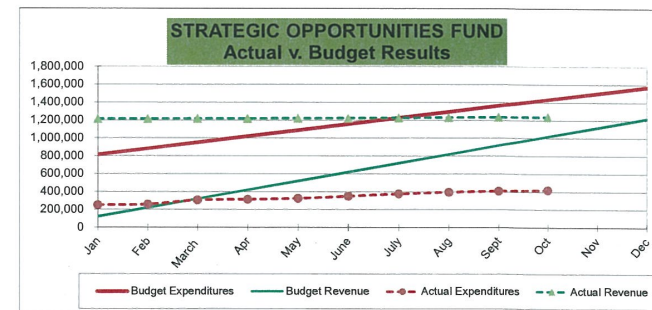
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	0	0	0	0
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
Aug	0	0	0	0
Sept	0	0	0	0
Oct	0	0	0	0
Nov	0	0	0	0
Dec	0	0	0	0
2015-16	0	0	0	0
Total Actual to Date vs Total Budget		0%		0%



This fund was created to serve as the City's emergency reserve fund. Per State Statute, the fund cannot exceed \$.375 per \$1,000 of the City's assessed value and is fully funded at \$1,264,464 for 2011. No expenditures are anticipated or have been budgeted at this time.

STRATEGIC OPPORTUNITIES FUND

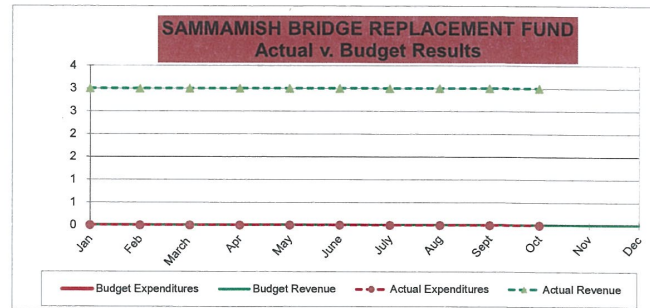
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	746,200	247,741	20,943	1,211,827
Jan	814,950	252,597	120,693	1,214,052
Feb	883,700	260,695	220,444	1,215,602
March	952,450	307,618	320,194	1,217,352
Apr	1,021,200	315,761	419,944	1,218,819
May	1,089,950	326,985	519,694	1,221,144
June	1,158,700	352,460	619,445	1,223,519
July	1,227,450	378,363	719,195	1,226,639
Aug	1,296,200	398,429	818,945	1,231,214
Sept	1,364,950	411,221	918,695	1,233,614
Oct	1,433,700	421,362	1,018,446	1,236,764
Nov	1,502,450		1,118,196	
Dec	1,571,200		1,217,946	
2015-16	1,571,200		1,217,946	
Total Actual to Date vs Total Budget		27%		102%



The purpose of the Strategic Opportunities Fund is to have funds available for the City to make key investments or take advantage of strategic opportunities as they present themselves. For 2015-16, the Business Incubator expenditures are budgeted in this fund.

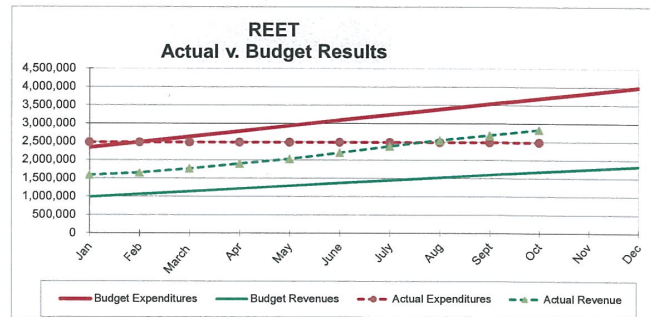
City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2016

SAMMAMISH BRIDGE REPLACEMENT FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	0	0	0	3
Jan	0	0	0	3
Feb	0	0	0	3
March	0	0	0	3
Apr	0	0	0	3
May	0	0	0	3
June	0	0	0	3
July	0	0	0	3
Aug	0	0	0	3
Sept	0	0	0	3
Oct	0	0	0	3
Nov	0			
Dec	0			
2015-16			0	
Total Actual to Date vs Total Budget		0%		0%



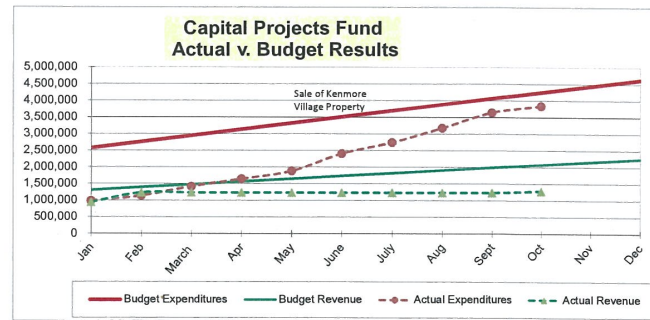
The Sammamish Bridge Replacement fund is a fund used to put money aside for the replacement of the West Sammamish bridge.

REAL ESTATE EXCISE TAX FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	2,191,250	2,484,359	914,000	1,464,658
Jan	2,340,921	2,484,359	990,083	1,587,477
Feb	2,490,593	2,484,359	1,066,167	1,657,623
March	2,640,264	2,484,359	1,142,250	1,767,689
Apr	2,789,935	2,484,359	1,218,333	1,900,850
May	2,938,607	2,484,359	1,294,417	2,030,449
June	3,089,278	2,484,359	1,370,500	2,198,025
July	3,238,949	2,484,359	1,446,583	2,375,450
Aug	3,388,621	2,484,359	1,522,667	2,540,847
Sept	3,538,292	2,484,359	1,598,750	2,677,023
Oct	3,687,963	2,484,359	1,674,833	2,827,809
Nov	3,837,635		1,750,917	
Dec	3,987,306		1,827,000	
2015-16	3,987,306		1,827,000	
Total Actual to Date vs Total Budget		62%		155%



The Real Estate Excise Tax Fund accounts for the 1/2% real estate excise taxes levied by the City which are restricted to capital projects and improvements. Expenditures include transfers to the Park Capital Fund for park improvements and Transportation Capital Fund for transportation improvements.

KENMORE VILLAGE FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	2,389,500	1,003,897	1,219,200	939,764
Jan	2,576,306	986,635	1,304,842	939,764
Feb	2,763,112	1,139,797	1,390,483	1,230,764
March	2,949,917	1,420,862	1,476,125	1,230,764
Apr	3,136,723	1,646,817	1,561,767	1,230,764
May	3,323,529	1,885,567	1,647,408	1,230,764
June	3,510,335	2,406,844	1,733,050	1,230,825
July	3,697,140	2,743,193	1,818,692	1,230,825
Aug	3,883,946	3,175,933	1,904,333	1,230,825
Sept	4,070,752	3,643,133	1,989,975	1,230,825
Oct	4,257,558	3,843,373	2,075,617	1,284,852
Nov	4,444,363		2,161,258	
Dec	4,631,169		2,246,900	
2015-16	4,631,169		2,246,900	
Total Actual to Date vs Total Budget		83%		57%

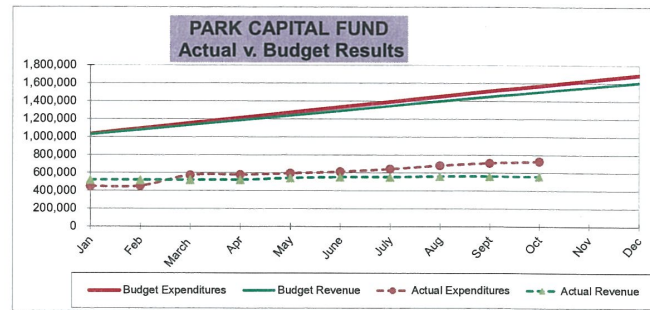


The Kenmore Village Fund accounts for leasing activity and property transactions within Kenmore Village

**City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2016**

PARK CAPITAL FUND

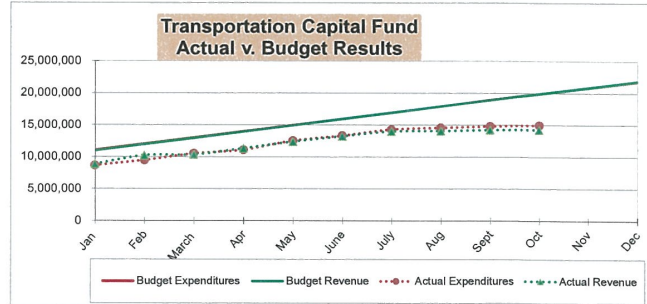
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	974,000	437,373	975,200	521,437
Jan	1,033,769	448,504	1,027,698	521,437
Feb	1,093,539	453,784	1,080,196	521,437
March	1,153,308	575,191	1,132,694	521,437
Apr	1,213,078	579,697	1,185,191	521,437
May	1,272,847	594,898	1,237,689	540,100
June	1,332,617	612,207	1,290,187	550,100
July	1,392,386	642,264	1,342,685	550,100
Aug	1,452,155	681,534	1,395,183	558,632
Sept	1,511,925	709,740	1,447,681	558,632
Oct	1,571,694	728,939	1,500,178	558,632
Nov	1,631,464		1,552,676	
Dec	1,691,233		1,605,174	
2015-16	1,691,233		1,605,174	
Total Actual to Date vs Total Budget		43%		35%



The Park Capital fund will account for Park Capital Projects formerly included in the Municipal Capital fund. In addition, distributions from the King County Proposition 2 Parks Expansion Levy will be receipted into this fund

TRANSPORTATION CAPITAL FUND

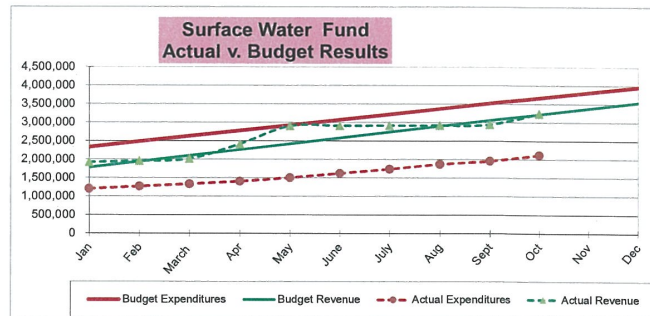
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	10,039,810	8,637,374	9,989,310	8,681,369
Jan	11,023,357	8,669,016	10,977,781	8,856,349
Feb	12,006,905	9,485,351	11,966,251	10,236,046
March	12,990,452	10,529,365	12,954,722	10,363,204
Apr	13,973,999	11,119,674	13,943,192	11,342,241
May	14,957,546	12,551,558	14,931,663	12,391,433
June	15,941,094	13,336,533	15,920,133	13,237,420
July	16,924,641	14,305,057	16,908,604	13,997,197
Aug	17,908,188	14,578,716	17,897,074	14,057,854
Sept	18,891,735	14,830,167	18,885,545	14,223,423
Oct	19,875,283	14,988,100	19,874,015	14,252,311
Nov	20,858,830		20,862,486	
Dec	21,842,377		21,850,956	
2015-16	21,842,377		21,850,956	
Total Actual to Date vs Total Budget		69%		65%



The Transportation Capital Fund accounts for capital improvements to the City's streets and SR 522, funded by various grants plus City resources from real estate excise tax and transportation impact fees. All phases of improvements to SR 522 are now accounted for in this fund. There is a time lag between project expenditures and reimbursements from grants; this accounts for the lower revenues compared to the expenditures.

SURFACE WATER MANAGEMENT FUND

	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	2,188,308	1,115,684	1,620,000	1,915,280
Jan	2,336,430	1,207,683	1,780,000	1,922,104
Feb	2,484,553	1,275,765	1,940,000	1,955,947
March	2,632,675	1,338,128	2,100,000	2,017,402
Apr	2,780,797	1,411,134	2,260,000	2,414,992
May	2,928,920	1,510,556	2,420,000	2,903,331
June	3,077,042	1,627,886	2,580,000	2,910,391
July	3,225,164	1,742,858	2,740,000	2,915,373
Aug	3,373,287	1,874,837	2,900,000	2,917,128
Sept	3,521,409	1,962,670	3,060,000	2,942,016
Oct	3,669,531	2,123,236	3,220,000	3,239,451
Nov	3,817,654		3,380,000	
Dec	3,965,776		3,540,000	
2015-16	3,965,776		3,540,000	
Total Actual to Date vs Total Budget		54%		92%

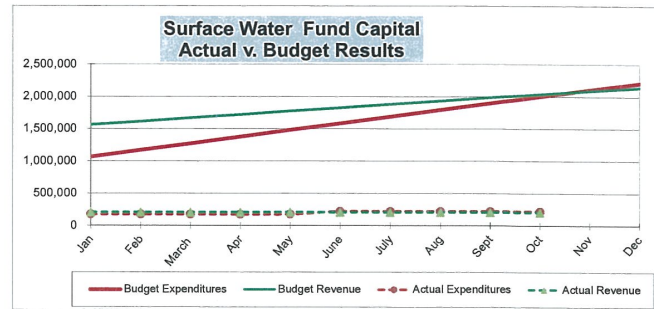


This fund accounts for receipts from surface water assessments. The assessments are collected through the property tax billings; the majority of the receipts are collected in May and November. Expenditures are for surface water maintenance activities such as sweeping and drainage as well as capital improvements.

City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2016

SURFACE WATER CAPITAL FUND

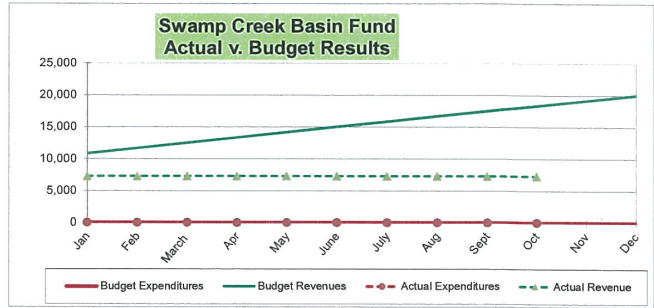
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	960,611	176,312	1,506,266	204,826
Jan	1,064,685	176,312	1,559,036	204,826
Feb	1,168,759	176,312	1,611,805	204,826
March	1,272,833	176,312	1,664,575	204,826
Apr	1,376,907	176,312	1,717,344	204,826
May	1,480,981	176,312	1,770,114	204,826
June	1,585,056	220,678	1,822,883	204,826
July	1,689,130	220,678	1,875,653	204,826
Aug	1,793,204	220,678	1,928,422	204,826
Sept	1,897,278	220,678	1,981,192	204,826
Oct	2,001,352	220,678	2,033,961	204,826
Nov	2,105,426		2,086,731	
Dec	2,209,500		2,139,500	
2015-16	2,209,500		2,139,500	
Total Actual to Date vs Total Budget		10%		10%



This fund accounts for the expenditures for Surface Water Capital Improvements. Revenue sources for this fund include a variety of federal, state, or local grants, surface water management fees transferred from the Surface Water Management Fund and real estate excise taxes.

SWAMP CREEK BASIN FUND

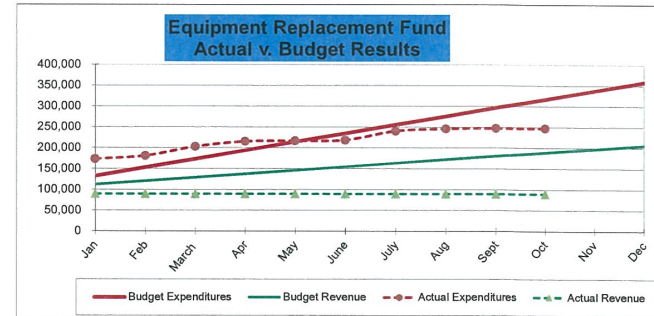
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	0	0	10,000	7,271
Jan	0	0	10,833	7,271
Feb	0	0	11,667	7,271
March	0	0	12,500	7,271
Apr	0	0	13,333	7,271
May	0	0	14,167	7,271
June	0	0	15,000	7,271
July	0	0	15,833	7,271
Aug	0	0	16,667	7,271
Sept	0	0	17,500	7,271
Oct	0	0	18,333	7,271
Nov	0		19,167	
Dec	0		20,000	
2015-16	0		20,000	
Total Actual to Date vs Total Budget		0%		36%



This fund accounts for the Memorandum of Agreement with King County which provided funds reserved for surface water projects, improvements, and maintenance within the Swamp Creek Basin.

EQUIPMENT REPLACEMENT FUND

	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	112,000	173,486	103,000	89,227
Jan	132,531	173,486	111,583	89,227
Feb	153,063	181,188	120,167	89,227
March	173,594	203,245	128,750	89,227
Apr	194,125	215,636	137,333	89,227
May	214,656	217,102	145,917	89,227
June	235,188	218,920	154,500	89,227
July	255,719	240,629	163,083	89,227
Aug	276,250	246,347	171,667	89,227
Sept	296,781	247,695	180,250	89,227
Oct	317,313	247,695	188,833	89,227
Nov	337,844		197,417	
Dec	358,375		206,000	
2015-16	358,375		206,000	
Total Actual to Date vs Total Budget		69%		43%



This fund is used to maintain a reserve for future replacement of equipment, including, but not limited to furniture, computers and vehicles. Payments are received from various operating departments and funds that benefit from or use the assets.

City of Kenmore, Washington
Investment Schedule
October 31, 2016



		Average Yield to Maturity-Securities					Overall Average Yield	0.70%	
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Possible Call Date	Principal or Balance	Yield Equivalents
Piper Jaffray									
	31771J4M9	FICO	9/26/2017	8/14/2012	1.13%	1.13%	non callable	894,731.88	10,137.31
Total Piper Jaffrey Purchases								894,731.88	10,137.31
Time Value Investments									
	31359MEL3	FNMA	4/22/2017	10/22/2012	0.86%	0.86%	no call	999,468.08	8,595.43
	31771EAL5	FICO	2/8/2018	1/13/2015	1.15%	1.15%		999,114.48	11,489.82
	3134G43V8	FHLB	5/15/2018	7/23/2014	1.36%	1.36%		988,450.00	13,462.69
	3135G0XK4	FNMA	5/25/2018	11/25/2013	1.38%	1.38%		985,750.00	13,583.64
	3135G0XK4	FNMA	5/25/2018	2/27/2014	1.30%	1.30%		989,691.00	12,865.98
	3135G0G23	FNMA	4/29/2019	11/24/2015	1.35%	1.35%	4/26/2016	998,326.00	13,477.40
Total TVI Purchases								5,960,799.56	73,474.95
Sound Community Bank CD's									
	18299229	CD	2/11/2016	2/14/2014	0.80%	0.80%		1,000,000.00	8,000.00
Total Sound Community Bank CD's								1,000,000.00	8,000.00
Opus Bank CD's									
	11495975	CD	2/10/17	6/10/15	0.35%	0.35%		1,000,000.00	3,500.00
	11539715	CD	3/29/18	3/30/16	0.85%	0.85%		1,000,000.00	8,500.00
	11527322	CD	6/30/16	6/30/2015	0.45%	0.45%		1,000,000.00	4,500.00
Total Cascade Bank CD's								3,000,000.00	16,500.00
TOTAL ALL SECURITIES								\$ 10,855,531.44	\$ 108,112.26
Banner Checking and Savings						0.07% Banner		3,560,025.23	2,492.02
Cash								1,005.00	-
Local Government Investment Pool						0.42% LGIP		3,769,598.21	15,836.08
Total Accounts								\$ 18,186,159.88	126,440.36

City of Kenmore, Washington
Cash and Investment Report
October 31, 2016



Fund	Beg. Cash & Inv.	Monthly	Monthly	End. Cash & Inv.
	from Prev. Mo.	Revenues	Expenditures	Current Month
General	\$3,962,268	\$1,312,841	\$1,086,577	4,188,532
Street	378,780	44,834	114,946	308,668
Transportation Capital	-606,347	28,888	157,933	(735,392)
Public Art	67,107	0	0	67,107
Park Impact Fee	1,507,304	12,825	0	1,520,129
Transportation Impact Fee	928,951	45,716	0	974,666
Swamp Creek Basin	1,404,934	0	0	1,404,934
Transportation Benefit District	296,988	29,720	0	326,708
Sammamish Bridge Replacement	516	0	0	516
Real Estate Excise Tax	2,606,877	150,786	0	2,757,663
Kenmore Village	-26,061	54,027	200,239	(172,273)
Park Capital	-150,541	0	19,199	(169,740)
Surface Water Management	2,461,726	297,435	160,565	2,598,595
Surface Water Capital	-32,202	0	0	(32,202)
Strategic Reserve	1,264,465	0	0	1,264,465
Strategic Opportunities	2,969,283	3,150	10,140	2,962,293
Equipment Replacement	296,206	0	0	296,206
Trust & Agency	651,465	8,223	34,398	625,290
Totals	\$17,981,719	\$1,988,443	\$1,783,997	\$18,186,166

Fund	Cash, Savings, Local Govt Investment Pool	(> One Year) Fixed Investments	Total
General	-\$1,081,999	\$5,270,532	4,188,532
Street	-541,332	850,000	308,668
Transportation Capital	-735,392	0	(735,392)
Public Art	52,107	15,000	67,107
Park Impact Fee	590,129	930,000	1,520,129
Transportation Impact Fee	944,666	30,000	974,666
Swamp Creek Basin	4,934	1,400,000	1,404,934
Transportation Benefit District	326,708	0	326,708
Sammamish Bridge Replacement	516	0	516
Real Estate Excise Tax	2,757,663	0	2,757,663
Kenmore Village	-622,273	450,000	(172,273)
Park Capital	-169,740	0	(169,740)
Surface Water Management	2,088,595	510,000	2,598,595
Surface Water Capital	-32,202	0	(32,202)
Strategic Reserve	414,465	850,000	1,264,465
Strategic Opportunities	2,962,290	0	2,962,290
Equipment Replacement	-153,795	450,000	296,205
Trust & Agency	525,289	100,000	625,289
Totals	\$7,330,630	\$10,855,532	\$18,186,162

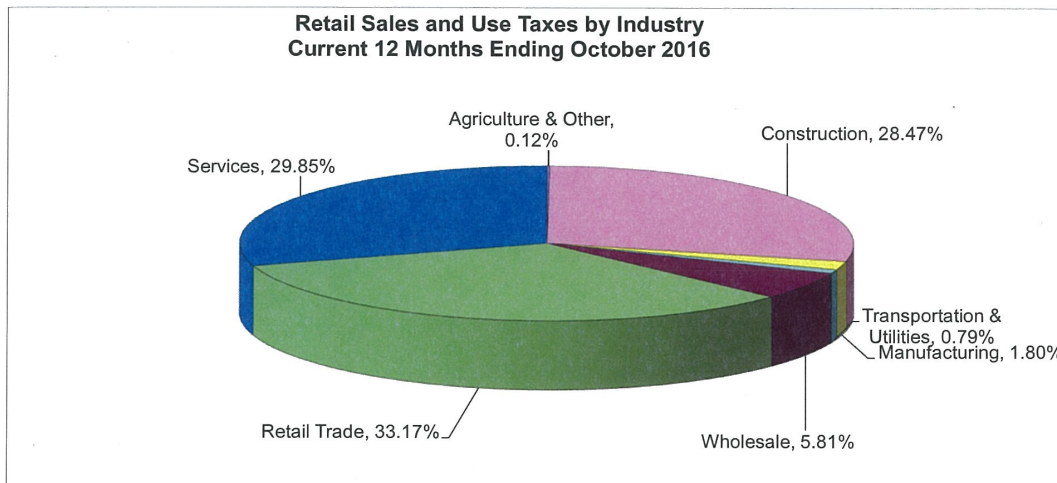
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 October 2016

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	362.71	0.00	362.71	0.2%
CONSTRUCTION	70,290.06	560.42	70,850.48	33.4%
MANUFACTURING	3,269.29	5.58	3,274.87	1.5%
TRANSPORTATION & UTILITIES	1,067.23	1,401.45	2,468.68	1.2%
WHOLESALE	9,217.10	112.03	9,329.13	4.4%
RETAIL TRADE	67,800.37	464.30	68,264.68	32.2%
SERVICES	43,565.68	1,434.04	44,999.73	21.2%
INFORMATION	8,995.29	51.40	9,046.69	4.3%
PUBLIC SERVICES	9.66	3,279.95	3,289.62	1.6%
	<u>204,577.41</u>	<u>7,309.18</u>	<u>211,886.59</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
October 31, 2016

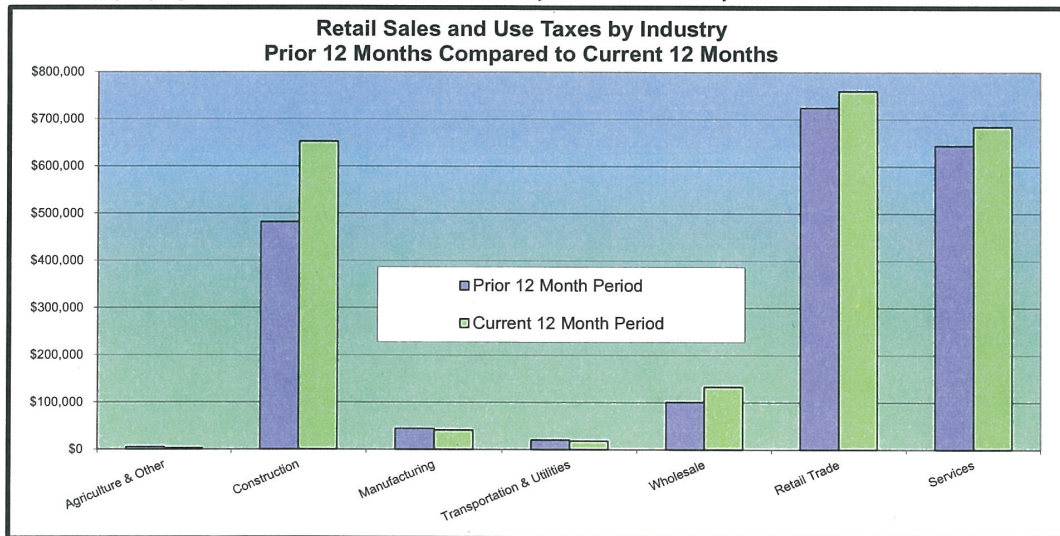


<u>Industry</u>	<u>Prior 12 Months ending October 2015</u>	<u>Current 12 Months ending October 2016</u>	<u>% Increase/ (Decrease)</u>	<u>% of Total</u>
Agriculture & Other (Landscaping, Animal Hospitals)	\$5,058	\$2,723	-46.16%	0.12%
Construction	481,537	652,560 *	35.52%	28.47%
Manufacturing (Printing, Publishing, Other Manuf.)	44,201	41,151	-6.90%	1.80%
Transp/Comm/Utilities (Telecomm., Air Transport.)	20,135	18,199	-9.61%	0.79%
Wholesale (Lumber, Other Wholesale)	100,822	133,239	32.15%	5.81%
Retail Trade (Eating, Merchandise, Food Stores)	724,422	760,348	4.96%	33.17%
Services (Auction, Recreation, Auto Repair, Financial)	643,752	684,228	6.29%	29.85%
Totals	\$2,019,927	\$2,292,448	13.49%	100%
Increase/(Decrease)		\$272,522	13.49%	



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.

There is a sixty-day lag between sales taxes collected and when they are remitted to the City



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City of Kenmore, Washington
Real Estate Excise Tax Report
October 31, 2016

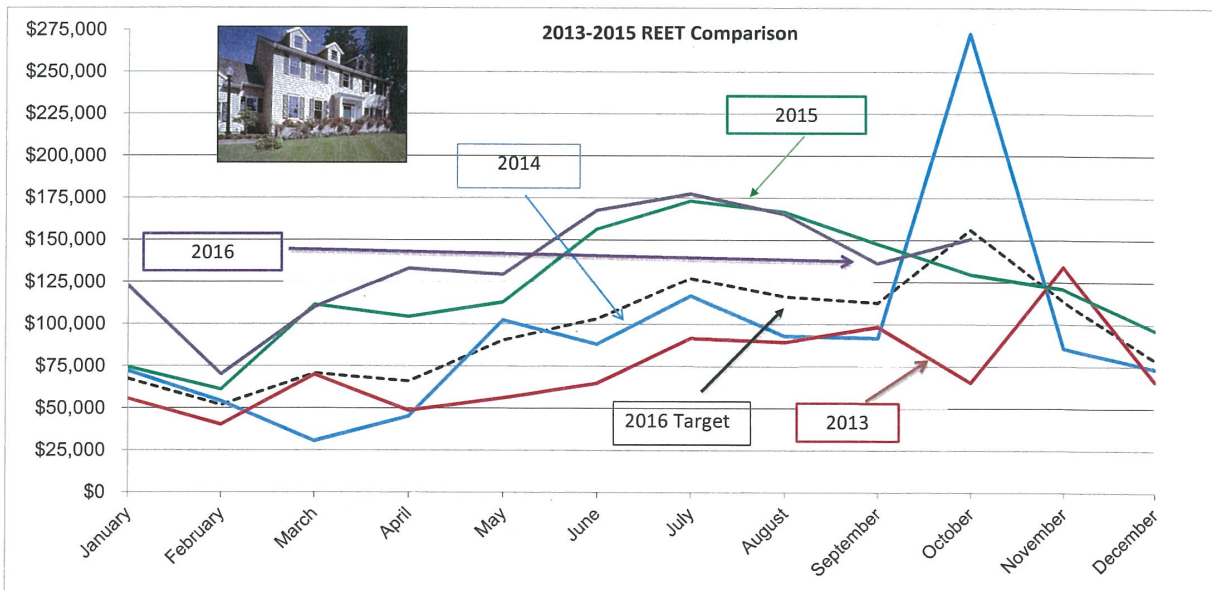


Real Estate Excise Taxes (REET) 2012 - 2016 Monthly Receipts						
	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Target 2016
January	54,359	55,801	72,106	74,259	122,819	67,389
February	18,064	40,281	54,038	61,070	70,146	51,797
March	29,691	69,946	30,426	111,337	110,066	70,570
April	30,662	48,671	45,118	104,280	133,161	66,023
May	52,575	56,178	102,257	112,927	129,599	90,454
June	60,408	64,938	88,070	156,338	167,575	103,116
July	81,316	91,779	116,858	173,095	177,426	127,244
August	56,626	89,496	92,932	166,651	165,397	116,360
September	82,785	98,573	91,812	147,668	136,176	112,684
October	60,265	65,596	272,842	129,678	150,786	156,039
November	88,057	134,286	85,748	120,907		113,647
December	152,262	66,342	73,582	96,566		78,830
	\$767,070	\$881,886	\$1,125,790	\$1,454,776	\$1,363,151	\$924,916

For 2016, REET is \$125,847
more than the same period
last year and more than the 2016
target by \$401,475

* NOTE THE 2016 target
is computed on a 3 year average
(2013-2015) of actual receipts

Real Estate Excise Taxes (REET) 2012 - 2016 Property Sales > \$500,000									
The sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the revenue									
	Taxes from > \$500,000 Sale Amounts								
	2012	2013	2014	2015	2016	2013	2014	2015	2016
January	5,515,283	3,380,165	4,699,850	7,418,000	18,590,517	16,732	23,264	36,719	92,023
February	1,152,000	3,417,500	3,930,920	6,607,900	9,701,034	16,917	19,458	32,709	48,020
March	750,000	3,514,000	2,175,430	7,874,934	15,147,174	17,394	10,768	38,981	74,979
April	870,000	1,570,450	4,266,725	14,291,370	21,160,913	7,774	21,120	70,742	104,747
May	2,796,250	3,634,210	12,347,730	14,068,904	19,813,122	17,989	61,121	69,641	98,075
June	1,215,000	2,761,500	7,353,999	20,361,466	26,065,161	13,669	36,402	100,789	129,023
July	4,196,500	8,478,706	15,071,601	25,571,387	24,020,546	41,970	74,604	126,578	118,902
August	1,756,200	6,131,455	5,882,306	22,614,538	21,648,781	30,351	29,117	111,942	107,161
September	4,859,500	10,911,500	8,437,700	18,821,380	16,950,242	54,012	41,767	93,166	83,904
October	3,087,500	5,568,400	44,456,605	16,519,240	21,157,409	27,564	220,060	81,770	104,729
November	8,334,960	18,620,230	8,922,100	14,736,156		92,170	44,164	72,944	0
December	23,033,200	4,606,450	7,142,900	13,187,535		22,802	35,357	65,278	0
	\$57,566,393	\$72,594,566	\$124,687,866	\$182,072,810	\$194,254,899	359,344	617,202	901,259	961,563



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City of Kenmore, Washington
Monthly Report for Kenmore Village Fund
October 31, 2016



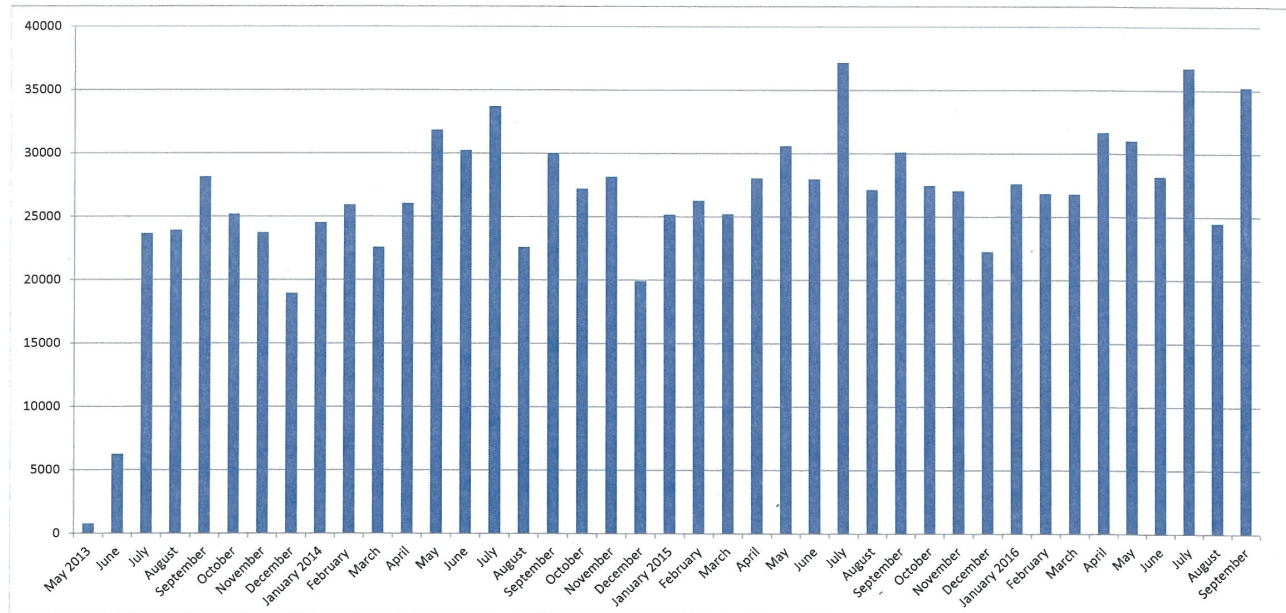
Revenues	October 2016	Biennium-to- Date	Biennium Budget
Lease Income (USPS & Kenmore Village)		25,000	67,000
Investment Interest		12,216	23,000
Sale of Property		901,302	903,000
Event Sponsorship		0	1,500
Grant for Public Square		291,000	270,000
Settlement	54,000	54,000	0
Transfer From General Fund		0	60,000
Leasehold Excise Returned	27	1,334	2,400
Total Revenues	54,027	1,284,852	1,326,900
Expenditures			
Salaries/Wages/Benefits	1,778	10,131	0
6700 Building Improvements	0	72,028	0
Downtown Plan Services	0	59,270	0
Property Management	0	0	19,000
Utilities and Insurance - Kenmore Village	0	3,405	0
Repairs, Maintenance, Other Services	0	11,198	133,240
Surface Water and Fire Benefit Fees	0	8,462	0
Transfer to Park Capital Fund	0	134,929	134,929
Kenmore Village Public Square	198,461	3,543,951	3,365,000
Total Expenditures	200,239	3,843,374	3,652,169
Net Income (Loss)	-146,212	-2,558,522	-2,325,269

NOTE: This schedule only reflects activity occurring on the City books and does not include the lease revenue and expenditures accounted for by the property management firm.

**Kenmore Transportation Benefit District
Monthly Report
October 31, 2016**



Revenues	October 2016	Biennium-to- Date	Percent of Budget	Biennium Budget
Vehicle Fees	29,720	632,890	100.43%	630,200
Investment Interest	0	112		
Total Revenues	\$29,720	\$633,002	100.44%	\$630,200
Expenditures				
WCIA Insurance	0	5,000	100.00%	5,000
Reimbursement to Street Fund	0	232,000	48.84%	475,000
State Auditor	0	3,220		0
Overlay	0	75,000	50.00%	150,000
Total Expenditures	0	315,220	50.03%	630,000
Net Income (Loss)	\$29,720	\$317,782		\$200





City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: November 2016 Financial Report Presentation	For Council Meeting Agenda of: January 23, 2017 Department: Finance and Administration Prepared by: Joanne Gregory <u>Initial & Date</u> Approved by Department Head: Approved by City Attorney: Approved by Finance Director: Approved by City Manager:									
Proposed Council Action/Motion: Receive and File November 2016 Financial Report for the City of Kenmore, Washington	Exhibits/Attachments: November 2016 Financial Report for the City of Kenmore, Washington.									
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;">Expenditure Required N/A</td> <td style="width: 33%; border: none; text-align: center;">Amount Budgeted</td> <td style="width: 33%; border: none; text-align: right;">Appropriation Required N/A</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none; text-align: center;">\$59,692,797 Revenues</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;"></td> <td style="border: none; text-align: center;">\$69,265,349 Expenditures</td> <td style="border: none;"></td> </tr> </table>		Expenditure Required N/A	Amount Budgeted	Appropriation Required N/A		\$59,692,797 Revenues			\$69,265,349 Expenditures	
Expenditure Required N/A	Amount Budgeted	Appropriation Required N/A								
	\$59,692,797 Revenues									
	\$69,265,349 Expenditures									
<u>INFORMATION/BACKGROUND:</u> The November 2016 monthly financial report is presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2015-2016 adopted biennial budget. The budget was adopted on December 8, 2014. It also provides an opportunity to identify any potential variances or fluctuations from the budget. The mid-biennium budget review process was completed and the monthly reports reflect the amended budgets approved by the City Council on November 23, 2015. Not included on this November report is the year end budget amendment approved in December 2016. The final financial report for the year will reflect these adjustments.										
<u>FISCAL CONSIDERATION:</u> November was the 23rd month (96%) of the 24 month 2015-2016 biennium. Total General Fund revenues are at 103% of the amended budget and expenditures are at 90%. Sales taxes, development revenues, and franchise fees are trending ahead of budget. All segments of sales taxes (retail, construction, wholesale, other) continue to be strong. Utility tax revenues continue to be below budget projections. As of November the biennium to date revenues are outpacing expenditures. Also, the budget for the General Fund includes a reduction of beginning fund balance in the amount of \$1,180,786 which was transferred to the Strategic Opportunity Fund in 2015. Budgeted transfers from the General Fund to the Kenmore Village Fund and other funds will be recorded in December 2016.										

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COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Kenmore Budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date. Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.



PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: January 12, 2017
RE: November 2016 Financial Reports for the City of Kenmore, Washington

November 2016 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- Street Fund Summary
- Other Funds Monthly Activity
- Investment Schedule
- Cash and Investment Report
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Monthly Report for Kenmore Village
- Report for Transportation Benefit District

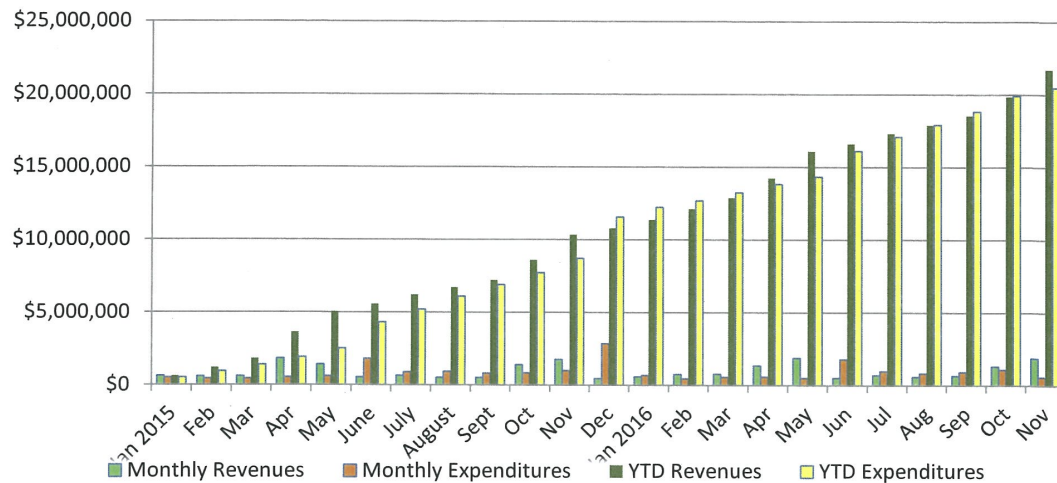
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, November is the twenty-third month (96%) of the 2015-2016 biennial budget period. For the month of November, revenues exceeded expenditures in the General Fund by \$1,307,572. During the biennium revenues exceed expenditures by \$1,254,413.

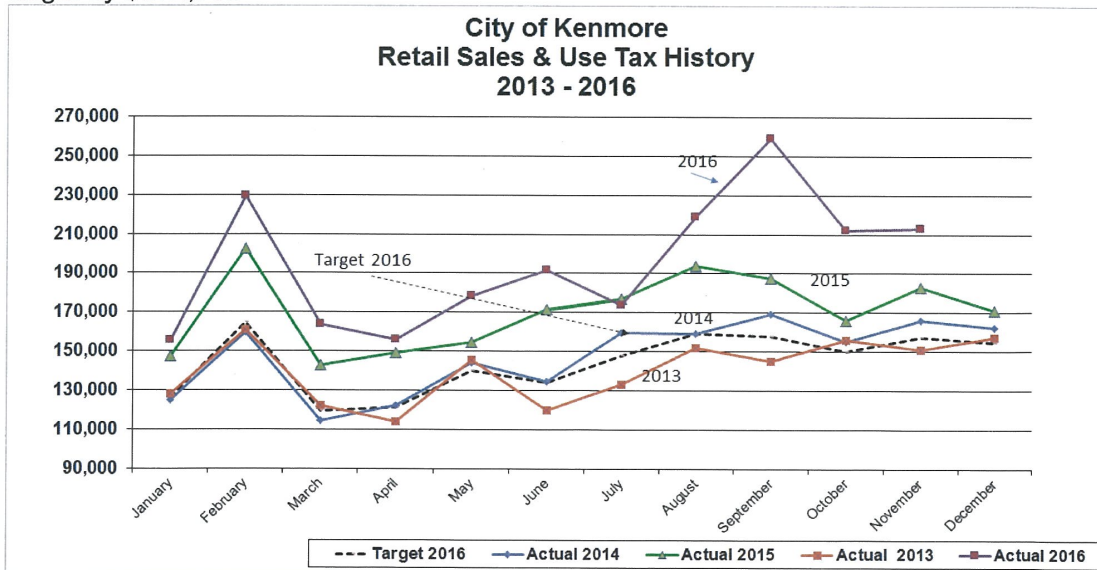
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through November 2016.

City of Kenmore, Washington
Monthly Financial Report
November 2016



Total **revenues** for the month were **\$1,879,313**. Biennium to date revenues are \$21,726,075, which is 103% of the amended budgeted revenues of \$21,048,270. Primary sources of revenue for the month included property taxes in the amount of \$1,284,114, development fees & permits in the amount of \$59,321, retail sales and use taxes in the amount of \$213,098, franchise fees in the amount of \$121,491, and utility taxes in the amount of \$83,609.

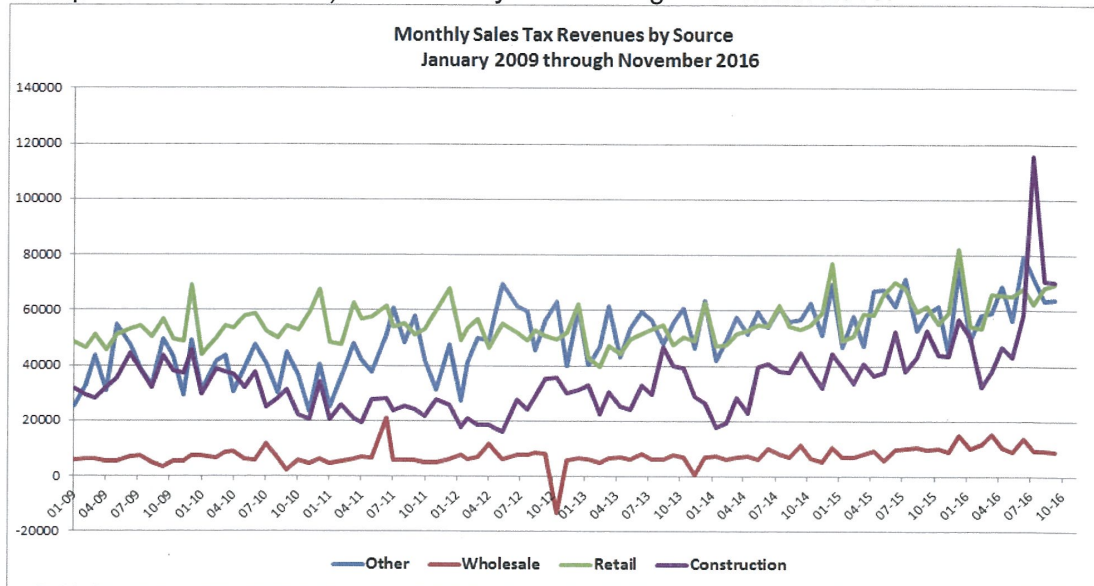
A summary of sales tax revenues received in November is attached. These receipts are based on September sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2016 line is a monthly average of actual receipts during 2013, 2014, and 2015. The purple line represents 2016 actual receipts, which are \$276,675 above 2015, and ahead of 2016 target by \$572,709



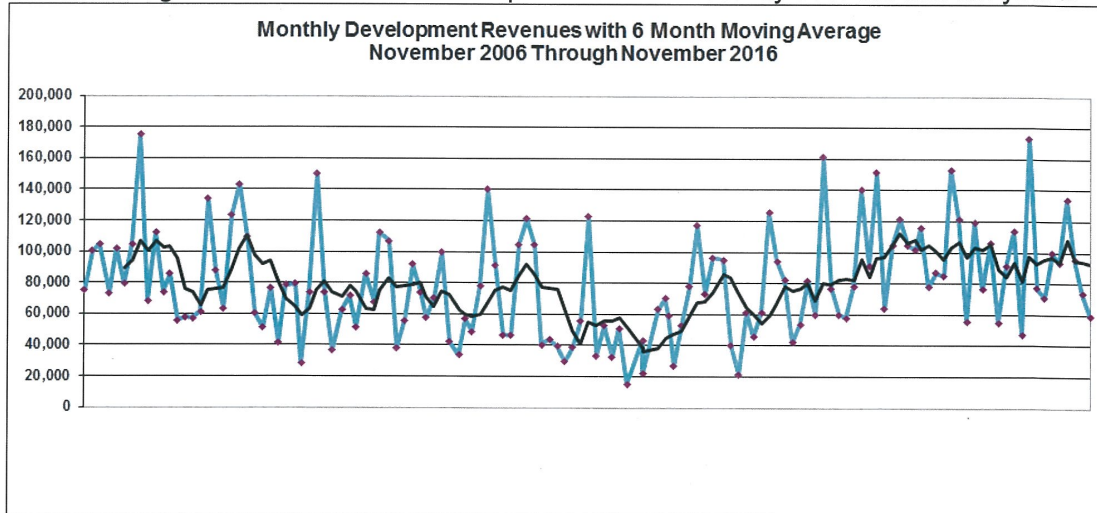
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City of Kenmore, Washington
 Monthly Financial Report
 November 2016

The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2009 through November 2016.



The following chart illustrates the development revenue activity over the last ten years.



November 2016 expenditures were **\$571,741**. Biennium to date expenditures are \$20,471,662, which is 90% of the amended biennial budget expenditures of \$22,772,720.

Total City cash (\$8,990,670) and long term investments (\$10,866,950), at the end of November, totaled \$19,857,620. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2015-2016 biennial budget.

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City of Kenmore, Washington
Monthly Financial Report
November 2016

Total non-General Fund revenues were \$1,148,185 and total non-General Fund expenditures were \$784,296.

In the **Street Fund** revenue from gas tax distributions was \$38,322. \$93,395 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund** expenditures were \$110,182 for SR 522 West A construction. The fund also had Sidewalk projects expenditures of \$111,824, \$56,394 in Street Overlay expenditures, \$26,665 in West Sammamish Bridge expenditures, and \$36,346 in Neighborhood Traffic Calming expenditures during the month. The fund received \$146,127 in SR 522 West A utility reimbursements and \$19,314 in sidewalk grant reimbursements during the month.

The **Park Impact Fee** fund received \$12,825 in revenues during the month.

There was \$235,052 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received \$124,437 of real estate excise taxes (REET) in November from sales activity that occurred in October. 51 transactions were reported this month. The 2016 year to date revenue exceeds the 2015 revenue by \$129,378 and by the 2016 Target by \$412,265.

The **Kenmore Village** Fund expended \$166,929 during the month for the Town Green project.

The **Transportation Benefit District** Fund received \$26,156 in vehicle license fees during November bringing the total for the biennium to \$659,158.

SUMMARY

This concludes the financial report for the City of Kenmore as of **November 30, 2016**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

City of Kenmore, Washington
General Fund Summary Report
November 30, 2016



	CURRENT PERIOD 2015-2016				PRIOR PERIOD 2013-2014			
	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	November 2016	2015-2016	BUDGET	2015-2016	November 2014	2013-2014	BUDGET	2013-2014
REVENUES								
Beginning Fund Balance		4,233,568		4,221,475				5,525,153
Property Taxes	1,284,114	9,046,098	101.1%	8,948,766	431,048	8,679,768	101.6%	8,542,053
Sales and Use Taxes	266,902	5,284,959	112.4%	4,700,532	212,020	4,220,208	106.6%	3,960,331
Utility Taxes	83,609	2,282,121	82.6%	2,763,390	39,317	2,517,754	85.6%	2,942,395
Other Taxes	15,106	171,528	152.2%	112,720	10,018	95,994	156.6%	61,300
Development Fees & Permits	59,321	2,226,151	114.1%	1,951,432	104,301	1,938,215	132.3%	1,465,185
Franchise Fees	121,491	1,641,893	115.5%	1,422,160	0	787,115	79.3%	992,405
Intergovernmental and Grants	13,531	794,312	112.3%	707,370	8,558	689,161	107.7%	639,866
Investment Interest	31,154	163,305	322.1%	50,700	16,497	134,999	231.2%	58,400
Fines and Forfeitures	-226	-6,910	0.0%	0	319	-2,287	n/a	0
Transfers and Other Revenues	4,310	122,617	31.3%	391,200	2,164	473,556	82.7%	572,536
Total Revenues	1,879,313	21,726,075	103.2%	21,048,270	824,244	19,534,484	101.6%	19,234,471
Total Revenues & Beginning Fund Balance								
		25,959,643		25,269,745				24,759,624

	CURRENT PERIOD 2015-2016				PRIOR PERIOD 2013-2014			
	MONTH	BIENNIUM TO DATE	% of	BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	November	2015-2016	BUDGET	2015-2016	November 2014	2013-2014	BUDGET	2013-2014
EXPENDITURES								
Cost Center								
City Council	9,137	294,066	89.5%	328,435	7,100	207,304	95.2%	217,644
City Manager	166,048	2,829,058	89.2%	3,173,222	70,594	2,050,544	114.1%	1,796,600
City Clerk	14,940	325,307	117.2%	277,683	9,601	203,072	37.9%	536,261
Finance	38,588	1,479,518	110.2%	1,342,155	24,455	655,836	102.6%	639,213
Legal	35,185	612,564	139.2%	440,000	6,958	403,528	81.6%	494,285
Non-Departmental *	0	0	0.0%	0	80,421	1,531,181	99.9%	1,532,818
Interfund Transfers	0	1,666,216	52.0%	3,202,671	0	3,454,000	220.8%	1,564,000
Public Safety	53,373	7,267,059	90.0%	8,076,115	337,176	7,089,892	98.8%	7,179,563
Engineering & Environmental Services	59,105	1,726,260	113.0%	1,527,950	44,850	1,448,167	138.5%	1,045,741
Community Development	38,294	854,312	102.9%	830,030	43,834	907,832	127.4%	712,632
Developmental Services	93,103	1,835,723	113.3%	1,620,050	58,083	1,262,453	84.1%	1,501,147
Parks & Facility Maintenance	63,969	1,581,577	80.9%	1,954,409	39,637	1,254,988	74.0%	1,695,042
Total Expenditures	571,741	20,471,662	89.9%	22,772,720	722,708	20,468,796	108.2%	18,914,946
Ending Fund Balance		5,487,982		2,497,025			0.0%	5,844,678
Total Expenditures and Ending Fund Balance								
		25,959,643		25,269,745				24,759,624

*Non-Departmental expenditures have been moved to other General Fund Cost Centers

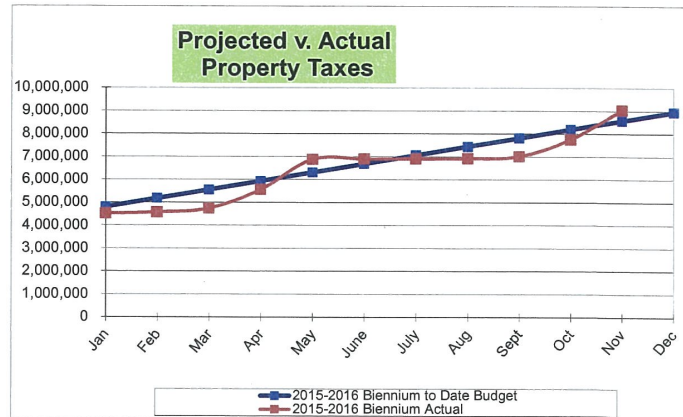
**City of Kenmore, Washington
General Fund Revenue Graphs
November 30, 2016**

PROPERTY TAXES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	4,427,247	4,511,047
Jan	4,804,040	4,525,700
Feb	5,180,834	4,582,137
Mar	5,557,627	4,749,727
Apr	5,934,420	5,566,829
May	6,311,213	6,891,038
June	6,688,007	6,903,787
July	7,064,800	6,916,428
Aug	7,441,593	6,929,862
Sept	7,818,386	7,021,616
Oct	8,195,180	7,761,984
Nov	8,571,973	9,046,098
Dec	8,948,766	
2015-16	8,948,766	

Year To Date
Actual v. Projected

106%

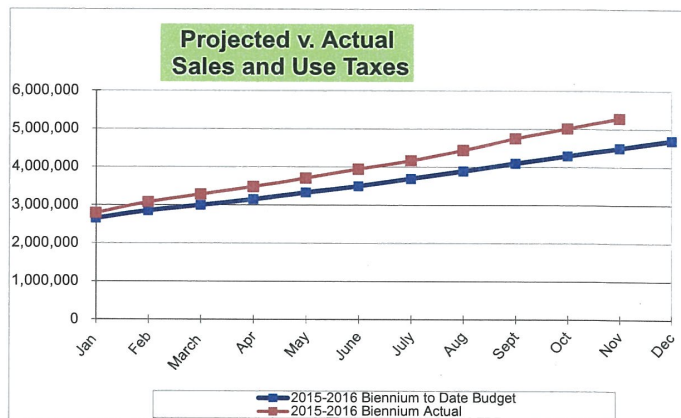


SALES, USE, CRIM JUSTICE TAXES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	2,491,685	2,592,076
Jan	2,650,828	2,792,417
Feb	2,853,765	3,080,971
March	3,000,413	3,286,344
Apr	3,153,514	3,484,605
May	3,333,030	3,712,580
June	3,501,714	3,950,070
July	3,696,509	4,171,235
Aug	3,895,328	4,445,072
Sept	4,102,013	4,754,223
Oct	4,294,991	5,018,057
Nov	4,500,931	5,284,959
Dec	4,700,532	
2015-16	4,700,532	

Year To Date
Actual v. Projected

117%

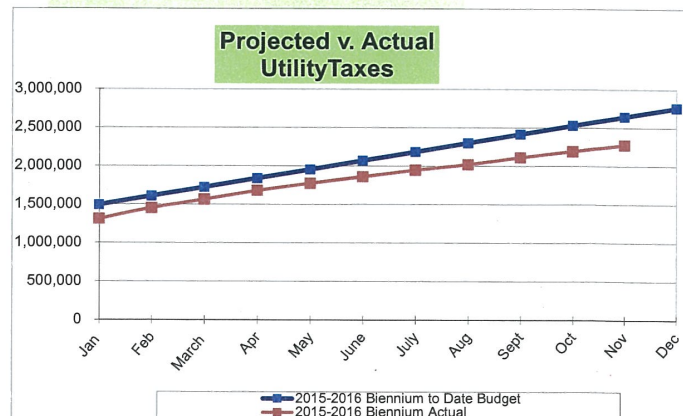


UTILITY TAXES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	1,381,695	1,185,774
Jan	1,496,836	1,316,335
Feb	1,611,978	1,457,296
March	1,727,119	1,570,026
Apr	1,842,260	1,684,213
May	1,957,401	1,780,173
June	2,072,543	1,866,813
July	2,187,684	1,953,151
Aug	2,302,825	2,027,085
Sept	2,417,966	2,117,527
Oct	2,533,108	2,198,512
Nov	2,648,249	2,282,121
Dec	2,763,390	
2015-16	2,763,390	

Year To Date
Actual v. Projected

86%



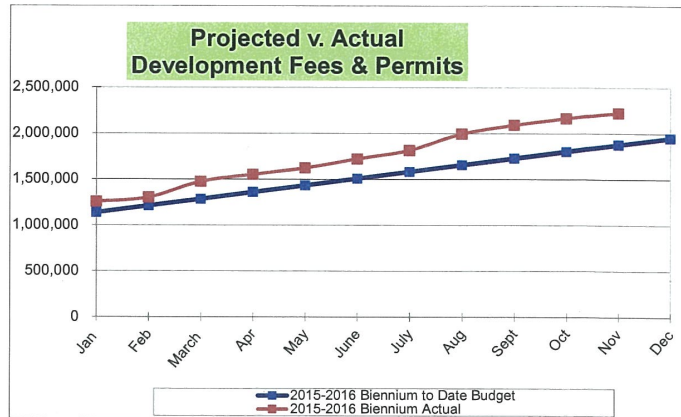
**City of Kenmore, Washington
General Fund Revenue Graphs
November 30, 2016**

DEVELOPMENT FEES & PERMITS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	1,064,606	1,142,955
Jan	1,138,508	1,256,352
Feb	1,212,410	1,303,426
March	1,286,313	1,476,673
Apr	1,360,215	1,553,688
May	1,434,117	1,624,466
June	1,508,019	1,724,014
July	1,581,921	1,817,136
Aug	1,655,823	1,998,060
Sept	1,729,726	2,093,354
Oct	1,803,628	2,166,831
Nov	1,877,530	2,226,152
Dec	1,951,432	
2015-16	1,951,432	

Year To Date
Actual v. Projected

119%

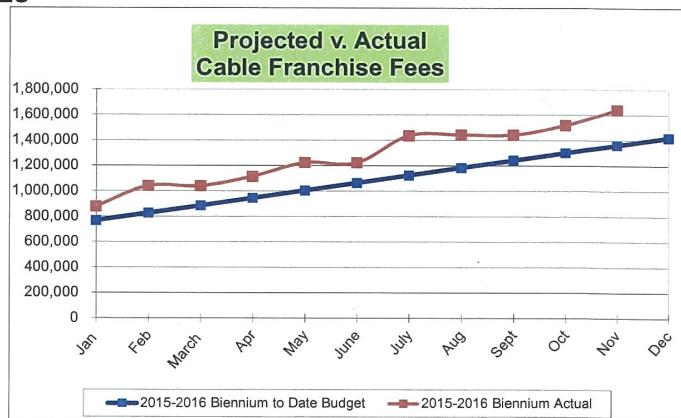


CABLE/WATER/SEWER FRANCHISE FEES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	708,000	802,881
Jan	767,513	879,309
Feb	827,027	1,040,965
March	886,540	1,040,965
Apr	946,053	1,115,715
May	1,005,567	1,224,237
June	1,065,080	1,224,237
July	1,124,593	1,437,647
Aug	1,184,107	1,444,402
Sept	1,243,620	1,444,402
Oct	1,303,133	1,520,403
Nov	1,362,647	1,641,894
Dec	1,422,160	
2015-16	1,422,160	

Year To Date
Actual v. Projected

120%

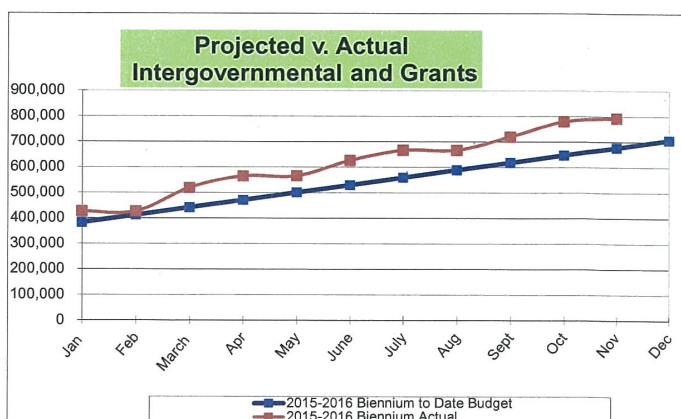


INTERGOVERNMENTAL & GRANTS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	353,685	387,283
Jan	383,159	427,322
Feb	412,633	427,322
March	442,106	520,174
Apr	471,580	565,989
May	501,054	566,793
June	530,528	627,257
July	560,001	667,732
Aug	589,475	668,148
Sept	618,949	720,845
Oct	648,423	780,781
Nov	677,896	794,312
Dec	707,370	
2015-16	707,370	

Year To Date
Actual v. Projected

117%



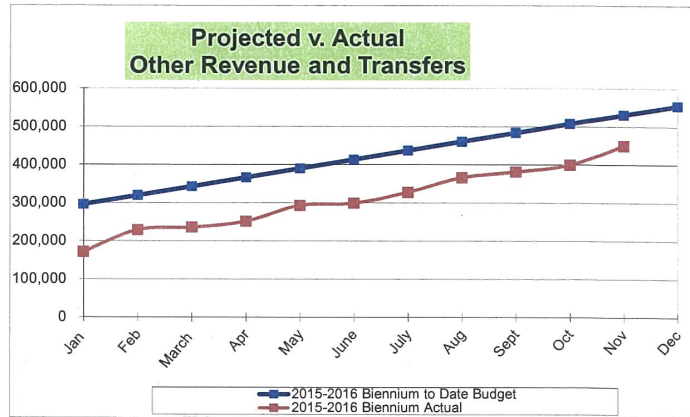
**City of Kenmore, Washington
General Fund Revenue Graphs
November 30, 2016**

OTHER REVENUES AND TRANSFERS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	272,810	159,157
Jan	296,294	171,910
Feb	319,778	229,302
March	343,263	236,342
Apr	366,747	252,203
May	390,231	293,617
June	413,715	299,699
July	437,199	328,406
Aug	460,683	366,768
Sept	484,168	381,957
Oct	507,652	400,195
Nov	531,136	450,540
Dec	554,620	
2015-16	554,620	

Year To Date
Actual v. Projected

85%

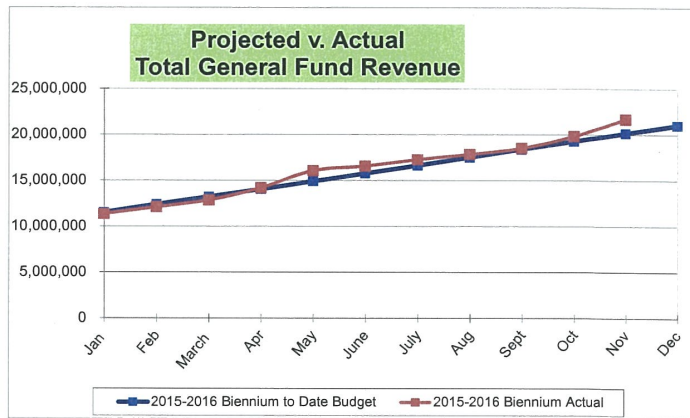


TOTAL GENERAL FUND REVENUE

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
Jan	11,537,179	11,369,345
Feb	12,418,424	12,121,418
March	13,243,380	12,880,252
Apr	14,074,789	14,223,243
May	14,932,612	16,092,903
June	15,779,604	16,595,876
July	16,652,707	17,291,735
Aug	17,529,834	17,879,397
Sept	18,414,827	18,533,923
Oct	19,286,114	19,846,763
Nov	20,170,361	21,726,076
Dec	21,048,270	

Year To Date
Actual v. Projected

108%

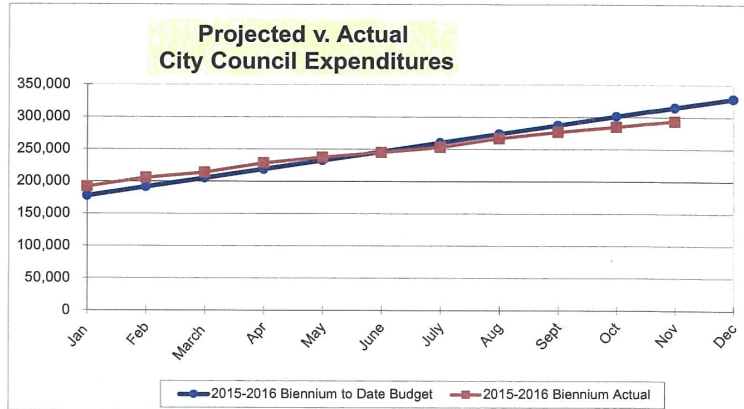


**City of Kenmore, Washington
General Fund Expenditure Graphs
November 30, 2016**

CITY COUNCIL

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	163,989	156,472
Jan	177,693	191,957
Feb	191,397	205,736
March	205,101	213,838
Apr	218,804	228,817
May	232,508	237,389
June	246,212	245,235
July	259,916	253,033
Aug	273,620	266,963
Sept	287,324	276,918
Oct	301,027	284,929
Nov	314,731	294,066
Dec	328,435	
2015-16	328,435	

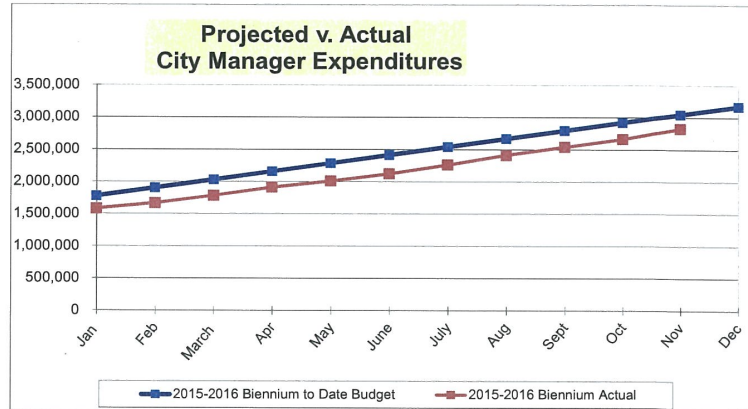
Year To Date
Actual v. Projected 93%



CITY MANAGER

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	1,652,808	1,482,207
Jan	1,779,509	1,582,540
Feb	1,906,210	1,667,211
March	2,032,912	1,785,525
Apr	2,159,613	1,913,330
May	2,286,314	2,011,136
June	2,413,015	2,123,685
July	2,539,716	2,265,991
Aug	2,666,417	2,412,925
Sept	2,793,119	2,541,639
Oct	2,919,820	2,663,010
Nov	3,046,521	2,829,058
Dec	3,173,222	
2015-16	3,173,222	

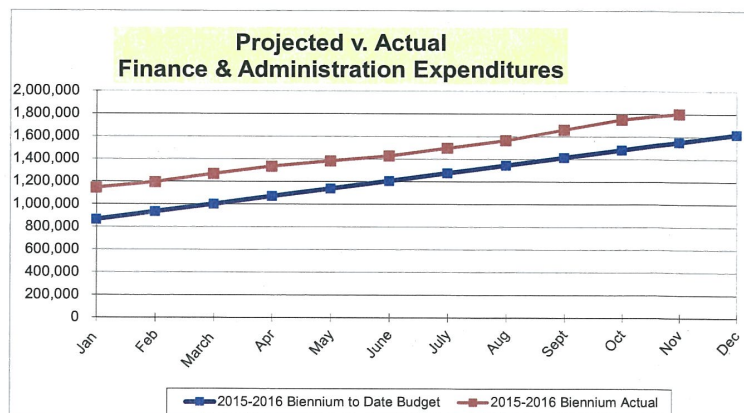
Year To Date
Actual v. Projected 93%



FINANCE & ADMINISTRATION

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	798,363	909,180
Jan	866,819	1,147,482
Feb	935,276	1,198,175
March	1,003,732	1,272,737
Apr	1,072,188	1,337,334
May	1,140,644	1,384,857
June	1,209,101	1,430,113
July	1,277,557	1,499,669
Aug	1,346,013	1,567,591
Sept	1,414,469	1,660,974
Oct	1,482,926	1,751,298
Nov	1,551,382	1,804,825
Dec	1,619,838	
2015-16	1,619,838	

Year To Date
Actual v. Projected 116%

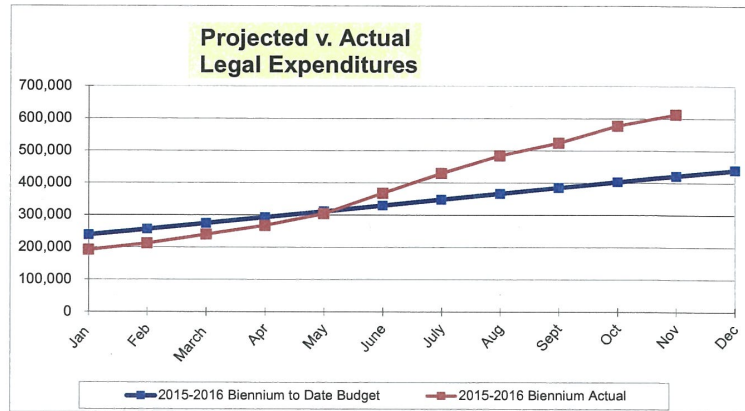


**City of Kenmore, Washington
General Fund Expenditure Graphs
November 30, 2016**

LEGAL

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	220,000	189,956
Jan	238,333	192,069
Feb	256,667	212,773
March	275,000	240,324
Apr	293,333	267,991
May	311,667	304,364
June	330,000	368,508
July	348,333	429,345
Aug	366,667	484,366
Sept	385,000	523,860
Oct	403,333	577,380
Nov	421,667	612,564
Dec	440,000	
2015-16	440,000	

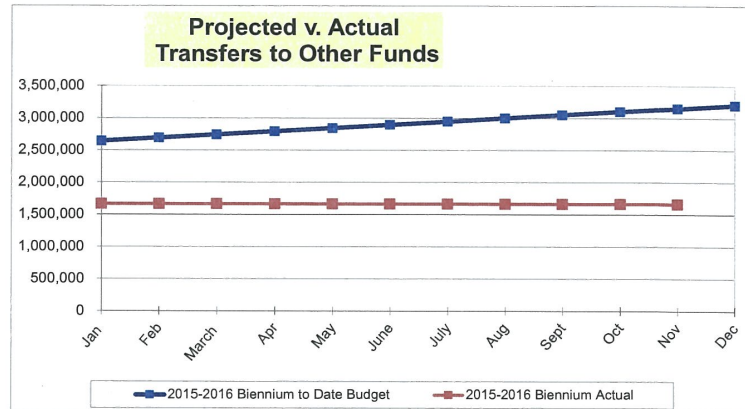
Year To Date
Actual v. Projected 145%



TRANSFERS TO OTHER FUNDS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	2,588,786	1,666,216
Jan	2,639,943	1,666,216
Feb	2,691,100	1,666,216
March	2,742,257	1,666,216
Apr	2,793,414	1,666,216
May	2,844,571	1,666,216
June	2,895,729	1,666,216
July	2,946,886	1,666,216
Aug	2,998,043	1,666,216
Sept	3,049,200	1,666,216
Oct	3,100,357	1,666,216
Nov	3,151,514	1,666,216
Dec	3,202,671	
2015-16	3,202,671	

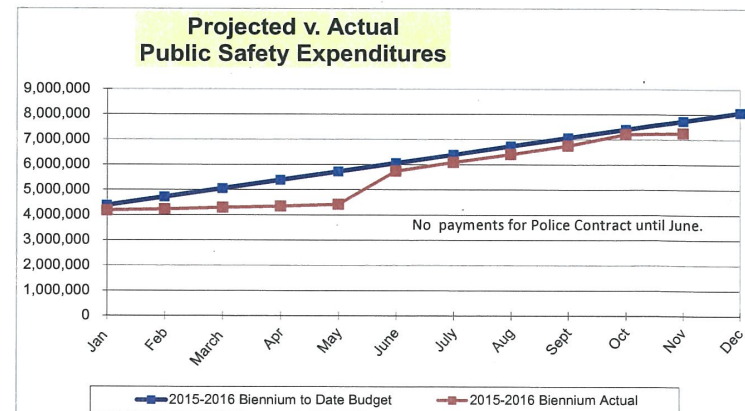
Year To Date
Actual v. Projected 53%



PUBLIC SAFETY

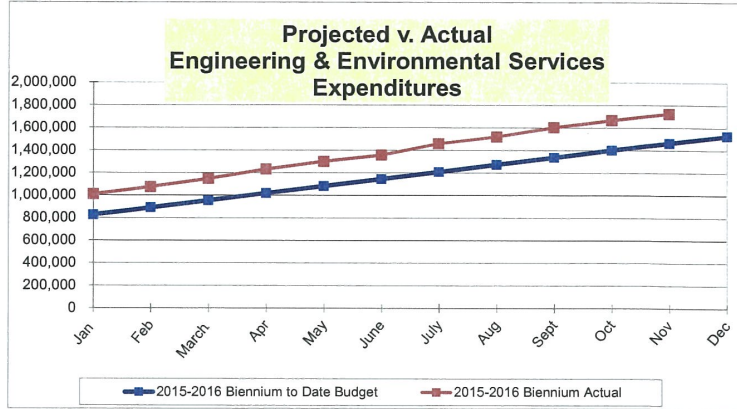
	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	4,051,177	4,152,022
Jan	4,386,589	4,187,043
Feb	4,722,000	4,241,000
March	5,057,412	4,299,830
Apr	5,392,823	4,357,174
May	5,728,235	4,426,195
June	6,063,646	5,747,844
July	6,399,058	6,100,771
Aug	6,734,469	6,407,734
Sept	7,069,881	6,753,169
Oct	7,405,292	7,213,686
Nov	7,740,704	7,267,059
Dec	8,076,115	
2015-16	8,076,115	

Year To Date
Actual v. Projected 94%



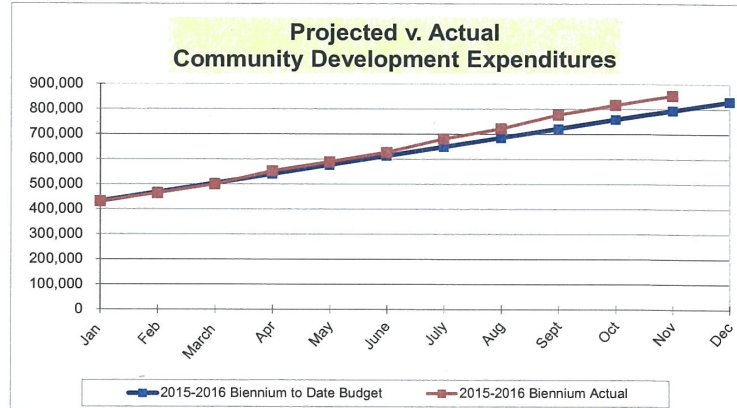
City of Kenmore, Washington
General Fund Expenditure Graphs
November 30, 2016
ENGINEERING & ENVIRONMENTAL SERVICES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	763,129	937,886
Jan	826,864	1,010,654
Feb	890,599	1,075,095
March	954,334	1,149,254
Apr	1,018,069	1,231,968
May	1,081,804	1,300,931
June	1,145,540	1,358,154
July	1,209,275	1,461,127
Aug	1,273,010	1,520,662
Sept	1,336,745	1,604,361
Oct	1,400,480	1,667,155
Nov	1,464,215	1,726,260
Dec	1,527,950	
2015-16	1,527,950	
Year To Date		
Actual v. Projected		118%



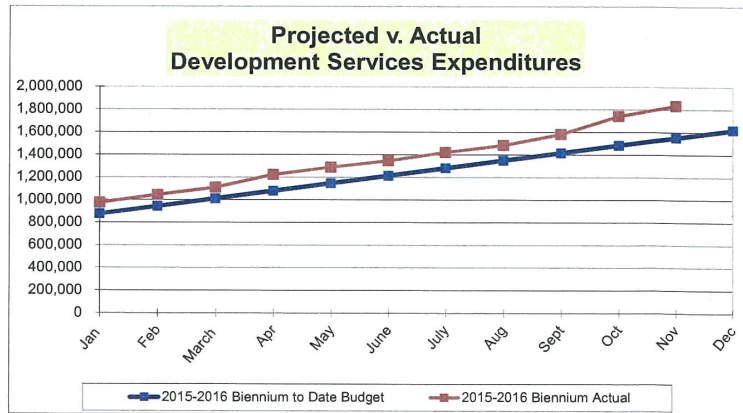
COMMUNITY DEVELOPMENT

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	395,834	401,776
Jan	432,017	431,552
Feb	468,200	464,237
March	504,383	500,153
Apr	540,566	552,279
May	576,749	589,485
June	612,932	626,915
July	649,115	680,816
Aug	685,298	722,236
Sept	721,481	777,253
Oct	757,664	816,018
Nov	793,847	854,312
Dec	830,030	
2015-16	830,030	
Year To Date		
Actual v. Projected		108%



DEVELOPMENT SERVICES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	808,496	855,249
Jan	876,126	976,587
Feb	943,755	1,045,721
March	1,011,385	1,110,942
Apr	1,079,014	1,224,521
May	1,146,644	1,289,630
June	1,214,273	1,346,544
July	1,281,903	1,422,790
Aug	1,349,532	1,484,738
Sept	1,417,162	1,583,047
Oct	1,484,791	1,742,620
Nov	1,552,421	1,835,723
Dec	1,620,050	
2015-16	1,620,050	
Year To Date		
Actual v. Projected		118%



City of Kenmore, Washington
General Fund Expenditure Graphs
November 30, 2016

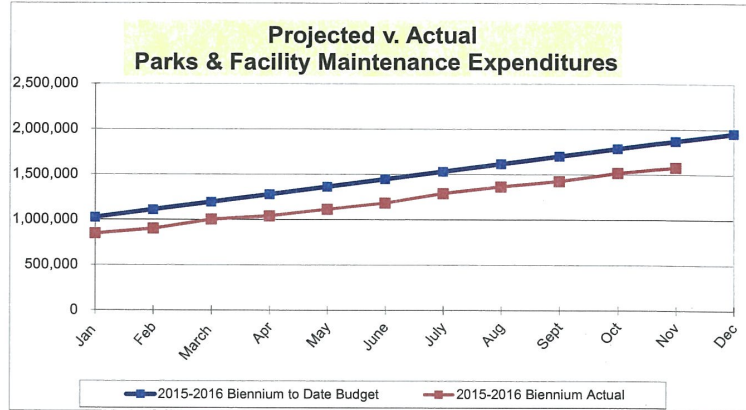
PARKS & FACILITY MAINTENANCE

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	941,427	802,859
Jan	1,025,842	847,373
Feb	1,110,257	901,839
March	1,194,673	1,003,905
Apr	1,279,088	1,040,940
May	1,363,503	1,116,715
June	1,447,918	1,185,208
July	1,532,333	1,290,368
Aug	1,616,748	1,365,223
Sept	1,701,164	1,425,904
Oct	1,785,579	1,517,608
Nov	1,869,994	1,581,577
Dec	1,954,409	
2015-16	1,954,409	

Year To Date

Actual v. Projected

85%



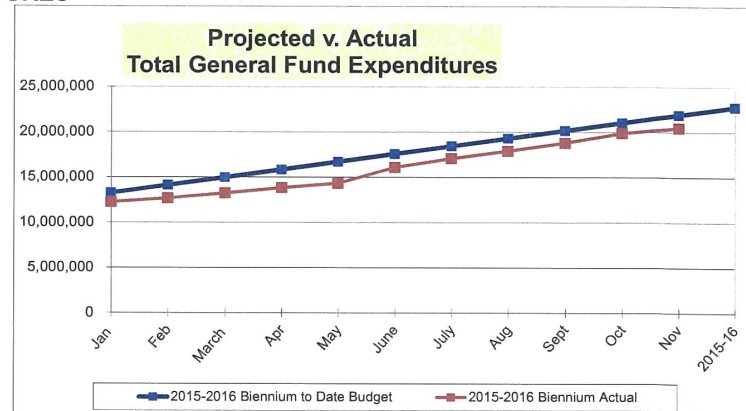
TOTAL GENERAL FUND EXPENDITURES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
Jan	13,249,735	12,233,472
Feb	14,115,461	12,678,004
March	14,981,187	13,242,725
Apr	15,846,913	13,820,571
May	16,712,639	14,326,920
June	17,578,365	16,098,424
July	18,444,090	17,070,127
Aug	19,309,816	17,898,656
Sept	20,175,542	18,813,343
Oct	21,041,268	19,899,920
Nov	21,906,994	20,471,661
2015-16	22,772,720	

Year To Date

Actual v. Projected

93%



**City of Kenmore, Washington
Street Fund Summary Report
November 30, 2016**



	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>November 2016</u>	<u>2015-2016</u>	<u>BUDGET</u>	<u>2015-2016</u>
<u>REVENUES</u>				
Beginning Fund Balance		899,288		899,288
Fuel Tax	38,322	871,178	100.0%	871,531
Investment Interest	0	4,458	-	0
Miscellaneous	66	5,806	-	0
ROW Permit Fees/Inspections	4,843	183,613	102.0%	180,000
Multimodal Transportation	0	14,667	-	0
Transfer from General Fund	0	485,430	58.3%	833,000
Transfer from TBD	0	232,000	48.8%	475,000
Total Revenues	43,231	1,797,152	76.2%	2,359,531

Total Revenues & Beginning Fund Balance		2,696,440		3,258,819
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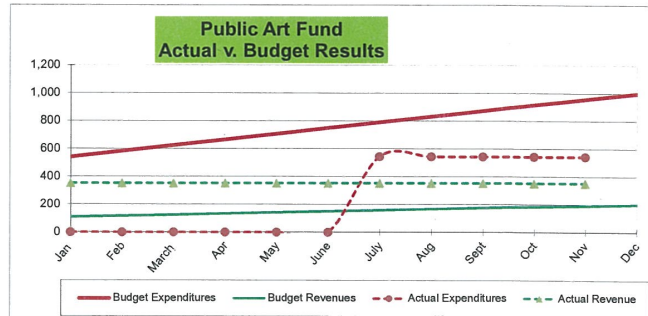
	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>November 2016</u>	<u>2015-2016</u>	<u>BUDGET</u>	<u>2015-2016</u>
<u>EXPENDITURES</u>				
Salary and Benefits	23,178	556,734	96.4%	577,783
Maintenance & Operations	93,395	1,547,408	87.9%	1,760,494
Capital	0	43,175	130.8%	33,000
Transfer to Transportation Capital	0	320,597	80.1%	400,000
Total Expenditures	116,573	2,467,915	89.1%	2,771,277
Ending Fund Balance		228,526		487,542

Total Expenditures and Ending Fund Balance		2,696,440		3,258,819
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**City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2016**

PUBLIC ART FUND

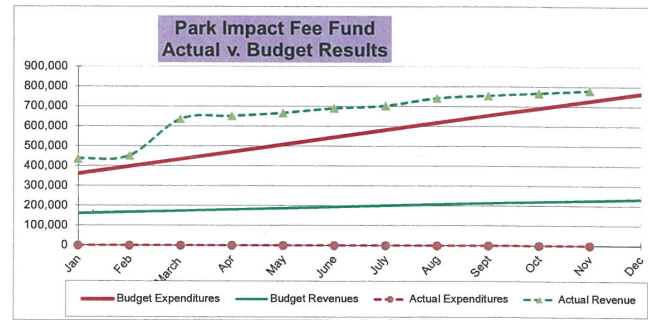
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	500	0	100	352
Jan	542	0	108	352
Feb	583	0	117	352
March	625	0	125	352
Apr	667	0	133	352
May	708	0	142	352
June	750	0	150	352
July	792	545	158	352
Aug	833	545	167	352
Sept	875	545	175	352
Oct	917	545	183	352
Nov	958	545	192	352
Dec	1,000		200	
2015-16	1,000		200	
Total Actual to Date vs Total Budget		54%		176%



This fund accounts for public art authorized by Ordinance 01-0115. One percent (1%) of public project construction contracts is contributed to this fund to provide for public art displays or performing arts events as authorized by the City Council.

PARK IMPACT FEE FUND

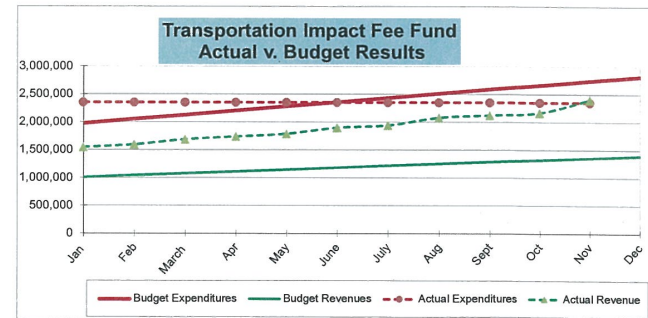
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	325,000	0	154,878	396,247
Jan	361,706	0	161,477	437,063
Feb	398,412	0	168,076	452,453
March	435,118	0	174,674	636,597
Apr	471,824	0	181,273	651,987
May	508,530	0	187,872	667,349
June	545,236	0	194,471	690,434
July	581,941	0	201,069	703,259
Aug	618,647	0	207,668	741,706
Sept	655,353	0	214,267	754,531
Oct	692,059	0	220,866	767,356
Nov	728,765	0	227,464	780,181
Dec	765,471		234,063	
2015-16	765,471		234,063	
Total Actual to Date vs Total Budget		0%		333%



This fund accounts for City imposed park impact fees on new development. Expenditures are for public park acquisitions and improvements.

TRANSPORTATION IMPACT FEE FUND

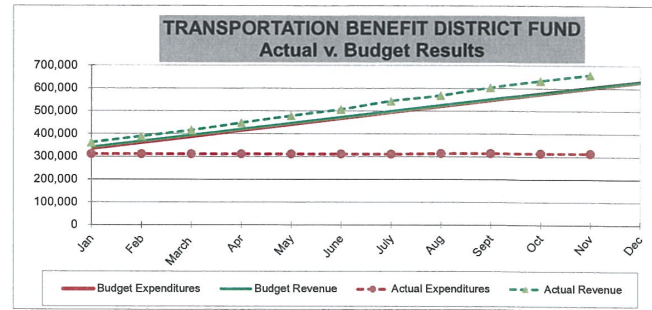
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	1,904,780	2,360,000	975,257	1,413,466
Jan	1,981,444	2,360,000	1,010,424	1,548,410
Feb	2,058,108	2,360,000	1,045,590	1,599,014
March	2,134,773	2,360,000	1,080,757	1,691,789
Apr	2,211,437	2,360,000	1,115,924	1,742,393
May	2,288,101	2,360,000	1,151,090	1,792,997
June	2,364,765	2,360,000	1,186,257	1,901,872
July	2,441,429	2,360,000	1,221,424	1,944,929
Aug	2,518,093	2,360,000	1,256,590	2,082,076
Sept	2,594,758	2,360,000	1,291,757	2,126,019
Oct	2,671,422	2,360,000	1,326,924	2,171,735
Nov	2,748,086	2,360,000	1,362,090	2,406,787
Dec	2,824,750		1,397,257	
2015-16	2,824,750		1,397,257	
Total Actual to Date vs Total Budget		84%		172%



This fund accounts for City imposed transportation impact fees on new development. Expenditures are for public transportation improvements.

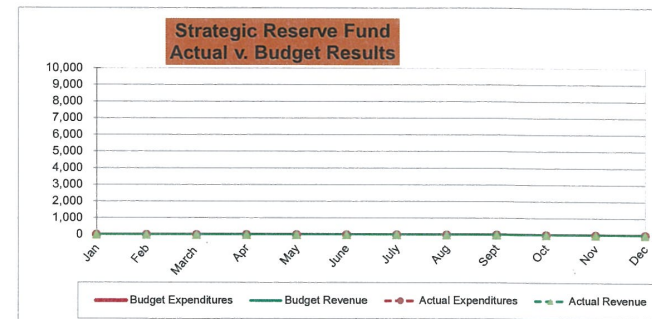
City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2016

TRANSPORTATION BENEFIT DISTRICT FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	309,500	309,500	315,100	334,634
Jan	336,208	312,000	341,358	362,255
Feb	362,917	312,000	367,617	389,104
March	389,625	312,000	393,875	415,913
Apr	416,333	312,000	420,133	447,573
May	443,042	312,000	446,392	478,600
June	469,750	312,000	472,650	506,795
July	496,458	312,000	498,908	543,544
Aug	523,167	315,220	525,167	568,056
Sept	549,875	315,220	551,425	603,280
Oct	576,583	315,220	577,683	633,000
Nov	603,292	315,220	603,942	659,156
Dec	630,000		630,200	
2015-16	630,000		630,200	
Total Actual to Date vs Total Budget		50%		105%



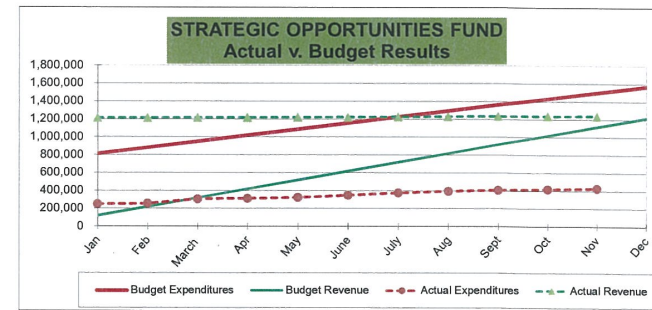
The Transportation Benefit District fund accounts for the \$20 vehicle license tab fees levied on vehicles located in the Kenmore city limits. The revenue generated will be used in maintaining the City's transportation system.

STRATEGIC RESERVE FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	0	0	0	0
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
Aug	0	0	0	0
Sept	0	0	0	0
Oct	0	0	0	0
Nov	0	0	0	0
Dec	0	0	0	0
2015-16	0	0	0	0
Total Actual to Date vs Total Budget		0%		0%



This fund was created to serve as the City's emergency reserve fund. Per State Statute, the fund cannot exceed \$.375 per \$1,000 of the City's assessed value and is fully funded at \$1,264,464 for 2011. No expenditures are anticipated or have been budgeted at this time.

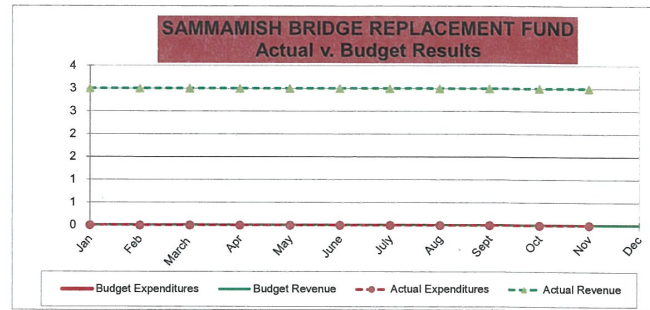
STRATEGIC OPPORTUNITIES FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	746,200	247,741	20,943	1,211,827
Jan	814,950	252,597	120,693	1,214,052
Feb	883,700	260,695	220,444	1,215,602
March	952,450	307,618	320,194	1,217,352
Apr	1,021,200	315,761	419,944	1,218,819
May	1,089,950	326,985	519,694	1,221,144
June	1,158,700	352,460	619,445	1,223,519
July	1,227,450	378,363	719,195	1,226,639
Aug	1,296,200	398,429	818,945	1,231,214
Sept	1,364,950	411,221	918,695	1,233,614
Oct	1,433,700	421,362	1,018,446	1,236,764
Nov	1,502,450	433,326	1,118,196	1,238,864
Dec	1,571,200		1,217,946	
2015-16	1,571,200		1,217,946	
Total Actual to Date vs Total Budget		28%		102%



The purpose of the Strategic Opportunities Fund is to have funds available for the City to make key investments or take advantage of strategic opportunities as they present themselves. For 2015-16, the Business Incubator expenditures are budgeted in this fund.

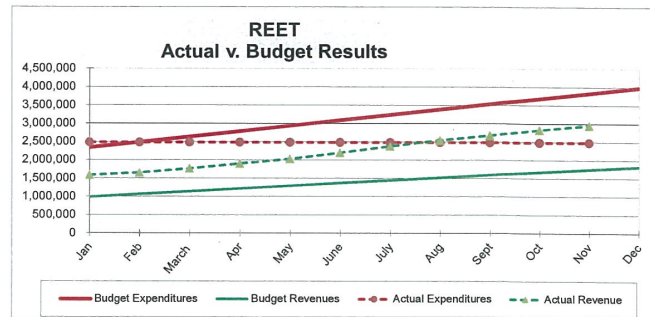
City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2016

SAMMAMISH BRIDGE REPLACEMENT FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	0	0	0	3
Jan	0	0	0	3
Feb	0	0	0	3
March	0	0	0	3
Apr	0	0	0	3
May	0	0	0	3
June	0	0	0	3
July	0	0	0	3
Aug	0	0	0	3
Sept	0	0	0	3
Oct	0	0	0	3
Nov	0	0	0	3
Dec	0	0	0	3
2015-16	0	0	0	3
Total Actual to Date vs Total Budget		0%		0%



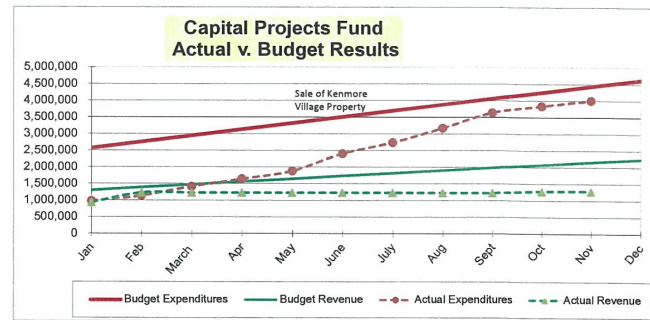
The Sammamish Bridge Replacement fund is a fund used to put money aside for the replacement of the West Sammamish bridge.

REAL ESTATE EXCISE TAX FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	2,191,250	2,484,359	914,000	1,464,658
Jan	2,340,921	2,484,359	990,083	1,587,477
Feb	2,490,593	2,484,359	1,066,167	1,657,623
March	2,640,264	2,484,359	1,142,250	1,767,689
Apr	2,789,935	2,484,359	1,218,333	1,900,850
May	2,939,607	2,484,359	1,294,417	2,030,449
June	3,089,278	2,484,359	1,370,500	2,198,025
July	3,238,949	2,484,359	1,446,583	2,375,450
Aug	3,388,621	2,484,359	1,522,667	2,540,847
Sept	3,538,292	2,484,359	1,598,750	2,677,023
Oct	3,687,963	2,484,359	1,674,833	2,827,809
Nov	3,837,635	2,484,359	1,750,917	2,952,246
Dec	3,987,306		1,827,000	
2015-16	3,987,306		1,827,000	
Total Actual to Date vs Total Budget		62%		162%



The Real Estate Excise Tax Fund accounts for the 1/2% real estate excise taxes levied by the City which are restricted to capital projects and improvements. Expenditures include transfers to the Park Capital Fund for park improvements and Transportation Capital Fund for transportation improvements.

KENMORE VILLAGE FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	2,389,500	1,003,897	1,219,200	939,764
Jan	2,576,306	986,635	1,304,842	939,764
Feb	2,763,112	1,139,797	1,390,483	1,230,764
March	2,949,917	1,420,862	1,476,125	1,230,764
Apr	3,136,723	1,646,817	1,561,767	1,230,764
May	3,323,529	1,885,567	1,647,408	1,230,764
June	3,510,335	2,406,844	1,733,050	1,230,825
July	3,697,140	2,743,193	1,818,692	1,230,825
Aug	3,883,946	3,175,933	1,904,333	1,230,825
Sept	4,070,752	3,643,133	1,989,975	1,230,825
Oct	4,257,558	3,843,373	2,075,617	1,284,852
Nov	4,444,363	4,012,414	2,161,258	1,284,852
Dec	4,631,169		2,246,900	
2015-16	4,631,169		2,246,900	
Total Actual to Date vs Total Budget		87%		57%

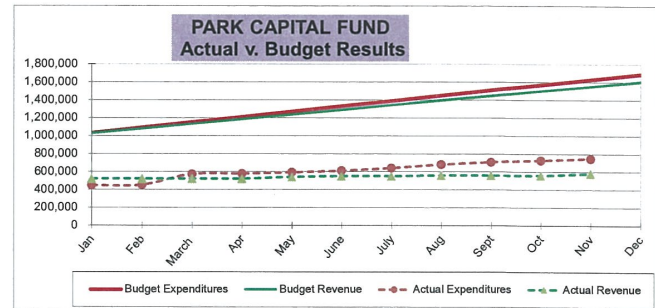


The Kenmore Village Fund accounts for leasing activity and property transactions within Kenmore Village

**City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2016**

PARK CAPITAL FUND

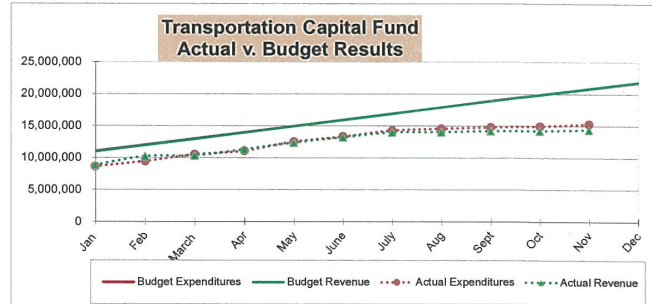
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	974,000	437,373	975,200	521,437
Jan	1,033,769	448,504	1,027,698	521,437
Feb	1,093,539	453,784	1,080,196	521,437
March	1,153,308	575,191	1,132,694	521,437
Apr	1,213,078	579,697	1,185,191	521,437
May	1,272,847	594,898	1,237,689	540,100
June	1,332,617	612,207	1,290,187	550,100
July	1,392,386	642,264	1,342,685	550,100
Aug	1,452,155	681,534	1,395,183	558,632
Sept	1,511,925	709,740	1,447,681	558,632
Oct	1,571,694	728,939	1,500,178	558,632
Nov	1,631,464	749,179	1,552,676	581,127
Dec	1,691,233		1,605,174	
2015-16	1,691,233		1,605,174	
Total Actual to Date vs Total Budget		44%		36%



The Park Capital fund will account for Park Capital Projects formerly included in the Municipal Capital fund. In addition, distributions from the King County Proposition 2 Parks Expansion Levy will be received into this fund

TRANSPORTATION CAPITAL FUND

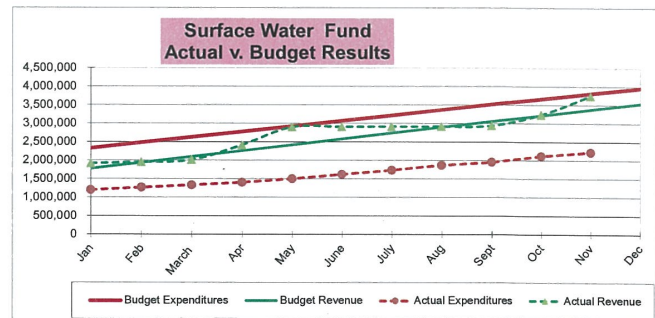
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	10,039,810	8,637,374	9,989,310	8,681,369
Jan	11,023,357	8,669,016	10,977,781	8,856,349
Feb	12,006,905	9,485,351	11,966,251	10,236,046
March	12,990,452	10,529,365	12,954,722	10,363,204
Apr	13,973,999	11,119,674	13,943,192	11,342,241
May	14,957,546	12,551,558	14,931,663	12,391,433
June	15,941,094	13,336,533	15,920,133	13,237,420
July	16,924,641	14,305,057	16,908,604	13,997,197
Aug	17,908,188	14,578,716	17,897,074	14,057,854
Sept	18,891,735	14,830,167	18,885,545	14,223,423
Oct	19,875,283	14,988,100	19,874,015	14,252,311
Nov	20,858,830	15,329,511	20,862,486	14,423,457
Dec	21,842,377		21,850,956	
2015-16	21,842,377		21,850,956	
Total Actual to Date vs Total Budget		70%		66%



The Transportation Capital Fund accounts for capital improvements to the City's streets and SR 522, funded by various grants plus City resources from real estate excise tax and transportation impact fees. All phases of improvements to SR 522 are now accounted for in this fund. There is a time lag between project expenditures and reimbursements from grants; this accounts for the lower revenues compared to the expenditures.

SURFACE WATER MANAGEMENT FUND

	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	2,188,308	1,115,684	1,620,000	1,915,280
Jan	2,336,430	1,207,683	1,780,000	1,922,104
Feb	2,484,553	1,275,765	1,940,000	1,955,947
March	2,632,675	1,338,128	2,100,000	2,017,402
Apr	2,780,797	1,411,134	2,260,000	2,414,992
May	2,928,920	1,510,556	2,420,000	2,903,331
June	3,077,042	1,627,886	2,580,000	2,910,391
July	3,225,164	1,742,858	2,740,000	2,915,373
Aug	3,373,287	1,874,837	2,900,000	2,917,128
Sept	3,521,409	1,962,670	3,060,000	2,942,016
Oct	3,669,531	2,123,236	3,220,000	3,239,451
Nov	3,817,654	2,231,771	3,380,000	3,749,729
Dec	3,965,776		3,540,000	
2015-16	3,965,776		3,540,000	
Total Actual to Date vs Total Budget		56%		106%

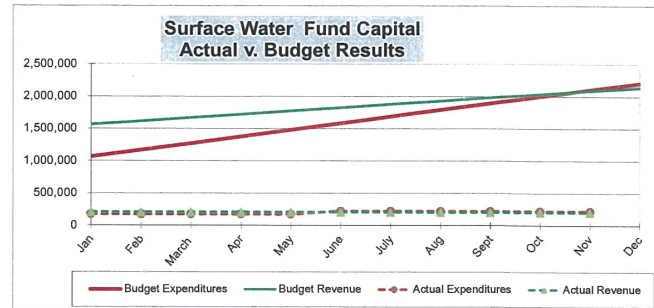


This fund accounts for receipts from surface water assessments. The assessments are collected through the property tax billings; the majority of the receipts are collected in May and November. Expenditures are for surface water maintenance activities such as sweeping and drainage as well as capital improvements.

City of Kenmore, Washington
Other Funds Monthly Activity
November 30, 2016

SURFACE WATER CAPITAL FUND

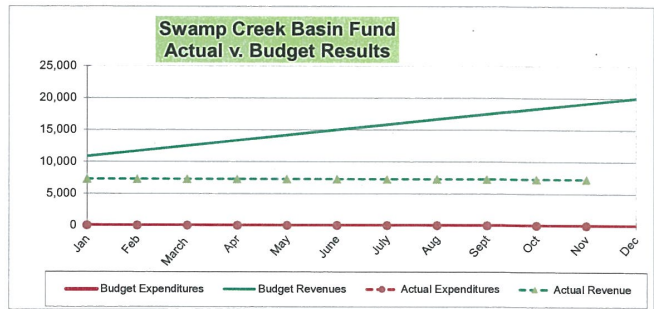
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	960,611	176,312	1,506,266	204,826
Jan	1,064,685	176,312	1,559,036	204,826
Feb	1,168,759	176,312	1,611,805	204,826
March	1,272,833	176,312	1,664,575	204,826
Apr	1,376,907	176,312	1,717,344	204,826
May	1,480,981	176,312	1,770,114	204,826
June	1,585,056	220,678	1,822,883	204,826
July	1,689,130	220,678	1,875,653	204,826
Aug	1,793,204	220,678	1,928,422	204,826
Sept	1,897,278	220,678	1,981,192	204,826
Oct	2,001,352	220,678	2,033,961	204,826
Nov	2,105,426	220,678	2,086,731	204,826
Dec	2,209,500		2,139,500	
2015-16	2,209,500		2,139,500	
Total Actual to Date vs Total Budget		10%		10%



This fund accounts for the expenditures for Surface Water Capital Improvements. Revenue sources for this fund include a variety of federal, state, or local grants, surface water management fees transferred from the Surface Water Management Fund and real estate excise taxes.

SWAMP CREEK BASIN FUND

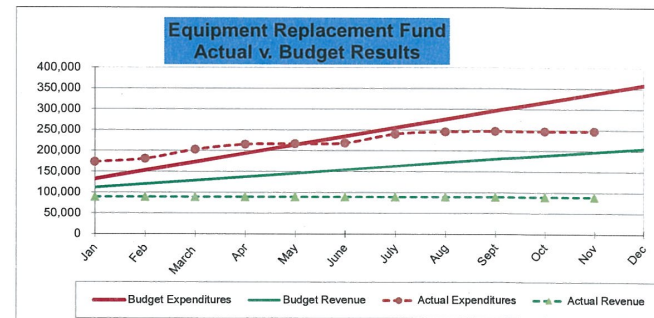
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	0	0	10,000	7,271
Jan	0	0	10,833	7,271
Feb	0	0	11,667	7,271
March	0	0	12,500	7,271
Apr	0	0	13,333	7,271
May	0	0	14,167	7,271
June	0	0	15,000	7,271
July	0	0	15,833	7,271
Aug	0	0	16,667	7,271
Sept	0	0	17,500	7,271
Oct	0	0	18,333	7,271
Nov	0	0	19,167	7,271
Dec	0	0	20,000	
2015-16	0	0	20,000	
Total Actual to Date vs Total Budget		0%		36%



This fund accounts for the Memorandum of Agreement with King County which provided funds reserved for surface water projects, improvements, and maintenance within the Swamp Creek Basin.

EQUIPMENT REPLACEMENT FUND

	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	112,000	173,486	103,000	89,227
Jan	132,531	173,486	111,583	89,227
Feb	153,063	181,188	120,167	89,227
March	173,594	203,245	128,750	89,227
Apr	194,125	215,636	137,333	89,227
May	214,656	217,102	145,917	89,227
June	235,188	218,920	154,500	89,227
July	255,719	240,629	163,083	89,227
Aug	276,250	246,347	171,667	89,227
Sept	296,781	247,695	180,250	89,227
Oct	317,313	247,695	188,833	89,227
Nov	337,844	247,956	197,417	89,227
Dec	358,375		206,000	
2015-16	358,375		206,000	
Total Actual to Date vs Total Budget		69%		43%



This fund is used to maintain a reserve for future replacement of equipment, including, but not limited to furniture, computers and vehicles. Payments are received from various operating departments and funds that benefit from or use the assets.

City of Kenmore, Washington
Investment Schedule
November 30, 2016



			Average Yield to Maturity-Securities				Overall Average Yield		0.64%
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Possible Call Date	Principal or Balance	Yield Equivalents
Piper Jaffray									
	31771J4M9	FICO	9/26/2017	8/14/2012	1.13%	1.13%	non callable	894,731.88	10,137.31
Total Piper Jaffrey Purchases								894,731.88	10,137.31
Time Value Investments									
	31359MEL3	FNMA	4/22/2017	10/22/2012	0.86%	0.86%	no call	999,468.08	8,595.43
	31771EAL5	FICO	2/8/2018	1/13/2015	1.15%	1.15%		999,114.48	11,489.82
	31771EAQ4	FHLB	11/2/2018	11/23/2016	1.08%	1.08%		999,868.36	10,798.58
	3135G0XK4	FNMA	5/25/2018	11/25/2013	1.38%	1.38%		985,750.00	13,583.64
	3135G0XK4	FNMA	5/25/2018	2/27/2014	1.30%	1.30%		989,691.00	12,865.98
	3135G0G23	FNMA	4/29/2019	11/24/2015	1.35%	1.35%	4/26/2016	998,326.00	13,477.40
Total TVI Purchases								5,972,217.92	70,810.84
Sound Community Bank CD's									
	18299229	CD	2/11/2016	2/14/2014	0.80%	0.80%		1,000,000.00	8,000.00
Total Sound Community Bank CD's								1,000,000.00	8,000.00
Opus Bank CD's									
	11495975	CD	2/10/17	6/10/15	0.35%	0.35%		1,000,000.00	3,500.00
	11539715	CD	3/29/18	3/30/16	0.85%	0.85%		1,000,000.00	8,500.00
	11527322	CD	6/30/16	6/30/2015	0.45%	0.45%		1,000,000.00	4,500.00
Total Cascade Bank CD's								3,000,000.00	16,500.00
TOTAL ALL SECURITIES								\$ 10,866,949.80	\$ 105,448.15
Banner Checking and Savings						0.07% Banner		5,218,619.64	3,653.03
Cash								1,005.00	-
Local Government Investment Pool						0.47% LGIP		3,771,045.81	17,618.33
Total Accounts								\$ 19,857,620.25	126,719.51

City of Kenmore, Washington
Cash and Investment Report
November 30, 2016



Fund	Beg. Cash & Inv.	Monthly	Monthly	End. Cash & Inv.
	from Prev. Mo.	Revenues	Expenditures	Current Month
General	\$4,188,532	\$1,879,313	\$571,741	5,496,103
Street	308,668	43,231	116,573	235,326
Transportation Capital	-735,392	171,147	341,411	(905,657)
Public Art	67,107	0	0	67,107
Park Impact Fee	1,520,129	12,825	0	1,532,954
Transportation Impact Fee	974,666	235,052	0	1,209,718
Swamp Creek Basin	1,404,934	0	0	1,404,934
Transportation Benefit District	326,708	26,156	0	352,864
Sammamish Bridge Replacement	516	0	0	516
Real Estate Excise Tax	2,757,663	124,437	0	2,882,099
Kenmore Village	-172,273	0	169,041	(341,314)
Park Capital	-169,740	22,495	20,240	(167,485)
Surface Water Management	2,598,595	510,277	108,535	3,000,337
Surface Water Capital	-32,202	0	0	(32,202)
Strategic Reserve	1,264,465	0	0	1,264,465
Strategic Opportunities	2,962,293	2,100	11,964	2,952,429
Equipment Replacement	296,206	0	261	295,945
Trust & Agency	625,290	466	16,270	609,486
Totals	\$18,186,166	\$3,027,498	\$1,356,037	\$19,857,626

Fund	Cash, Savings,	(> One Year)	Total
	Local Govt Investment Pool	Fixed Investments	
General	\$214,154	\$5,281,950	5,496,104
Street	-614,674	850,000	235,326
Transportation Capital	-905,657	0	(905,657)
Public Art	52,107	15,000	67,107
Park Impact Fee	602,954	930,000	1,532,954
Transportation Impact Fee	1,179,718	30,000	1,209,718
Swamp Creek Basin	4,934	1,400,000	1,404,934
Transportation Benefit District	352,864	0	352,864
Sammamish Bridge Replacement	516	0	516
Real Estate Excise Tax	2,882,099	0	2,882,099
Kenmore Village	-791,314	450,000	(341,314)
Park Capital	-167,485	0	(167,485)
Surface Water Management	2,490,337	510,000	3,000,337
Surface Water Capital	-32,202	0	(32,202)
Strategic Reserve	414,465	850,000	1,264,465
Strategic Opportunities	2,952,426	0	2,952,426
Equipment Replacement	-154,056	450,000	295,944
Trust & Agency	509,485	100,000	609,485
Totals	\$8,990,672	\$10,866,950	\$19,857,622

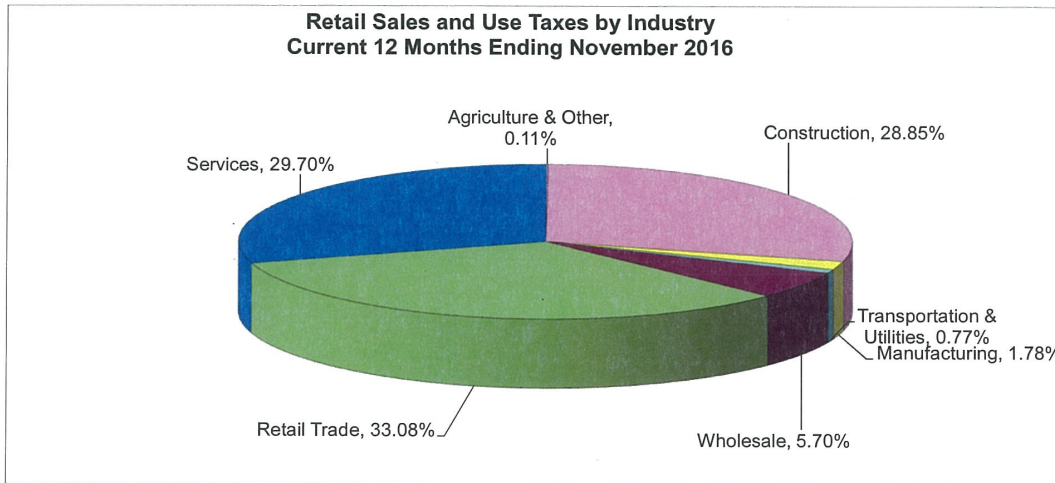
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 November 2016

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	97.99	0.00	97.99	0.0%
CONSTRUCTION	68,345.94	2,035.39	70,381.33	33.0%
MANUFACTURING	4,753.27	18.97	4,772.25	2.2%
TRANSPORTATION & UTILITIES	974.02	857.13	1,831.15	0.9%
WHOLESALE	8,834.10	290.48	9,124.58	4.3%
RETAIL TRADE	69,445.61	156.55	69,602.16	32.7%
SERVICES	44,269.02	914.45	45,183.46	21.2%
INFORMATION	9,947.90	104.22	10,052.12	4.7%
PUBLIC SERVICES	7.96	2,045.39	2,053.35	1.0%
	<u>206,675.82</u>	<u>6,422.57</u>	<u>213,098.39</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
November 30, 2016

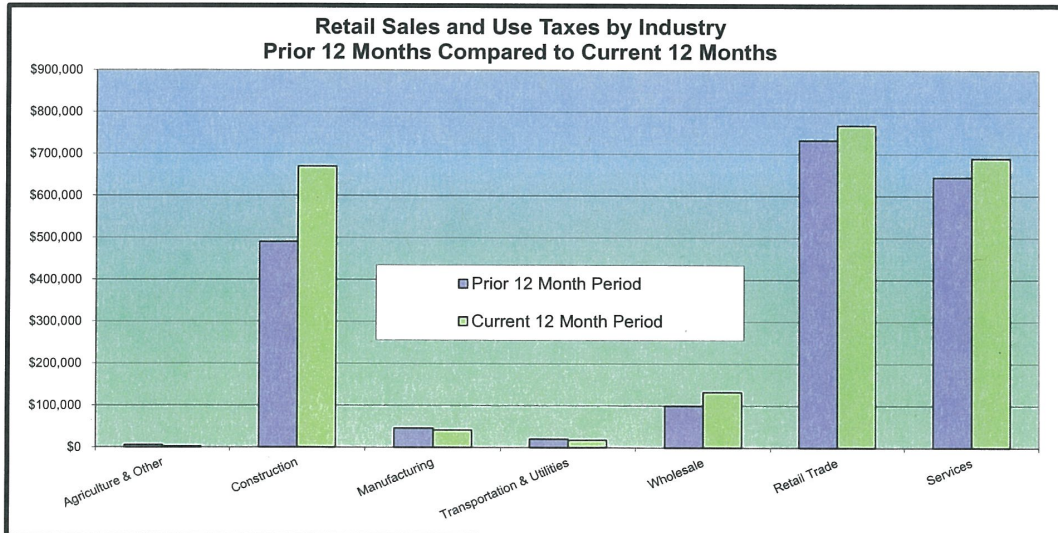


Industry	Prior 12 Months ending November 2015	Current 12 Months ending November 2016	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	\$5,074	\$2,644	-47.89%	0.11%
Construction	489,691	670,036 *	36.83%	28.85%
Manufacturing (Printing, Publishing, Other Manuf.)	45,605	41,314	-9.41%	1.78%
Transp/Comm/Utilities (Telecomm., Air Transport.)	20,130	17,950	-10.83%	0.77%
Wholesale (Lumber, Other Wholesale)	99,545	132,477	33.08%	5.70%
Retail Trade (Eating, Merchandise, Food Stores)	732,834	768,246	4.83%	33.08%
Services (Auction, Recreation, Auto Repair, Financial)	644,270	689,797	7.07%	29.70%
Totals	\$2,037,148	\$2,322,464	14.01%	100%
Increase/(Decrease)		\$285,316	14.01%	



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.

There is a sixty-day lag between sales taxes collected and when they are remitted to the City



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City of Kenmore, Washington
Real Estate Excise Tax Report
November 30, 2016

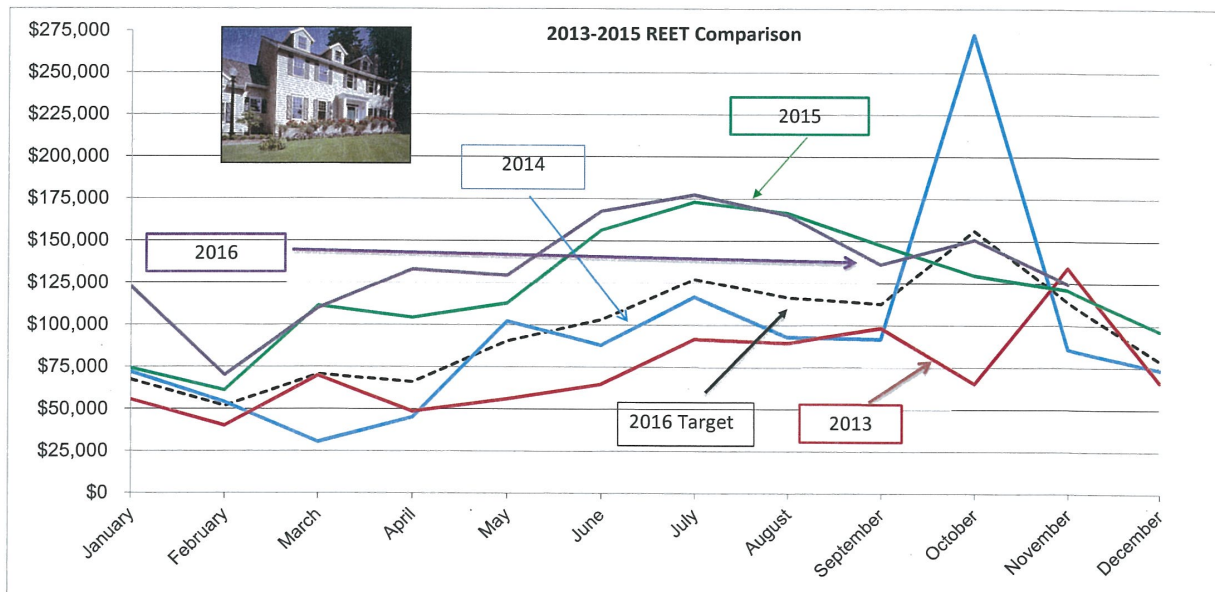


Real Estate Excise Taxes (REET) 2012 - 2016 Monthly Receipts						
	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Target 2016
January	54,359	55,801	72,106	74,259	122,819	67,389
February	18,064	40,281	54,038	61,070	70,146	51,797
March	29,691	69,946	30,426	111,337	110,066	70,570
April	30,662	48,671	45,118	104,280	133,161	66,023
May	52,575	56,178	102,257	112,927	129,599	90,454
June	60,408	64,938	88,070	156,338	167,575	103,116
July	81,316	91,779	116,858	173,095	177,426	127,244
August	56,626	89,496	92,932	166,651	165,397	116,360
September	82,785	98,573	91,812	147,668	136,176	112,684
October	60,265	65,596	272,842	129,678	150,786	156,039
November	88,057	134,286	85,748	120,907	124,437	113,647
December	152,262	66,342	73,582	96,566		78,830
	\$767,070	\$881,886	\$1,125,790	\$1,454,776	\$1,487,588	\$924,916

For 2016, REET is \$129,378
more than the same period
last year and more than the 2016
target by \$412,265

* NOTE THE 2016 target
is computed on a 3 year average
(2013-2015) of actual receipts

Real Estate Excise Taxes (REET) 2012 - 2016 Property Sales > \$500,000								
The sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the revenue								
	Taxes from > \$500,000 Sale Amounts							
	2012	2013	2014	2015	2016	2013	2014	2015
January	5,515,283	3,380,165	4,699,850	7,418,000	18,590,517	16,732	23,264	36,719
February	1,152,000	3,417,500	3,930,920	6,607,900	9,701,034	16,917	19,458	32,709
March	750,000	3,514,000	2,175,430	7,874,934	15,147,174	17,394	10,768	38,981
April	870,000	1,570,450	4,266,725	14,291,370	21,160,913	7,774	21,120	70,742
May	2,796,250	3,634,210	12,347,730	14,068,904	19,813,122	17,989	61,121	69,641
June	1,215,000	2,761,500	7,353,999	20,361,466	26,065,161	13,669	36,402	100,789
July	4,196,500	8,478,706	15,071,601	25,571,387	24,020,546	41,970	74,604	126,578
August	1,756,200	6,131,455	5,882,306	22,614,538	21,648,781	30,351	29,117	111,942
September	4,859,500	10,911,500	8,437,700	18,821,380	16,950,242	54,012	41,767	93,166
October	3,087,500	5,568,400	44,456,605	16,519,240	21,157,409	27,564	220,060	81,770
November	8,334,960	18,620,230	8,922,100	14,736,156	16,916,011	92,170	44,164	72,944
December	23,033,200	4,606,450	7,142,900	13,187,535		22,802	35,357	65,278
	\$57,566,393	\$72,594,566	\$124,687,866	\$182,072,810	\$211,170,910	359,344	617,202	901,259
								1,045,297



I:\Admin & Finance\Monthly Reports\2016\NovemberREET

City of Kenmore, Washington
Monthly Report for Kenmore Village Fund
November 30, 2016



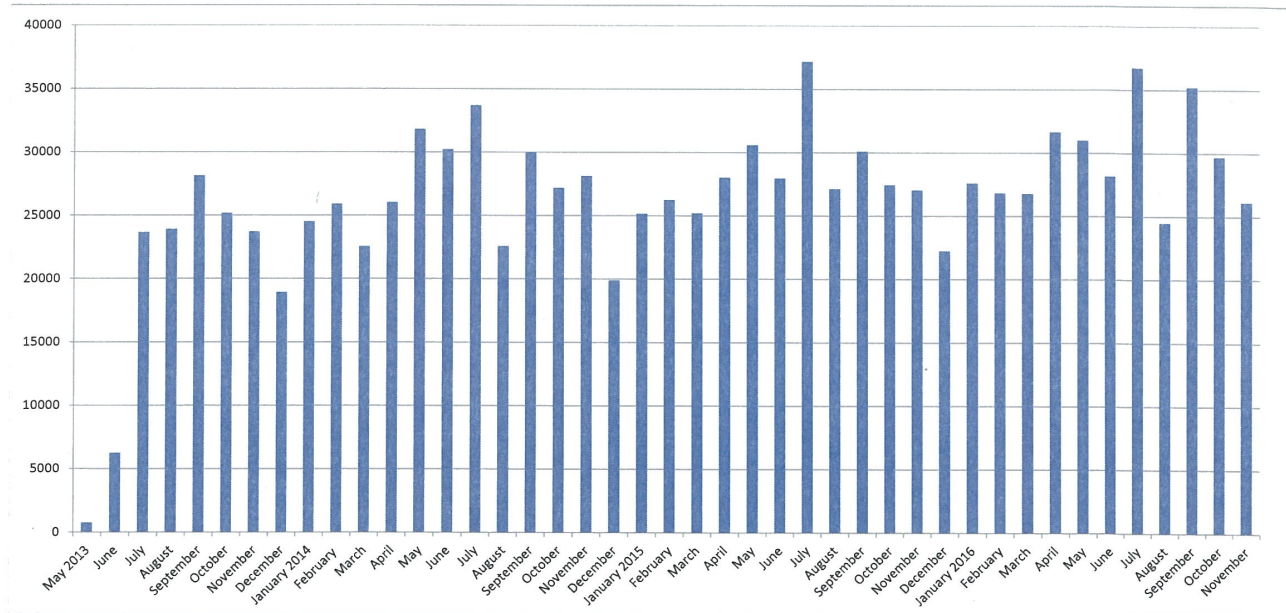
<u>Revenues</u>	<u>November 2016</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Lease Income (USPS & Kenmore Village)	0	25,000	67,000
Investment Interest	0	12,216	23,000
Sale of Property	0	901,302	903,000
Event Sponsorship	0	0	1,500
Grant for Public Square	0	291,000	270,000
Settlement	0	54,000	0
Transfer From General Fund	0	0	60,000
Leasehold Excise Returned	0	1,334	2,400
Total Revenues	0	1,284,852	1,326,900
<u>Expenditures</u>			
Salaries/Wages/Benefits	1,777	11,908	0
6700 Building Improvements	0	72,028	0
Downtown Plan Services	335	59,605	0
Property Management	0	0	19,000
Utilities and Insurance - Kenmore Village	0	3,405	0
Repairs, Maintenance, Other Services	0	11,198	133,240
Surface Water and Fire Benefit Fees	0	8,462	0
Transfer to Park Capital Fund	0	134,929	134,929
Kenmore Village Public Square	166,929	3,710,880	3,365,000
Total Expenditures	169,041	4,012,415	3,652,169
Net Income (Loss)	-169,041	-2,727,563	-2,325,269

NOTE: This schedule only reflects activity occurring on the City books and does not include the lease revenue and expenditures accounted for by the property management firm.

**Kenmore Transportation Benefit District
Monthly Report
November 30, 2016**



Revenues	November 2016	Biennium-to- Date	Percent of Budget	Biennium Budget
Vehicle Fees	26,156	659,046	104.58%	630,200
Investment Interest	0	112		
Total Revenues	\$26,156	\$659,158	104.60%	\$630,200
Expenditures				
WCIA Insurance	0	5,000	100.00%	5,000
Reimbursement to Street Fund	0	232,000	48.84%	475,000
State Auditor	0	3,220		0
Overlay	0	75,000	50.00%	150,000
Total Expenditures	0	315,220	50.03%	630,000
Net Income (Loss)	\$26,156	\$343,938		\$200



IX. E. Authorize the City Manager to Execute Amendment No. 4...

ATTACHMENT

1

**Contract No. 14-C1322
Amendment No. 4**

The following section of the Kenmore Business Incubator consulting services contract dated August 7, 2014, and amended in 2014 and 2016 between the City of Kenmore and Corey Hansen is amended to read in its entirety as set forth (i.e. below or in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on August 7, 2014 and ending December 31, 2018 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

DATED this ____ day of _____, 20__ .

CITY OF KENMORE:

CONSULTANT:

BY: _____
Rob Karlinsey
Title: City Manager

By: _____
Title: _____

Address: _____

Attest/Authenticated:

Kelly Chelin, City Clerk

Approved as to Form:

Rod Kaseguma, City Attorney

Attest/Authenticated:



Patty Safrin, City Clerk

Approved as to Form:



Rod Kaseguma, City Attorney

EXHIBIT B

Rates for Services to be Provided by Consultant. The Consultant shall furnish the services in accordance with the following rates:

The services will be provided at the rate of \$4180 per calendar month, with the requirement for a minimum of 22-24 hours per month spent by the Consultant on the relevant tasks in the Scope of Work. An additional maximum of \$10,000 (based on hourly rate of \$200) will compensate the Consultant for leading training sessions, individual business consultation and business selection/marketing for the Business Acceleration series (February-March 2017) funded by the Port of Seattle Economic Development Partnership Program and the City of Kenmore.

The Consultant will provide monthly written reports to the City Manager's Office on business incubator activities, including: services provided to program participants, contacts with potential funding partners or grant opportunities; contacts with potential participants and recruitment efforts; program or mentorship development; presentations to Council, business community or other relevant organizations.

The monthly written report will include hours devoted to tasks.

Reasonable business expenses and mileage to off- site meetings requested by the City will be reimbursed by the City, subject to Consultant estimate, documentation and prior agreement. \$1000 is allocated for expenses per calendar year.



**City Council Business Agenda Item
City of Kenmore, WA**

Subject/Topic: Amendment #2 to Contract No. 14-C1322 with Corey Hansen for Consultant Services for the Kenmore Business Incubator Proposed Council Action/Motion: Motion to Approve Amendment #2 to Contract No. 14-C1322	For Council Meeting Agenda of: 26 September 2016 Department: Executive Prepared by: Nancy Ousley, Assistant City Manager <u>Initial & Date</u> Approved by Department Head: <u>NKO 19 SEPT 2016</u> Approved by City Attorney: Approved by Finance Director: <u>[Signature] 9/19/16</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: - Proposed Amendment #2 - Contract No. 14-C1322	
Expenditure Required \$10,000 maximum	Amount Budgeted \$	Appropriation Required \$10,000
<u>INFORMATION/BACKGROUND:</u> Corey Hansen has served as the Program Consultant for the Kenmore Business Incubator since August 2014. The proposed contract amendment adds tasks to the Contract Scope and a maximum additional \$10,000 amount of compensation to incorporate the work associated with a new training and consultation series for local businesses. The Business Acceleration Series and individual business consultation is funded by the Port of Seattle Economic Development Partnership Program and the City of Kenmore. The new grant program provides funding for economic development efforts in 38 King County cities, with a 50% local match requirement. The grant will fund two training series of six sessions each plus individual consultation with participating businesses. The first series begins in mid October, and the second series will start in February 2017. The City Council approved Resolution No. 16-286 authorizing the grant application and Contract No. 16-C1605, an interlocal agreement with the Port of Seattle regarding the obligations of the grant funding. The proposed amendment covers work to be performed in 2016 related to the grant.		
<u>FISCAL CONSIDERATION:</u> The grant funds and local match add to the services available to local businesses. Staff time, other City resources, and client fees for course materials comprise the City match for the grant funds.		
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> Goal #2: Continue to implement the Economic Development Plan/ Support Existing Businesses		

**Contract No. 14-C1322
Amendment No. 2**

The following section of the Kenmore Business Incubator consulting services contract dated August , 2014, between the City of Kenmore and Corey Hansen is amended to read in its entirety as set forth (i.e. below or in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

1. Scope of Services to be Performed by Consultant. The Consultant shall perform the services described in Exhibit "A" of this Agreement. In performing the services, the Consultant shall comply with all federal, state and local laws and regulations applicable to the services. The Consultant shall perform the services diligently and completely and in accordance with professional standards of conduct and performance.

2. Compensation and Method of Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant:

[Check applicable method of payment]

☒ According to the rates set forth in Exhibit "B".

☐ A sum not to exceed \$ _____

☐ Other (describe): _____

The Consultant shall complete and return to the City Exhibit "D," Tax Identification Number," prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

DATED this ____ day of _____, 20__.

CITY OF KENMORE:

CONSULTANT:

BY: _____

By: _____

Rob Karlinsey

Title: City Manager

Title: _____

Address: _____

Attest/Authenticated:

Patty Safrin, City Clerk

Approved as to Form:

Rod Kaseguma, City Attorney

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall furnish services including, but not limited to, the following:

- Provide regular check-ins and business development consultations with KBI resident and virtual companies, including arranging consultation with other mentors as appropriate
- Assist with the launch and operation of Virtual Incubator suite of services
- Meet with potential applicants and advise on client selection
- Work with the City to convene informal networking for KBI companies (once a month) Advance consultation with the City Manager's office on budget for networking events is requested.
- Advise City on companies' potential timelines for graduation
- Prepare information and assist with one-two events geared toward home based businesses or other sessions for local businesses, in consultation with the City Manager's office
- Pursue partnerships with other programs for service enhancements and/ or program funding
- Assist with developing and recommending options for future KBI business models and operations
- Assist in staffing and meeting with the Kenmore Business Incubator Advisory Group
- Participate in 2-4 briefings for the City Council per year on KBI operations and projected services, and presentations to other organizations as appropriate
- Lead custom training series (15 hours per series), individual consultation (3 hours per business) and related selection/information meetings for businesses attending the training as specified by Port of Seattle grant contract and/or other funding.

EXHIBIT B

Rates for Services to be Provided by Consultant. The Consultant shall furnish the services in accordance with the following rates:

The services will be provided at the rate of \$3425 per calendar month, with the requirement for a minimum of 18-20 hours per month spent by the Consultant on the relevant tasks in the Scope of Work. An additional maximum of \$10,000 (based on hourly rate of \$200) will compensate the Consultant for leading training sessions, individual business consultation and business selection/marketing for the Business Acceleration series (October-November 2016) funded by the Port of Seattle Economic Development Partnership Program and the City of Kenmore.

The Consultant will provide monthly written reports to the City Manager's Office on business incubator activities, including: services provided to program participants, contacts with potential funding partners or grant opportunities; contacts with potential participants and recruitment efforts; program or mentorship development; presentations to Council, business community or other relevant organizations.

The monthly written report will include hours devoted to tasks.

Reasonable business expenses and mileage to off- site meetings requested by the City will be reimbursed by the City, subject to Consultant estimate, documentation and agreement. \$1000 is allocated for expenses per calendar year.

This Agreement is entered into by and between the City of Kenmore, Washington, a municipal corporation ("City") and Corey Hansen, whose principal office is located at Redmond ("Consultant").

sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

4. Ownership and Use of Documents.

A. Except as set forth in subsection 4.B below, any records, files, documents, drawings, specifications, data or information, regardless of form or format, and all other materials produced by the Consultant in connection with the services provided to the City, shall be the property of the City whether the project for which they were created is executed or not.

B. The City acknowledges that certain financial, commercial, technical and proprietary information, research or data may be submitted to Consultant by the private companies/person(s) participating in the Business Incubator program, which would not otherwise be disclosed or available to the City. If Consultant receives such information, research or data from said participants and they indicate a desire for confidentiality and nondisclosure, then such desire shall govern. Such information, research or data shall not be the property or owned by the City. Consultant shall not provide, reveal or disclose to the City the confidential financial, commercial, technical, or proprietary information, research or data provided by the private participants unless they indicate a desire for disclosure to the City. "Financial, commercial, technical and proprietary information, research or data" includes, but is not limited to, information exempt from disclosure under RCW 42.56.270, as may be amended.

C. The intent of this section is to prevent the disclosure of financial, commercial, technical and proprietary information, research or data to the extent such information, if revealed, would reasonably be expected to result in private loss to the private providers of this information. Notwithstanding Section 9 of this Agreement, the City shall not inspect, audit or review such information held by Consultant.

D. This section is not intended to negate Consultant's duties to document and report on services rendered under this Agreement; provided that Consultant submits such documentation in an aggregate form that does not permit the identification of the confidential information, research or data referenced herein.

5. Independent Contractor. The Consultant and the City agree that the Consultant is an independent contractor with respect to the services provided pursuant to this Agreement. The Consultant will be solely responsible for its acts and for the acts of its agents, employees, subconsultants or representatives during the performance of this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties.

6. Indemnification.

A. The Consultant shall protect, defend, indemnify and save harmless the City, its officers, employees and agents from any and all costs, claims, suits, losses or liabilities

of any nature, including attorneys' fees, arising out of or in connection with the negligent acts or omissions of the Consultant, its officers, employees and agents in performing this Agreement.

B. The City shall protect, defend, indemnify and save harmless the Consultant, its officers, employees and agents from any and all costs, claims, suits, losses or liabilities of any nature, including attorneys' fees, arising out of or in connection with the negligent acts or omissions of the City, its officers, employees and agents in performing this Agreement.

7. Insurance.

The Consultant shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives or employees.

A. Minimum Scope of Insurance.

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, and personal injury and advertising injury. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City.

3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance.

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

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

3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provisions.

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability, and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance or insurance pool coverage maintained by the City shall be in excess of the Consultant's insurance and shall not contribute with it.

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

D. Verification of Coverage.

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

8. Record Keeping and Reporting.

A. The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement.

B. The foregoing records shall be maintained for a period of seven (7) years after termination of this Agreement, unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by the City.

9. Audits and Inspections. The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review or audit by the City during the performance of this Agreement.

10. Termination.

A. The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, upon thirty (30) days prior written notice. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports or other materials prepared by the Consultant pursuant to this Agreement shall promptly be submitted to the City.

B. In the event this Agreement is terminated or suspended, the Consultant shall be entitled to payment for all services performed and reimbursable expenses incurred to the date of termination.

C. This Agreement may be canceled immediately if the Consultant's insurance coverage is canceled for any reason, or if the Consultant is unable to perform the services called for by this Agreement.

D. The Consultant reserves the right to terminate this Agreement with not less than thirty (30) days written notice, or in the event that outstanding invoices are not paid within sixty (60) days.

E. This provision shall not prevent the City from seeking any legal remedies it may otherwise have for the violation or nonperformance of any provisions of this Agreement.

11. Discrimination Prohibited. The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant under this Agreement, on the basis of race, color, religion, creed, sex, sexual orientation, age, national origin, marital status, or presence of any sensory, mental or physical disability. The Consultant must comply with the requirements of Exhibit E.

12. Assignment and Subcontract. The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.

13. Conflict of Interest. The Consultant represents to the City that it has no conflict of interest in performing any of the services set forth in Exhibit "A." In the event that the Consultant is asked to perform services for a project with which it may have a conflict, Consultant will immediately disclose such conflict to the City.

14. Confidentiality. All information regarding the City obtained by the Consultant in performance of this Agreement shall be considered confidential. Breach of confidentiality by the Consultant shall be grounds for immediate termination.

15. Non-appropriation of Funds. If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will so notify the Consultant and shall not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. This Agreement will terminate upon the completion of all remaining services for which funds are allocated.

No penalty or expense shall accrue to the City in the event that the terms of the provision are effectuated.

16. Entire Agreement. This Agreement contains the entire agreement between the parties, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties. If there is a conflict between the terms and conditions of this Agreement and the attached exhibits, then the terms and conditions of this Agreement shall prevail over the exhibits. Either party may request changes to the Agreement. Changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

17. Notices. Notices to the City of Kenmore shall be sent to the following address:

City Clerk
City of Kenmore
P.O. Box 82607
Kenmore, Washington 98028-0607

Notices to the Consultant shall be sent to the following address:

8707 170TH CT NE
REDMOND WA 98052

18. Applicable Law; Venue; Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit, which shall be fixed by the judge hearing the case and such fee shall be included in the judgment.

19. Severability. Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Consultant, who agree that the Agreement shall be reformed to replace such stricken provision or part with a valid and enforceable provision that comes as close as reasonably possible to expressing the intent of the stricken provision.

CITY OF KENMORE, WASHINGTON

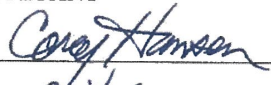
By: 

Rob Karlinsky

Title: City Manager

Date: 8/7/14

CONSULTANT

By: 

Title: Owner

Date: 8/7/2014

ATTEST AS TO FORM:


Rod Kaseguma, City Attorney

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall furnish services including, but not limited to, the following:

- Provide regular check-ins and business development consultations with KBI resident and virtual companies, including arranging consultation with other mentors as appropriate
- Assist with the launch of Virtual Incubator suite of services
- Meet with potential applicants and advise on client selection
- Convene informal networking for KBI companies (once a month) Advance consultation with the City Manager's office on budget for networking events is requested.
- Advise City on companies' potential timelines for graduation
- Prepare information and assist with one event geared toward home based businesses or other session for local businesses, in consultation with the City Manager's office
- Pursue partnerships with other programs for service enhancements and/ or program funding
- Assist with developing and recommending options for future KBI business models and operations
- Participate in 1-2 briefings for the City Council on KBI operations and projected services, and presentations to other organizations as appropriate

EXHIBIT B

Rates for Services to be Provided by Consultant. The Consultant shall furnish the services in accordance with the following rates:

The services will be provided at the rate of \$3000 per calendar month, with the requirement for a minimum of 18-20 hours per month spent by the Consultant on the relevant tasks in the Scope of Work.

The Consultant will provide monthly written reports to the City Manager's Office on business incubator activities, including: services provided to program participants, contacts with potential funding partners or grant opportunities; contacts with potential participants and recruitment efforts; program or mentorship development; presentations to Council, business community or other relevant organizations.

The monthly written report will include hours devoted to tasks.

Reasonable business expenses and mileage to be reimbursed by the City, subject to Consultant estimate and agreement. \$500 is allocated for expenses through December 2014.

EXHIBIT C

City of Kenmore
Billing Invoice

To: City of Kenmore
PO Box 82607
Kenmore, Washington 98028
Phone: (425) 398-8900
Fax: (425) 481-3236

Invoice Number: _____ Date of Invoice: _____

Consultant: _____

Mailing Address: _____

Telephone: () _____

Contract Period: _____ Reporting Period: _____

Amount requested this invoice: \$ _____

Attach itemized description of services provided.

Specific Program: _____

Authorized signature

For Department Use Only

BUDGET SUMMARY

Total contract amount	\$ _____
Previous payments	\$ _____
Current request	\$ _____
Balance remaining	\$ _____

Approved for Payment by: _____ Date: _____

EXHIBIT D

CITY OF KENMORE
P.O. Box 82607
Kenmore, WA 98028
Phone: (425) 398-8900
Fax: (425) 481-3236

TAX IDENTIFICATION NUMBER

In order for you to receive payment from the City of Kenmore, the must have either a Tax Identification Number or a Social Security Number. The Internal Revenue Service Code requires a Form 1099 for payments to every person or organization other than a corporation for services performed in the course of trade or business. Further, the law requires the City to withhold 20% on reportable amounts paid to unincorporated persons who have not supplied us with their correct Tax Identification Number or Social Security Number.

Please complete the following information request form and return it to the City of Kenmore prior to or along with the submittal of the first billing invoice.

Please check the appropriate category:

☐ Corporation

☐ Partnership

☐ Government
Consultant

☒ Individual/Proprietor

☐ Other
(explain)

TIN No.: 71-0991983

Social Security No.: 532-62-1720

Print Name: COREY HANSEN

Title: CONSULTANT

Business Name: THE EVA GROUP

Business Address: 8707 170TH CT NE

Business Phone: 425-442-3785

8/7/2014
Date

Corey Hansen
Authorized Signature (Required)

CITY OF KENMORE**Contract No. 14-C1322****Amendment No. 1**

The following section of the Kenmore Business Incubator consulting services contract dated August, 2014, between the City of Kenmore and Corey Hansen is amended to read in its entirety as set forth (i.e. below or in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

1. Scope of Services to be Performed by Consultant. The Consultant shall perform the services described in Exhibit "A" of this Agreement. In performing the services, the Consultant shall comply with all federal, State and local laws and regulations applicable to the services. The Consultant shall perform the services diligently and completely and in accordance with professional standards of conduct and performance.

2. Compensation and Method of Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant:

[Check applicable method of payment]

x According to the rates set forth in Exhibit "B"

A sum not to exceed \$ _____

Other (describe): _____

The Consultant shall complete and return to the City Exhibit "D," Tax Identification Number," prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on August 7, 2014 and ending December 31, 2016 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

DATED this 13 day of JAN, 2015.

CITY OF KENMORE:

BY: Rob Karlinsey

Rob Karlinsey

Title: City Manager

CONSULTANT:

By: Corey Hansen

Title: CONSULTANT

Address: 8707 170th Ct NE

REDMOND WA 98052

Attest/Authenticated:

Patty Safran
Patty Safran, City Clerk

Approved as to Form:

✓
Rod Kaseguma, City Attorney

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall furnish services including, but not limited to, the following:

- Provide regular check-ins and business development consultations with KBI resident and virtual companies, including arranging consultation with other mentors as appropriate
- Assist with the launch and operation of Virtual Incubator suite of services
- Meet with potential applicants and advise on client selection
- Work with the City to convene informal networking for KBI companies (once a month) Advance consultation with the City Manager's office on budget for networking events is requested.
- Advise City on companies' potential timelines for graduation
- Prepare information and assist with one-two events geared toward home based businesses or other sessions for local businesses, in consultation with the City Manager's office
- Pursue partnerships with other programs for service enhancements and/ or program funding
- Assist with developing and recommending options for future KBI business models and operations
- Assist in staffing and meeting with the Kenmore Business Incubator Advisory Group
- Participate in 2-4 briefings for the City Council per year on KBI operations and projected services, and presentations to other organizations as appropriate

EXHIBIT B

Rates for Services to be Provided by Consultant. The Consultant shall furnish the services in accordance with the following rates:

The services will be provided at the rate of \$3425 per calendar month, with the requirement for a minimum of 18-20 hours per month spent by the Consultant on the relevant tasks in the Scope of Work.

The Consultant will provide monthly written reports to the City Manager's Office on business incubator activities, including: services provided to program participants, contacts with potential funding partners or grant opportunities; contacts with potential participants and recruitment efforts; program or mentorship development; presentations to Council, business community or other relevant organizations.

The monthly written report will include hours devoted to tasks.

Reasonable business expenses and mileage to off- site meetings requested by the City will be reimbursed by the City, subject to Consultant estimate, documentation and agreement. \$1000 is allocated for expenses per calendar year.

IX. F. Authorize the City Manager to Execute Amendment No. 2...

**City of Kenmore Contract No. 12-C1083
SECOND AMENDMENT TO LEASE AGREEMENT**

THIS SECOND AMENDMENT TO LEASE AGREEMENT ("Amendment") effective December 30, 2016, is by and between KENMORE COMMERCIAL, LLC, a Washington limited liability company, as Landlord, and CITY OF KENMORE, a Washington municipal corporation, as Tenant.

R E C I T A L S:

A. Pursuant to Lease Agreement effective December 3, 2012 (the "Lease"), Landlord leased to Tenant that approximately 3,000 square foot space commonly referred to as Building A, Suite B, 7204 NE 175th Street, Kenmore, Washington (the "Premises"). The Premises are located on the real property legally described on Exhibit A hereto;

B. The term of the Lease was thirty-six (36) months, commencing January 1, 2013 and terminating December 31, 2015.

C. Pursuant to First Amendment to Lease Agreement dated July 8, 2015 (the "First Amendment"), the term of the Lease was extended by a period of twelve (12) months, commencing January 1, 2016 and terminating December 31, 2016.

D. Tenant has caused to be installed, at Tenant's cost, fiber improvements for high speed internet service to the Premises, which fiber improvements have added value to the Premises;

E. The parties desire to extend the Lease term by twenty-four (24) additional months, and otherwise to amend the Lease as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Extension of Term. The term of the Lease shall be extended by twenty-four (24) months, commencing January 1, 2017 and terminating December 31, 2018 (the "Fifth Lease Year" and "Sixth Lease Year").

2. Base Rent. In consideration for the fiber improvements to the Premises, Tenant's obligation for Base Rent during the Fifth Lease Year and Sixth Lease Year shall continue to be Two Thousand Six Hundred Thirteen and 75/100 Dollars (\$2,613.75) per month.

3. Operating Expenses. The third and fourth sentences of Paragraph 7.b of the Lease, "PAYMENT: TRIPLE NET," as amended by Paragraph 3 of the First Amendment, shall be replaced with the following provisions:

In no event will the amount of Tenant's Pro Rata Share of Operating Costs (excluding taxes, insurance premiums and common area utility costs) increase by

more than three percent (3%) (the “cap”) during each of months 13 – 24 (the “Second Lease Year”), months 25 – 36 (the “Third Lease Year”) months 37 – 48 (the “Fourth Lease Year”), months 49 – 60 (the “Fifth Lease Year”), or months 61 – 72 (the “Sixth Lease Year”) of the Lease term. Landlord shall also provide Tenant, as soon as possible following the beginning of each of Lease Year of the term, a good faith estimate of Tenant’s annual Pro Rata share of Operating Costs for such Lease Year.

4. Recitals; Capitalized Terms. The Recitals shall be deemed a part of this Amendment. Except as otherwise defined herein, capitalized terms in this Amendment shall have the meanings assigned to them in the Lease.

5. No Other Modifications. Except as expressly set forth herein, the parties’ Lease shall be unmodified and shall continue in full force and effect.

6. Counterparts. This Amendment may be executed in multiple counterparts, all of which, when taken together, shall constitute one agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment.

LANDLORD:

Kenmore Commercial, LLC,
a Washington limited liability company

By _____
Mobeen Butte, its Member

Date: _____

TENANT:

City of Kenmore,
a Washington municipal corporation

By _____
Rob Karlinsey, its City Manager

Date: _____

STATE OF WASHINGTON)
)ss.
COUNTY OF KING)

I CERTIFY that I know or have satisfactory evidence that **Mobeen Butte** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as Member of **Kenmore Commercial, LLC**, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

(Print name)
NOTARY PUBLIC in and for the
State of Washington, residing at

My appointment expires:_____

STATE OF WASHINGTON)
)ss.
COUNTY OF KING)

I CERTIFY that I know or have satisfactory evidence that **Rob Karlinsey** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the City Manager of the **City of Kenmore**, a Washington municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

(Print name)
NOTARY PUBLIC in and for the
State of Washington, residing at

My appointment expires:_____

EXHIBIT A

LEGAL DESCRIPTION

Lot 2, Ptn. Lot 1, Lakewood Villa Tracts
Situate in the County of King, State of Washington.

City of Kenmore Contract No.12-C1083

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("Amendment") dated ^{July}~~June~~ 8, 2015, is by and between KENMORE COMMERCIAL LLC, a Washington limited liability company, as Landlord, and CITY OF KENMORE, a Washington municipal corporation, as Tenant.

RECITALS:

A. Pursuant to Lease Agreement effective December 3, 2012 (the "Lease"), Landlord leased to Tenant that approximately 3,000 square foot space commonly referred to as Building A, Suite B, 7204 NE 175th Street, Kenmore, Washington (the "Premises"). The Premises are located on the real property legally described on Exhibit A hereto;

B. The term of the Lease was thirty-six (36) months, commencing January 1, 2013 and terminating December 31, 2015.

C. The parties desire to extend the Lease term by twelve (12) additional months, in accordance with the provisions hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Extension of Term. The term of the Lease shall be extended by twelve (12) months, commencing January 1, 2016 and terminating December 31, 2016 (the "Fourth Lease Year").
2. Base Rent. Tenant's obligation for Base Rent during the Fourth Lease Year shall be Two Thousand Six Hundred Thirteen and 75/100 Dollars (\$2,613.75) per month.
3. Operating Expenses. The third and fourth sentences of Paragraph 7.b of the Lease, "PAYMENT: TRIPLE NET," shall be replaced with the following provisions:

In no event will the amount of Tenant's Pro Rata Share of Operating Costs (excluding taxes, insurance premiums and common area utility costs) increase by more than three percent (3%) (the "cap") during each of months 13 – 24 (the "Second Lease Year"), months 25 – 36 (the "Third Lease Year") and months 37 – 48 (the "Fourth Lease Year") of the Lease term. Landlord shall also provide Tenant, as soon as possible following the beginning of each of the Second, Third and Fourth Lease Years, a good faith estimate of Tenant's annual Pro Rata share of Operating Costs for such Lease Year.
4. Landlord's Preparation Work. The parties acknowledge that, notwithstanding extension of the term set forth in Paragraph 1, above, Tenant shall have paid in full, no later than

December 31, 2015, the sum of \$7,200.00 set forth in Paragraph 36 of the Lease toward the cost of the bamboo flooring installation portion of Landlord's Preparation Work.

5. Recitals; Capitalized Terms. The Recitals shall be deemed a part of this Amendment. Except as otherwise defined herein, capitalized terms in this Amendment shall have the meanings assigned to them in the Lease.

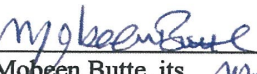
6. No Other Modifications. Except as expressly set forth herein, the parties' Lease shall be unmodified and shall continue in full force and effect.

7. Counterparts. This Amendment may be executed in multiple counterparts, all of which, when taken together, shall constitute one agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment.

LANDLORD:

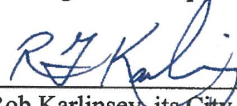
Kenmore Commercial LLC,
a Washington limited liability company

By 
Mobeen Butte, its Member

Date: 7-7-15

TENANT:

City of Kenmore,
a Washington municipal corporation

By 
Rob Karlinsey, its City Manager

Date: 7-7-15

STATE OF WASHINGTON)
)ss.
 COUNTY OF KING)

I CERTIFY that I know or have satisfactory evidence that **Mobeen Butte** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the _____ of **Kenmore Commercial LLC**, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: July 7, 2015



Kathleen R. Hicks
 Kathleen R. Hicks
 (Print name)

NOTARY PUBLIC in and for the
 State of Washington, residing at

King County, Kenmore

My appointment expires: 1/1/2017

STATE OF WASHINGTON)
)ss.
 COUNTY OF KING)

I CERTIFY that I know or have satisfactory evidence that **Rob Karlinsey** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the City Manager of the **City of Kenmore**, a Washington municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: July 8, 2015



Patty Safrin
 Patty Safrin
 (Print name)

NOTARY PUBLIC in and for the
 State of Washington, residing at

Lake Forest Park

My appointment expires: 08-01-16

EXHIBIT A

LEGAL DESCRIPTION

Lot 2, Ptn. Lot 1, Lakewood Villa Tracts
Situate in the County of King, State of Washington.

City of Kenmore Contract No. 12-C1083

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease"), effective ~~November~~ ^{December} 3, 2012 (the "Effective Date"), is by and between **Kenmore Commercial LLC**, a Washington limited liability company, as "Landlord," and **City of Kenmore**, a municipal corporation, as "Tenant."

WITNESSETH:

A. Landlord is the owner of the real property and improvements located at **7204 NE 175th Street, Kenmore, King County, Washington**, which property is legally described on Exhibit A hereto, and depicted on the Site Plan attached as Exhibit B hereto (the "Property").

B. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, that approximately 3,000 square foot space comprising the entire second floor of building A located on the Property (the "Building"), which space is commonly referred to as Building A, Suite B, 7204 NE 175th Street, Kenmore, Washington (the "Premises"). The Premises are shown in cross-hatching on Exhibit B hereto.

NOW, THEREFORE, in consideration of the mutual covenants and provisions hereof, the parties agree as follows:

1: PREMISES: Landlord, in consideration of the rents, covenants and agreements hereinafter set forth to be paid and performed by the Tenant does hereby lease the Premises to the Tenant, and Tenant, in consideration of the lease of the Premises to Tenant and the performance of Landlord's covenants and agreements hereinafter set forth, does hereby lease the Premises from Landlord, subject to and in accordance with the provisions of this Lease.

2: TERM; EARLY TERMINATION: The term of this Lease shall be approximately thirty-six (36) months, commencing on the date that is five (5) days after Tenant's receipt of written notice from Landlord confirming that Landlord has completed "Landlord's Preparation Work" described in Paragraph 36, below (the "Commencement Date") and terminating on the last day of the thirty-sixth (36th) full month following the Commencement Date (the "Termination Date"). The anticipated Commencement Date is January 1, 2013.

Notwithstanding the foregoing, in the event that Tenant's City Council elects to terminate or relocate Tenant's pilot, business incubator project, described in Paragraph 32 below, Tenant may, upon at least ninety (90) days' prior written notice ("Tenant's Termination Notice"), given to Landlord at any time after the first twenty-four (24) months of the Lease term, elect to terminate this Lease, in which event this Lease shall terminate on the termination date set forth in Tenant's Termination Notice, as if such date were originally set forth as the Termination Date in this Lease.

3: RENT: Tenant covenants and agrees to pay Landlord, c/o **Mobeen A. Butte, Managing Partner, 8002 N.E. Bothell Way, Kenmore, WA 98028**, or to such other party or at such other place as Landlord may hereafter designate, monthly Base Rent in the following amounts:

Months 1* – 12 Two thousand one hundred twenty-five dollars (\$2,125.00)
*including any partial month at the beginning of the term

Months 13 – 36 Two thousand five hundred fifty dollars (\$2,550.00)

Monthly Base Rent shall be payable in advance, on the first (1st) day of each month of the Lease term. Tenant agrees to pay as additional rent 1/12 (one-twelfth) of its prorated share of annual estimated operating expenses as outlined in Paragraph #7 in advance on the first (1st) day of each month of the Lease term. Rent for any partial month during the term shall be prorated.

4: LATE FEE AND INTEREST: Any rental payments received five (5) or more days after the beginning date of each month will be subject to late fee of five percent (5%). In addition, all sums past due from Tenant shall bear interest at one percent (1%) per month or any fraction thereof.

5: FIRST MONTH'S BASE RENT AND SECURITY DEPOSIT: Concurrently with Tenant's execution of this Lease, Tenant paid to Landlord the sum of \$2,125.00, the amount of the first month's Base Rent. In addition, Tenant has deposited with Landlord the sum of \$2,550.00 (the "security deposit") to be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in the amount sufficient to restore the security deposit to its original amount and Tenant's failure to do so shall be a default under the Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant within ten (10) days following expiration of the Lease term. In the event of termination of Landlord's interest in the Lease, Landlord shall transfer said deposit to Landlord's successor-in-interest.

Tenant will at all times maintain with the Landlord on deposit a sum equal to one (1) month's current rent as the security deposit for the purposes of this paragraph. Landlord hereby acknowledges receipt of Two Thousand One Hundred Twenty-Five Dollars (\$2,125.00) applicable to the first month's Base Rent, and the sum of Two Thousand Five Hundred Fifty Dollars (\$2,550.00) for the security deposit, for a total deposit of Four Thousand Six Hundred Seventy-Five Dollars (\$4,675.00).

6: UTILITIES AND FEES: Tenant agrees to pay all charges for electricity, gas, water, sewer, garbage, drainage, metro and all other utilities and services serving the Premises during the full term of this Lease. Tenant acknowledges that utility charges for gas, water and sewer are billed to the entire building in which the Premises are located, and that Tenant's pro rata share of such charges is 38%. Tenant agrees to pay Landlord for Tenant's pro rata share of such costs within fifteen (15) days following receipt from Landlord of a copy of the utility provider's billing therefor. Tenant shall pay, directly to the utility provider, the costs of electrical service separately metered to the Premises. Tenant shall also establish its own account for garbage collection and pay the utility provider directly for such service.

7: OPERATING EXPENSES:

- a. **DEFINITION.** As used herein, "Operating Costs" shall mean all reasonable costs of operating, maintaining and repairing the Premises, the Building, and the Property, determined in accordance with generally accepted accounting principles, and including without limitation the following: all taxes and assessments (including, but not limited to: real and personal property taxes and assessments, local improvement district assessments and other special purpose assessments, and taxes on rent or gross receipts); insurance premiums paid by Landlord and (to the extent used) deductibles; water, sewer and all other utility charges (other than utilities serving only and paid directly by Tenant or other tenants); janitorial and all other cleaning services for any common areas of the Building or the Project; refuse and trash removal; refurbishing and repainting; routine air conditioning, heating, ventilation service costs; pest control; lighting systems, fire detection and security services; landscape maintenance; management (fees and/or personnel costs, not to exceed 10% of Operating Costs, excluding insurance and taxes); parking lot, road, sidewalk and driveway patching, resurfacing and maintenance; snow and ice removal; amortization (in accordance with generally accepted accounting principles) of capital improvements as Landlord may in the future install to comply with governmental regulations and rules or undertaken in good faith with a reasonable expectation of reducing Operating Costs, to the extent such improvements actually reduce Operating Costs (the useful life of which improvements shall be a reasonable period of time as determined by Landlord); and reasonable costs of legal service (except any costs related to any specific tenant or Landlord's violation of any Laws); accounting services, labor, supplies, materials and tools. Landlord and Tenant agree that if the Building is not ninety percent (90%) occupied during any calendar year, on a monthly average, then the Operating Costs shall be increased to reflect the Operating Costs of the Building as though it were ninety percent (90%) occupied and Tenant's Pro Rata Share of Operating Costs shall be based upon Operating Costs as so adjusted; provided, however, that this adjustment shall apply only to Operating Costs that are variable and therefore increase as the occupancy of the Project increases. Operating Costs shall not include: Landlord's income tax or general corporate overhead, depreciation on the Building or equipment therein; loan payments; real estate broker's commissions; capital improvements to or major repairs of the Building shell (i.e., the Building structure, exterior walls and roof) or other improvements not described in this paragraph; or any costs regarding the operation, maintenance and repair of the Premises, the Building, or the Property paid directly by Tenant or other tenants in the Building.
- b. **PAYMENT: TRIPLE NET.** As additional Rent, Tenant shall pay to Landlord on the first of each month with payment of Tenant's base rent, one-twelfth of Tenant's Pro Rata Share of estimated Operating Costs, as scheduled in Paragraph #3, "Rent", above. Tenant's share of said expenses is 22% (twenty two percent). Landlord's good faith estimate and calculation of Operating Costs for the first twelve (12) full calendar months (the "First Lease Year"), is attached as Exhibit C hereto. Tenant's Pro Rata Share of such estimated Operating Costs would be \$531.00 per month for the first twelve months. In no event will the amount of Tenant's Pro Rata Share of Operating Costs (excluding taxes, insurance premiums and common area utility costs) increase by more than three percent (3%) (the "cap") during each of months 13 – 24 (the "Second Lease Year") and months 25 – 36 of the Lease term (the "Third Lease Year"). Landlord shall also provide to Tenant, as soon as possible following the beginning of each of the Second and Third

Lease Years, a good faith estimate of Tenant's annual Pro Rata share of Operating Costs for such Lease Year. In the event the estimated amount of Tenant's Pro Rata Share of Operating Costs has not yet been determined for any Lease Year, Tenant shall pay the monthly installment in the estimated amount determined for the preceding Lease Year until the estimate for the current Lease Year has been provided to Tenant. At such time as the estimate for the current Lease Year is received, Tenant shall then pay any shortfall, subject to the cap, or receive a credit for any surplus for the preceding months of the current Lease Year and shall, thereafter, make the monthly installment payment in accordance with the current estimate, subject to the cap.

As soon as reasonably possible following the end of Lease Year (and in no event later than sixty (60) days thereafter), Landlord shall determine and provide to Tenant a statement (the "Operating Costs Statement") setting forth the amount of Operating Costs actually incurred and the amount of Tenant's Pro Rata Share of Operating Costs actually payable by Tenant with respect to such Lease Year. In the event the amount of Tenant's Pro Rata Share of Operating Costs exceeds the sum of the monthly installments actually paid by Tenant for such Lease Year, Tenant shall pay to Landlord the difference (subject to the cap) within thirty (30) days following receipt of the Operating Costs Statement. In the event the sum of such installments exceeds the amount of Tenant's Pro Rata Share of Operating Costs actually due and owing, the difference shall be applied as a credit to Tenant's future Pro Rata Share of Operating Costs payable by Tenant pursuant to this Section, or refunded to Tenant within thirty (30) days following the expiration or sooner termination of this Lease, as applicable.

8: COMMON AREAS: If the Premises are part of a building occupied by other tenants, Tenant agrees to conform to Landlord's reasonable rules and regulations pertaining to the parts of the building that are in common use by tenants; provided, however, that in the event of any conflict or inconsistency between such rules and regulations and the provisions of this Lease, the provisions of this Lease shall control.

9: REPAIRS AND MAINTENANCE:

A. Tenant's Obligations. The Premises have been inspected and are accepted by Tenant in their present condition, subject to completion of Landlord's Preparation Work, described in Paragraph 36, below, and subject to Landlord's maintenance and repair obligations set forth in Paragraph 9B, below. Tenant shall, at its own expense and at all times, keep the Premises neat, clean, in a sanitary condition, clear of hazards and keep and use the Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities (collectively "Laws") (provided that, as to any required modifications to the Premises, such Laws apply to Tenant's specific use of the Premises and not to tenanted real estate in general). Tenant shall permit no waste, damage or injury to the Premises. Tenant shall keep all drains within the Premises free and open; protect water, heating, gas and other pipes within the Premises to prevent freezing or clogging; and shall replace all glass in windows and doors within the Premises which may become cracked or broken. Tenant shall not make any color changes to the building exterior without Landlord's prior written consent.

B. Landlord's Obligations. Except for those portions of the Premises which are the obligation of the Tenant to maintain and repair, Landlord shall at all times keep the Premises, the Building and the Property in good, commercially reasonable condition, and in compliance with all

Laws. Landlord's obligations shall include maintenance and repair of the Building's roof and roof membrane; walls; foundation and all structural elements; heating, ventilation, and air conditioning system; all pipes and plumbing; stairwells; and exterior windows, doors and entries. Landlord further agrees to maintain in a good, safe and operable condition all exterior portions of the Project, including exterior lighting and other utilities. Landlord's obligations shall include any necessary patching or resurfacing of the parking areas, driveways, and sidewalks adjoining the Premises, and removal from such areas of ice, snow and obstructions and debris. Landlord further agrees to keep and maintain in good condition and repair all kitchen appliances, fixtures and equipment, and all lighting in the Premises (including replacing bulbs, when necessary).

Tenant acknowledges that the eastern portion of the Premises is served by both electric heaters and an air conditioning system, and that the western portion of the Premises is served by a gas wall furnace and a gas fireplace, but no air conditioning system. Landlord shall ensure that, when required, the air conditioning system shall at all times maintain a comfortably cool temperature in the eastern portion of the Premises for Tenant's occupants, and that, when required, the Building's electric heaters and gas heating system shall likewise maintain a comfortably warm temperature in the entire Premises for Tenant's occupants.

If in Tenant's reasonable judgment, exercised in good faith and based on "ASHRAE 55-2004: Thermal Environmental Conditions for Human Occupancy" or similar LEED comfort criteria, the western portion of the Premises is, despite natural ventilation and the use of portable fans, uncomfortably warm for Tenant's occupants, Tenant may elect, upon written notice to Landlord (the "Election Notice") to install such window unit or comparable air conditioners (and perform such modifications to the Premises required for installation and venting) in the western portion of the Premises as Tenant reasonably deems required (the "Air Conditioning Work") to ensure a comfortable temperature for use by Tenant's occupants. Without limitation of other reasonable bases for Tenant's determination, Tenant may perform such air conditioning work if the temperature in the Premises has reached 80° F on five or more days during any calendar year of the term. Tenant agrees to maintain reasonable records of its temperature readings in the Premises and to make the same available for Landlord's review upon request.

Tenant's Election Notice shall include for Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed, a description of the equipment, method of installation, and any modifications to the Premises proposed by Tenant for the Air Conditioning Work, and Landlord shall, within ten (10) days thereafter, provide Tenant with written notice of its approval or disapproval of the same. Landlord's failure to respond to the proposal contained in Tenant's Election Notice within such 10-day period shall be deemed approval thereof. In the event of Landlord's disapproval, Landlord shall set forth in detail any reasonable modifications to Tenant's proposal required to obtain Landlord's approval, and the parties shall thereafter work together diligently and in good faith to reach final agreement on the equipment, method of installation and any alterations to the Premises required for the Air Conditioning Work.

Upon completion of the Air Conditioning Work, Tenant shall submit to Landlord invoices or other reasonable evidence reflecting the costs thereof, and Landlord shall, within fifteen (15) days thereafter, pay to Tenant fifty percent (50%) of the total of such costs; provided, however, that Landlord's 50% share of the costs shall not exceed \$3,000.00, plus applicable Washington State sales tax. Tenant shall have the right to control separately the thermostats for the Premises' heat and air conditioning systems.

10: SIGNS: All signs or symbols placed by Tenant in windows and doors of the Premises, or upon any exterior part of the building or on the property, shall be subject to Landlord's prior written approval. Landlord may demand the removal of signs which are not so approved, and Tenant's failure to comply with said request within three (3) business days following Tenant's receipt of Landlord's written demand will constitute a breach of this paragraph allowing Landlord to cause the sign to be removed and the Building repaired at the sole expense of the Tenant. Any freestanding sign installed, as new or a replacement, on the property by the Tenant will become the property of the Landlord. At the termination of this Lease, at Landlord's sole option and request, Tenant will remove any sign placed by it upon the Premises and will repair any damage caused by such removal at Tenant's expense. All signs must comply with sign ordinances and be placed in accordance with required permits.

11: ALTERATIONS: After prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed, Tenant may, in addition to those alterations permitted under paragraph 9B above, make alterations, additions and improvements in said Premises, at Tenant's sole cost and expense. In the performance of such work, Tenant agrees to comply with all Laws applicable to Tenant's work, and to hold Landlord harmless from damage, loss or expense caused by any negligence or willful misconduct of Tenant in connection therewith. At the time of Landlord's approval of any alterations, additions or improvements proposed by Tenant, Landlord shall identify in writing to Tenant which, if any, of any such alterations, additions or improvements Tenant shall be required to remove upon the expiration of the Lease term. No later than the Lease Termination Date, Tenant shall remove, at Tenant's sole cost and expense, any such alterations, additions or improvements previously so identified by Landlord for removal. Tenant shall have no obligation to remove any other alterations, additions or improvements. Tenant shall at all times have the right, however, to remove from the Premises Tenant's moveable trade fixtures, fixtures and equipment.

12: CONDEMNATION: In the event a substantial part of the Premises is taken or damaged by the right of eminent domain, or purchased by the condemnor, in lieu thereof, so as to render the remaining Premises economically untenable, then this Lease shall be cancelled as of the time of taking at the option of either party. In the event of a partial taking, which does not render the Premises economically untenable, the Base Rent and Operating Costs shall be reduced in direct proportion to the leased property taken. Tenant shall have no claim to any portion of the compensation for the taking or damaging of the land or building. Nothing herein contained shall prevent the Tenant from its entitlement to negotiate, with a third party, for his own moving costs and leasehold improvements.

13: PARKING: Tenant understands that parking is apportioned in conformity with controlling zoning ordinances and that Landlord shall have the right to make such regulations as Landlord deems desirable for the control of parking automobiles on the real property described in Exhibit A or property under Landlord's control, including the right to designate certain areas for parking by Tenant, employees of Tenant, Tenant's invitees, and other tenants of the Project. Notwithstanding the foregoing, Landlord shall at all times make available and designate for exclusive use by Tenant and its invitees at least three (3) parking stalls within the area identified as "Tenant's Parking Area" on Exhibit B attached hereto. Tenant may make its own arrangements with the adjacent Kenmore Community Club located at 7304 NE 75th Street, Kenmore, Washington for any additional parking needs.

14: HAZARDOUS MATERIALS:

(a) Landlord and the person executing this Lease on Landlord's behalf represents and warrants to the Tenant that to the best of the knowledge of Landlord's members, partners and managers: (i) the Property is in full compliance with all applicable Environmental Laws; (ii) there are no Hazardous Materials stored, located or present on the Property; and (iii) the Property is not the subject of any Environmental Action.

(b) Tenant has conducted, at Tenant's expense, such environmental site assessments ("ESA") of the Property, if any, as Tenant desired to conduct to evaluate the environmental conditions of the Property. Tenant shall promptly deliver to Landlord a copy of each ESA made by Tenant. Nothing in this subsection (b), including but not limited to Tenant's failure to conduct an ESA or raise any issue pertaining to environmental matters contained in an ESA obtained by Tenant, shall in any way constitute a waiver of, diminish or limit the provisions of Landlord's indemnities in subsection (e), below.

(c) Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Property by Tenant, its agents, employees, contractors, sublessees or invitees without the prior written consent of Landlord. Landlord hereby consents to Tenant's use, storage and disposal on the Property of petroleum and cleaning products that qualify as hazardous materials in quantities consumed during the normal course of its business, provided that such use, storage and disposal shall be in full compliance with applicable law, including but not limited to Environmental Laws. Landlord shall be entitled to take into account such other factors or facts as Landlord may reasonably determine to be relevant in determining whether to grant or withhold consent to Tenant's proposed activity with respect to Hazardous Material. In no event, however, shall Landlord be required to consent to the installation or use of any underground storage tanks on the Property.

(d) Tenant shall defend, indemnify and hold harmless Landlord from and against any Environmental Liabilities and Costs arising out of (i) any release or threatened release of Hazardous Materials at or from the Property caused by Tenant's operations and (ii) any violations of Environmental Laws that are caused by Tenant's operations. "Tenant's operations" include but are not limited to the act or omission of any of Tenant's employees, invitees, licensees, agents and contractors. Tenant shall defend Landlord at Tenant's expense with counsel reasonably acceptable to Landlord. The obligations under this subsection shall survive expiration or earlier termination of this Lease.

(e) Landlord shall defend, indemnify and hold harmless Tenant from and against any Environmental Liabilities and Costs arising out of: (i) any release of Hazardous Materials that occurred at or from the Property prior to Landlord's delivery of the Premises to Tenant pursuant to this Lease; (ii) any violations of Environmental Laws or Environmental Actions at or from the Property that are attributable to the acts or omissions of Landlord or its employees, invitees, licensees, agents and contractors; (iii) any breach of any representation or covenant of Landlord in this Lease regarding environmental matters; and (iv) any releases or threatened releases of Hazardous Materials at or from the Property not caused by Tenant, its employees, agents, invitees, licensees, agents and contractors. Landlord shall defend Tenant at Landlord's expense with counsel reasonably acceptable to Tenant. The obligations under this subsection shall survive expiration or earlier termination of this Lease.

(f) As used in this Lease:

(i) The term "Environmental Actions" refers to any complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, or judgment by or in favor of any third party, including any governmental authority, involving a violation or alleged violation of any Environmental Law.

(ii) The term "Environmental Law" means the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C., 9601 et seq., as amended; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6901 et seq., as amended; the Clean Air Act ("CAA"), 42 U.S.C. 7401 et seq., as amended; the Clean Water Act ("CWA"), 33 U.S.C. 1251, et seq., as amended; the Occupational Safety and Health Act ("OSHA"), 29 U.S.C. 655 et seq., as amended; the Washington Model Toxics Control Act, RCW Chapter 70.105D, as amended; the Washington Industrial Safety and Health Act ("WISHA"), RCW Chapter 49.17, as amended; the rules and regulations adopted under any of the preceding; and any other applicable federal, state, local or municipal laws, statutes, regulations, rules or ordinances regulating the use, handling, disposal, transportation, storage and other activities concerning substances determined to be hazardous, dangerous or toxic to the environment and/or public health.

(iii) The term "Environmental Liabilities and Costs" means any monetary obligations, losses, liabilities (including strict liability), damages, punitive damages, consequential damages, treble damages, reasonable costs and expenses (including reasonable fees, disbursements and expenses of attorneys, expert and consulting fees, and reasonable costs of environmental site assessments, remedial investigation and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any Environmental Action.

(iv) The term "Hazardous Materials" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any Environmental Law, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

15: LIENS AND INSOLVENCY: Tenant shall keep the Premises freed from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Tenant and shall hold Landlord harmless against the same. In the event Tenant becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant, Landlord may cancel this Lease at its option.

16: SUBLETTING OR ASSIGNMENT: Tenant shall not assign this Lease or sublet the whole or any part of the Premises, without the prior written consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed. This Lease shall not be assignable by operation of law.

17: ACCESS: Tenant shall have access to the Premises 24 hours per day, 7 days per week. Landlord shall have the right to enter the Premises at all reasonable times, upon not less than 24 hours' prior written notice, for the purpose of inspection or of making repairs, additions or

alterations, and to show the Premises to prospective tenants and/or to put "For Lease" signs on the Premises for ninety (90) days prior to the expiration of the Lease term. Landlord shall use best efforts to minimize interference with Tenant's business operations in connection with any entry into the Premises, and shall coordinate with Tenant the scheduling of any non-emergency alterations or repairs. Landlord shall have at all times emergency access to the Premises.

18: POSSESSION: If for any reason Landlord is unable to deliver possession of the Premises to Tenant on or before January 1, 2013, Tenant may give Landlord written notice of its intention to cancel this Lease if possession not delivered within thirty (30) days after receipt of such notice by Landlord. Landlord shall not be liable for any damage caused by delay, and Tenant shall not be liable for any rent until such times as Landlord delivers possession. If Landlord offers possession of the Premises prior to the Commencement Date of this Lease, and if Tenant accepts such early possession, then both parties shall be bound by all of the covenants and terms contained herein including the rent during such period of early possession.

19: SECURITY MEASURES: Tenant hereby acknowledges that the rental payable to Landlord hereunder does not include the cost of security measures and that Landlord shall have no obligation whatsoever to provide same. Subject to Landlord's performance of its obligations set forth herein, including maintenance and repair of the Premises and the Project and Landlord's compliance with applicable Laws, Tenant assumes all responsibility for the protection of Tenant, its employees, customers, agents, invitees and its property from acts of third parties.

20: DAMAGE OR DESTRUCTION: In the event the Premises are rendered untenantable in whole or in part by fire, the elements, or other casualty, Landlord may elect, at its option, not to restore or rebuild the Premises and shall notify Tenant, in which event Tenant shall vacate the Premises and this Lease shall be terminated; or, in the alternative Landlord shall notify Tenant, within thirty (30) days after the notice of such casualty, that Landlord will undertake to rebuild or restore the Premises, and that such work can be completed within one hundred eighty (180) days from date of such notice of intent, and Tenant may elect, at its option to terminate this Lease. If Landlord is unable to restore or rebuild the Premises within the said one hundred eighty (180) days, and Tenant did not earlier elect to terminate, then the Lease may be terminated at Tenant's option by written 10-day notice to Landlord. During the period of untenantability, the rent (including Base Rent and Operating Costs) shall abate in the same ratio as the portion of the Premises rendered untenantable bears to the whole of the Premises.

21: ACCIDENTS AND LIABILITY; INSURANCE.

A. Tenant's Indemnity. Landlord or its agent shall not be liable for, and Tenant agrees to indemnify, defend and hold Landlord and its agents harmless from any claim, action and/or judgment for damages to property or injury to persons suffered or alleged to be suffered on the Premises by any person, firm, or corporation, except to the extent caused by the negligence or willful misconduct of Landlord, its members, agents, employees, contractors, or invitees, or by the breach of Landlord's obligations under this Lease.

B. Landlord's Indemnity. Tenant shall not be liable for, and Landlord agrees to indemnify, defend and hold Tenant harmless from any claim, loss, liability, action, costs and expenses, including reasonable attorney's fees and expenses of litigation, for damages to property or injury to persons suffered or alleged to be suffered on or about the Property by any person, firm, or

corporation, except to the extent caused by the negligence or willful misconduct of Tenant, its agents, employees, contractors or invitees, or by the breach of Tenant's obligations under this Lease.

C. Tenant's Insurance. Tenant agrees to maintain a policy of commercial general liability insurance for bodily injury and property damage with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence, and Two Million Dollars (\$2,000,000.00) in the aggregate, which insurance shall assure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and injury or damage to property as provided for herein. All of such insurance shall be primary and noncontributing with any insurance, which may be carried by Landlord. Tenant shall furnish Landlord a certificate indicating that the insurance policy is in full force and effect.

D. Landlord's Insurance. Landlord shall obtain and keep in force and effect during the term of this Lease, a policy of all risk property insurance in an amount equal to 100% of the replacement cost of all buildings and improvements located on the Property, and a policy of commercial general liability insurance, insuring for bodily injury and property damage with limits comparable to those carried by responsible landlords of properties similar to the Property, but in no event less than One Million Dollars (\$1,000,000.00) per occurrence, and Two Million Dollars (\$2,000,000.00) in the aggregate. Landlord's commercial general liability insurance shall assure the performance by Landlord of the indemnity agreement as to liability for injury or death of persons and injury or damage to property, as provided herein, and further shall insure against any and all liability of the insured arising from Landlord's ownership, use, maintenance and operation of the buildings and the Property. All insurance shall be in responsible companies authorized to do business in the State of Washington.

22: SUBROGATION WAIVER: Any insurance carried by either party with respect to the Premises, building, and the property contained therein shall include a clause or endorsement denying the insurer rights of subrogation against the other party to the extent rights have been waived by the insured prior to the occurrence of the injury or loss. Each party, notwithstanding any provisions of this Lease to the contrary, hereby releases and relieves the other, and waives its entire right of recovery against the other, for loss or damages arising out of or incident to the perils covered by insurance containing such clause or endorsement.

23: DEFAULT AND REENTRY:

- a. If Tenant shall fail to pay the rent when due and such failure continues for three (3) business days after written notice from Landlord, or
- b. If Tenant shall fail to keep and perform any of the covenants and agreements herein contained, and such failure continues for thirty (30) days after written notice from Landlord, unless appropriate action has been taken by Tenant in good faith to cure such failure, then, Landlord may terminate this Lease and reenter the Premises, or Landlord may, without terminating this Lease, reenter said Premises, and sublet the whole or any part thereof for the account of the Tenant upon as favorable terms and conditions as the market will allow, for the balance of the term of this Lease and Tenant covenants and agrees to pay to Landlord any deficiency arising from a reletting of the Premises at a lesser amount than herein agreed to. Tenant shall pay such deficiency each month as the amount thereof is ascertained by Landlord. However, the ability of Landlord to reenter and sublet shall not impose upon

Landlord the obligation to do so. Landlord agrees in any event to use reasonable efforts to mitigate its damages in the event of any default by Tenant hereunder.

24: REMOVAL OF PROPERTY: In the event Landlord lawfully reenters the Premises as provided herein, Landlord shall have the right, but not the obligation, to remove all the personal property located therein and to place such property in storage at the expense and risk of Tenant.

25: LANDLORD'S DEFAULT: Landlord shall be in default hereunder if Landlord fails to perform obligations required of Landlord within a reasonable time, but in any event within thirty (30) days after written notice by Tenant to Landlord specifying the nature of Landlord's default; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In the event of Landlord's default hereunder, Tenant may pursue any remedy provided for elsewhere herein or as may now or hereafter be available to Tenant under the laws or judicial decisions of the State of Washington.

26: COST AND ATTORNEY'S FEES: In the event that either party hires an attorney to enforce any provisions of this Lease, then in that event the other, defaulting party, agrees to pay the enforcing party's reasonable attorney's fee and costs. In any legal proceeding to enforce the terms of this Lease, the prevailing party shall be entitled to an award of reasonable attorney's fee and costs. The venue of any legal proceeding shall be brought in the Superior Court for the State of Washington in King County, Washington.

27: SUBORDINATION: Tenant agrees that this Lease shall be subordinate to any mortgages or deeds of trust placed on the Property, provided that in the event of foreclosure, if Tenant is not then in default and agrees to attorney to the mortgagee or beneficiary under deed of trust, such mortgagee or beneficiary shall assume Landlord's obligations under this Lease and recognize Tenant's right of possession for the term of the Lease.

28: NO WAIVER OF COVENANTS: Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This Lease contains all the agreements between the parties; and there shall be no modification of the agreements contained herein except by written instrument.

29: SURRENDER OF PREMISES: Tenant agrees, upon termination of this Lease, to peacefully quit and surrender the Premises without notice, leave the Premises neat and clean and to deliver all keys to the Premises to Landlord.

30: HOLDING OVER: If Tenant, with the implied or express consent of Landlord, shall hold over after the expiration of the term of this Lease, Tenant shall remain bound by all the covenants and agreements herein, except that the tenancy shall be from month to month. Tenant agrees to pay a monthly rental of 1.20% of the rent herein specified for the last twelve months of the Lease.

31: BINDING ON HEIRS, SUCCESSORS AND ASSIGNS: The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto except as hereinabove provided.

32: USE: The Premises may be used for general office, meeting, presentation and educational purposes related primarily to Tenant's pilot, business incubator program, and accordingly may be occupied by Tenant, its agents, employees, consultants, contractors and invitees, including program participants. Landlord acknowledges that, notwithstanding any participation or use fees paid to Tenant, no use or occupancy of the Premises by Tenant's program participants shall be deemed a sublease requiring Landlord's consent under this Lease.

33: QUIET ENJOYMENT: Landlord agrees that Tenant, upon the full and timely performance of Tenant's obligations hereunder, have the quiet and undisturbed possession of the Premises throughout the Lease term.

34: NOTICE: Any notice required or permitted to be given by either party to the other shall given in writing and personally delivered, or deposited in the United States mail, postage prepaid, addressed to the Landlord c/o Mobeen A. Butte 8002 N.E Bothell Way, Kenmore, WA 98028 or to the Tenant at City of Kenmore, Attn: City Manager, 18120 68th Ave NE , P. O. Box 82607, Kenmore, Washington 98028, or at such other address as either party may designate to the other in writing from time to time. Notices shall be deemed effective upon the earlier of personal delivery or three (3) business days following deposit in the mail, as aforesaid.

35: TIME: TIME IS OF THE ESSENCE OF THIS LEASE.

36: LANDLORD'S PREPARATION WORK: To prepare the Premises for Tenant's use and occupancy, Landlord agrees to (a) repaint the interior walls of the Premises, using paint and color reasonably approved in advance by Tenant, (b) replace two (2) damaged overhead light fixtures, and (c) replace throughout the Premises, the Premises' current carpeting and flooring with bamboo flooring selected by Tenant (collectively, "Landlord's Preparation Work"). Landlord shall bear all costs associated with Landlord's Preparation Work; provided, however, that Tenant shall pay a total of \$7,200.00 toward the cost of the bamboo flooring installation. Such amount shall be payable in equal monthly installments of \$200 per month over the term of the Lease; provided, however, that in the event that Tenant exercises its early termination right set forth in Paragraph 2, above, the entire unpaid balance of such excess bamboo flooring costs shall be paid with the last installment of monthly Base Rent. Landlord shall give Tenant prompt written notice of completion of Landlord's Preparation Work. Landlord and Tenant shall thereupon conduct a walk-through, "punch-list" inspection of the Premises, and Landlord shall promptly correct any items set forth on the parties' punch list.

37: ARBITRATION: Any and all disputes, claims, or controversies between the parties hereto ("parties" specifically including, but not being limited to, any assignee of a party) arising out of or relating to this Lease that are not resolved by their mutual agreement shall be submitted to final and binding arbitration before JAMS, or its successor, at JAMS' office in Seattle, Washington (or, if none, at JAMS' office in the United States which is closest to Seattle, excluding any in Alaska), pursuant to the United States Arbitration Act, 9 U.S.C. Sec. 1, et seq. Either party may commence the arbitration process by filing a written demand for arbitration with JAMS at the designated office and concurrently sending a copy to the other party or parties. The arbitration will be conducted in accordance with the provisions of JAMS' Comprehensive Arbitration Rules and Procedures as in effect when the demand is filed. The parties to the dispute, claim, or controversy will cooperate with JAMS and each other in selecting an arbitrator from JAMS' panel of neutrals and in scheduling the arbitration proceedings. The costs and fees of JAMS and of the arbitrator shall be borne equally by the parties to the dispute, claim, or controversy. The

provisions of this Section are specifically enforceable by any court with subject matter jurisdiction sitting in King County, Washington. The party or parties seeking such enforcement shall be entitled to an award of all reasonable costs, fees, and expenses (including but not limited to attorneys fees) of such enforcement action against the party or parties, jointly and severally, against whom the court enters an order enforcing this Section.

38: ENTIRE AGREEMENT: This Agreement constitutes the entire agreement of Landlord and Tenant and supersedes all oral and written agreements and understandings made and entered into by the parties hereto prior to the date hereof. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord and Tenant unless reduced to writing and signed by each of them.

39: SEVERABILITY: The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

40: COUNTERPARTS: This Lease may be executed in counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the date first above written.

LANDLORD:

Kenmore Commercial LLC,
a Washington limited liability company

By: Mobeen Butte
Mobeen Butte, its partner

Date: 12-3-12

TENANT:

City of Kenmore,
a municipal corporation

By: Rob Karlinsey
Rob Karlinsey, its City Manager

Date: 12/3/12

STATE OF WASHINGTON)
)ss.
 COUNTY OF KING)

I certify that I know or have satisfactory evidence that Mobeen Akhtar Butte is the person who appeared before me, and said person acknowledged that Mobeen Akhtar Butte signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the _____ of **Kenmore Commercial LLC**, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12-3-2012



Kathleen R. Hicks
 (Print name)

Notary public in and for the State of Washington,
 residing at Kenmore, King County
 My appointment expires: 1/01/2013

STATE OF WASHINGTON)
)ss.
 COUNTY OF KING)

I certify that I know or have satisfactory evidence that Rob Karlinsey is the person who appeared before me, and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute this instrument and acknowledged it as the City Manager of the **City of Kenmore**, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12-3-2012



Kathleen R. Hicks
 (Print name)

Notary public in and for the State of Washington,
 residing at Kenmore, King County
 My appointment expires: 1/01/2013

EXHIBIT A

LEGAL DESCRIPTION

The property of this leasing agreement is the property situated at 7204 Northeast 175th Street, Kenmore, Washington 98028.

And is further described as follows:

Lot 2, Ptn Lot 1, Lakewood Villa Tracts
Situate in the County of King, State of Washington.

EXHIBIT B

SITE PLAN

(Specifically identify Premises and parking areas designated for Tenant's exclusive use.)

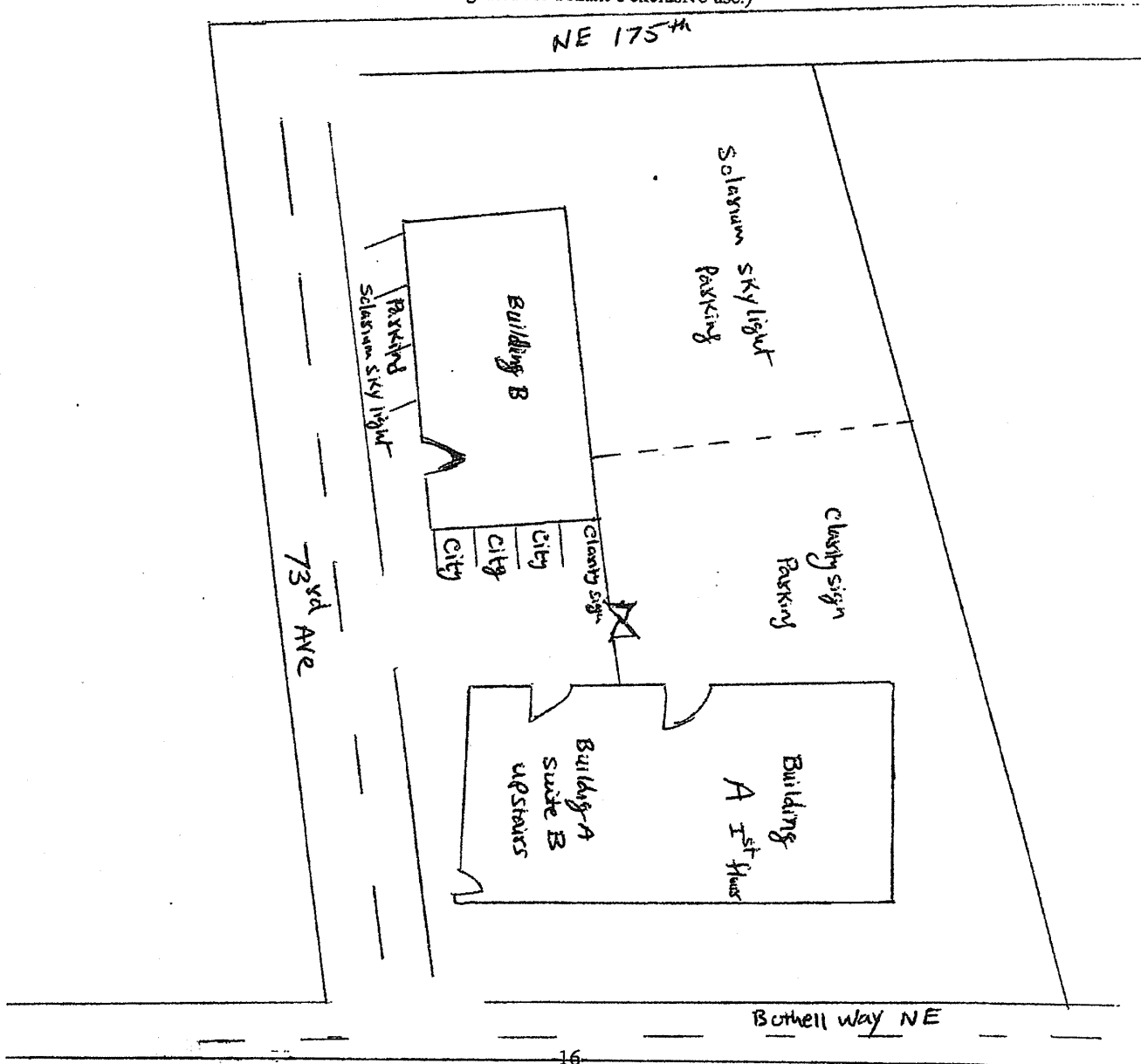


EXHIBIT C
OPERATING EXPENSE BUDGET

Property Taxes Paid in 2012	\$23,797
Building Insurance 8/25/2012 to 8/25/2013	\$ 3,835
Miscellaneous	\$ 1,300
Small Repairs	
Lot Cleaning	
TOTAL FOR 2012	<u>\$28,932</u>



**City Council Business Agenda Item
City of Kenmore, WA**

Subject/Topic:	For Council Meeting Agenda of: January 23, 2017		
Retail lease agreement in the Town Square Hangar Building	Department: City Manager's Office		
Proposed Council Action/Motion:	Prepared by: Rob Karlinsey		
Authorize the city manager to sign and execute a lease agreement (contract No. 16-C1624) with Diva II LLC (doing business as Diva Espresso)	<u>Initial & Date</u>		
	Approved by Department Head: _____		
	Approved by City Attorney: _____		
	Approved by Finance Director: <u> </u> Approved by City Manager: <u> </u>		
Exhibits/Attachments: N/A			
Expenditure Required \$150,000	Amount Budgeted \$150,000	Appropriation Required \$0	
<u>INFORMATION/BACKGROUND:</u>			
The Town Square and Hangar building at the northwest corner of 68th Avenue NE and NE 181st Street are nearing completion. The business plan for the Hangar building includes approximately 1,200 square feet of retail space in the southeast corner of the building. The City listed this space for lease and received several proposals. After reviewing the proposals, the city manager recommends entering into a lease agreement with Diva II LLC (dba Diva Espresso). Diva Espresso is a coffee retailer with about seven locations in the Seattle area.			
At the November 14, 2016 meeting, the City Council approved basic lease terms with Diva II LLC, as follows:			
Initial term: Five years, six months.			
Tenant option to extend: additional five years.			
Rent: The greater of \$2,200 per month or 6% of tenant's gross sales.			
Triple Nets: In addition to rent, landlord to charge proportionate triple net expenses (insurance, taxes, maintenance) to tenant.			
Tenant Improvement (TI) Allowance: Landlord to provide a \$150,000 tenant improvement allowance; tenant to make sixty TI payments of \$944 in addition to rent.			
Lease commencement: Lease to commence on January 1, 2017. Triple net payments to begin in month four of the lease term. Rent and TI payments to begin in month seven.			
All other terms of the lease: City manager is authorized to negotiate and execute all other terms of the lease agreement, including security deposit, periodic rent increases, signage, uses and services provided by the tenant, etc.			

Subsequent negotiations have resulted in proposed changes in the basic terms as follows:

Initial term: Five years, six months.

Tenant option to extend: additional five years.

Rent: The greater of \$2,200 per month or 6% of tenant's gross sales.

Triple Nets: In addition to rent, landlord to charge proportionate triple net expenses (insurance, taxes, maintenance) to tenant.

Tenant Improvement (TI) Allowance: Landlord to provide a \$150,000 tenant improvement allowance; tenant to make sixty TI payments of \$944 in addition to rent.

Lease commencement: Lease to commence on ~~January 1, first quarter 2017~~. Triple net payments to begin in month four of the lease term. Rent and TI payments to begin ~~in month seven~~ the sooner of issuance of certificate of occupancy or in the 10th month, but no sooner than month seven.

All other terms of the lease: City manager is authorized to negotiate and execute all other terms of the lease agreement, including security deposit, periodic rent increases, signage, uses and services provided by the tenant, etc.

The City Manager recommends approval of the basic terms with the changes shown above.

X. A. Adopt the 2017 Annual Docket for the Planning Commis...

- b. The public interest would best be served by considering the proposal in the current year, rather than delaying consideration to a later subarea plan review or plan amendment process.

KMC 19.20.060.D.3 states that the City Council's options for each docket proposal are as follows:

- Accept application for review by the planning commission in the current amendment cycle;
- Recommend delay of the amendment to the next amendment cycle; or
- Denial of the amendment request based upon criteria set for in KMC 19.20.080 or other findings of fact.

Once the City Council sets the 2017 annual docket work program, the Planning Commission would spend the year reviewing and discussing the proposed docket amendments before making their recommendations to the City Council. Comprehensive Plan amendments likely would be needed for the school impact fee and Neighborhood Business zone projects.

FISCAL CONSIDERATION: The need for consultant technical expertise related to the 2017 docket items has not been determined but \$20,000 is included in the 2017 budget including general consulting and comprehensive plan services.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Comprehensive Plan Policy LU-2.1.5 states, "Consider proposed Comprehensive Plan Amendments each calendar year concurrently so that the cumulative effect of the proposals can be determined..." Comprehensive Plan Policy LU-2.1.6 states, "Ensure proposed Comprehensive Plan policy amendments are accompanied by any changes to development regulations, modifications to capital improvement programs, subarea, neighborhood, and functional plans required for implementation so that regulations will be consistent with the Plan."

Attachment 1

Staff Recommendations for 2017 Docket

	2017 Docket Item	Source	Recommendation	Analysis
1.	Priority amendments from the Housing Strategy Plan. (Priorities will be discussed at a joint meeting of the City Council and Planning Commission on January 23, 2017.)	City-initiated	Add to 2017 docket	Meets docket criteria: • <i>The City has the resources, including staff and budget, necessary to review the proposal.</i> A Regional Coalition for Housing (ARCH) would be a major contributor to this effort. • <i>It has been more than two years since the proposed amendment was considered.</i> Except for microhousing issues, the Planning Commission has not addressed affordable housing incentives in the past two years. • <i>This proposal has strong potential to serve the public interest.</i> Affordable housing continues to be an issue for the greater-Seattle area. In Kenmore, a significant number of households are “cost-burdened” and many of those who work in Kenmore could not afford to live here. • <i>The public interest would be served by considering the proposal in the current year.</i> The Housing Strategy Plan identifies affordable housing priority projects for the next few years. Addressing the first set of amendments would keep the momentum going.
2.	School Impact Fees	Northshore School District	Add to 2017 docket	Meets docket criteria: • <i>The City has the resources, including staff and budget, necessary to review the proposal.</i> Reviewing the Comprehensive Plan and adjusting policies to allow collection of school impact fees is anticipated to be a minor project. • <i>It has been more than two years since the proposed amendment was considered.</i> The City adopted the current Comprehensive Plan in spring 2015, including information about the Northshore School District and the status of school impact fees. More than two years will have passed by the time the Planning Commission considers the proposed amendments. • <i>This proposal has strong potential to serve the public interest.</i> See attached letter from the Northshore School District.

Attachment 1

				Authorizing collection of school impact fees will serve the community by providing school funding for new residential growth. • <i>The public interest would be served by considering the proposal in the current year.</i> The Northshore School District hopes to begin collecting impact fees as soon as possible. Delaying the project would further delay impact fee collection.
3.	Review of Neighborhood Business (NB) zoning district	City-initiated	Add to 2017 Docket	Meets docket criteria: • <i>The City has the resources, including staff and budget, necessary to review the proposal.</i> The City will have the resources, including staff and budget, necessary to review the proposal. • <i>It has been more than two years since the proposed amendment was considered.</i> This project would address the last holdover King County commercial zoning district. • <i>This proposal has strong potential to serve the public interest.</i> The NB zoning district has not been analyzed or amended since Kenmore's incorporation. It would serve the public interest to review land uses and standards in this district to ensure that they reflect the City's vision. • <i>The public interest would be served by considering the proposal in the current year.</i> The NB zone is out-of-date and may not reflect current community values. Completion of this project would finish the review of all of the City's commercial zones.



Northshore School District

22105 23rd Drive SE
Bothell, WA 98021
(425)408-7850

Capital Projects

January 5, 2017

Deborah Bent, AICP
Community Development Director
18120 68th Ave NE
P.O. Box 82607
Kenmore, WA 98028

RE: Comprehensive Plan Docket Request – Adoption of the Northshore School District's Capital Facilities Plan and school impact fees

Dear Ms. Bent:

The Northshore School District (the "District") requests that the City of Kenmore (the "City") adopt the District's Capital Facilities Plan (the "CFP") by reference in the Capital Facilities element of the City's Comprehensive Plan and re-implement the collection of school impacts at the rates set forth in the District's CFP. The GMA identifies schools as within the public facilities necessary to support development. RCW 36.70A.020(12) and RCW 36.70A.030(12) and (13). New development benefits from the provision of adequate school capacity and should pay a share of the growth-related costs. School impact fees, while just one component of the capacity funding need, represent a vital component of the funding that the existing community expects will be fairly distributed to new growth.

As you know, the City previously collected school impact fees on behalf of the District. The District has not requested school impact fee collection since 2002, however, due to declining/stable enrollment and available capacity. The District has continued to update the CFP each year to monitor growth and capacity needs. In the last several years, the District has experienced continuing growth in student population and identified related school capacity needs in the 2016 CFP. The District's K-12 student population grew by approximately 8.4% between the years 2010 and 2015. The District projects continued growth of over 2,200 students over the six year planning period. Elementary enrollment (K-5) is predicted to grow from 9,265 FTE in October 2015 to 10,292 FTE by October 2021. While a portion of this growth reflects the implementation of full-day kindergarten, the District also projects enrollment growth from new development at this grade level. The 2016 CFP includes planned capacity at the elementary level to serve new growth and is the basis for the District's recommended school impact fees.

The school impact fee formula, by law, determines a per residential dwelling unit impact cost of building new capacity needed to serve new growth. The formula used to calculate the school impact fee is consistent with the requirements of Chapter 82.02 RCW and adopted as a part of the municipal codes of King County and Snohomish County (jurisdictions collecting impact fees currently on behalf of the District). The formula uses a student generation rate, derived from actual student enrollment data, to determine the per dwelling unit cost of the new capacity. The District applies the student generation rate to an architect's construction cost estimate of the identified growth-related capacity project to determine an initial cost per dwelling unit. The formula calculates a credit for state funding assistance that the District expects to receive toward the capacity project and the estimated tax dollars that a new homeowner will pay toward a school bond to fund the project. These credits are then deducted from the calculated cost per dwelling unit to identify the "unfunded need." The District, pursuant to the terms of the adopted ordinances, applies a fifty

percent reduction to the unfunded need only after these credits are applied. The resulting discounted fee is the amount requested of each jurisdiction.

Different fees are calculated for single family residential units and multi-family residential units to reflect the differences in impacts between the two unit types. A separate student generation rate for each unit type is calculated based upon the actual number of students enrolled in new homes built in the school district in the preceding five year period. The student generation rate, by ordinance, looks separately at single family dwelling units and multi-family dwelling units to determine, on average, the number of students that each type of dwelling units generates to the school system. In the Northshore School District, the 2016 student generation rate study shows the following:

	Single Family Dwelling Units	Multi-Family Dwelling Units
Number of New Units (Five Year Period)	2,933	1,477
Number of Students from Those Units Enrolled in NSD Schools	1,571	62

See *Northshore School District Capital Facilities Plan, Appendix B*. This chart demonstrates that multi-family units in the Northshore School District produce very few students. When the resulting student generation rate for multi-family units is used in the school impact fee formula, the resulting impact fee is \$0. The District updates its CFP (including the student generation rate study) annually and will make adjustments in the future to reflect updated information.

The District appreciates the City's consideration of this request. We are happy to provide additional information as necessary.

Sincerely,

Karen W. Mooseker

Karen Mooseker
Director, Capital Projects

Cc Laurie Anderson, City of Kenmore
Denise Stiffarm, Pacifica Law Group

2017 DOCKET/WORK PROGRAM PRIORITIZATION

The “docket” is the Planning Commission’s annual work program. Zoning Code Section 19.20.080 provides threshold review criteria for selecting projects to be placed on the docket. Criteria include how long it has been since the issue was last considered (more than 2 years unless there’s a compelling reason for taking something up again), correction of inconsistencies or clarifications, and serving the public interest.

Another criterion is availability of city resources—whether staffing levels and budget allow review of the proposal. Potential docket items are selected and prioritized using the following assumptions:

1. Community Development (CD) staff time and Planning Commission meeting schedules allow for one major amendment project per year. Two to three additional, smaller amendments also are possible in CD in any given year. Other departments may be able to take on additional amendments.
2. It is more efficient to group smaller amendments into a cohesive package of multiple related amendments. Less time is spent in meetings and hearings with this approach.
3. The Planning Commission must provide a recommendation on Comprehensive Plan amendments, but they also are very useful in developing recommendations for projects that need intensive study, public meetings, or a more in-depth review.

The attached prioritization chart identifies possible amendments recommended by the staff, the City Manager, the Planning Commission, the City Council, or other entities. Some items would be part of the Planning Commission docket. Other items would be presented directly to the City Council. Amendments are grouped by general topic. The proposed year of consideration and lead department are shown. A more complete description of each project follows the chart.

As shown on the next page, the major 2017 Planning Commission docket item recommended by CD staff is follow-up to the Housing Strategy Plan (once Council has settled on priorities), to be accomplished in conjunction with ARCH. Planning Commission review of Comprehensive Plan amendments related to school impact fees also is recommended. If time allows, a smaller project for the year would be review of the Neighborhood Business zone. For CD, revising all zones for standardized uses is planned for direct City Council consideration in 2017. Too, park and school impact fees are targeted for 2017 City Council review.

Recommended 2017 Planning Commission Docket

The recommended 2017 Planning Commission docket is as follows (the number assigned to each project corresponds to its number in the prioritization chart):

12. Housing Strategy Plan follow-up (priority code amendments)
38. School impact fee Comprehensive Plan amendments
2. Review of Neighborhood Business (NB) zone

Recommended 2017 Amendments to City Council

Other amendments proposed to go directly to the City Council as part of the work program are as follows (listed by lead department):

- Community Development:**
1. Revise all zones for standardized uses
 24. Park impact fee study
 38. School impact fees, including interlocal agreement
- Development Services:**
6. Heavy manufacturing prevention, including review of non-conformance standards
 13. Billboard amortization
 19. Recycling of building materials
 29. Tree cutting penalties
 34. Address known code enforcement gaps, loopholes, and fines/penalties
 35. Code enforcement liens
- City Manager's Office:**
33. Historic preservation code update

Prioritization Chart

TBD = still to be determined

EES = Engineering & Environmental Services

CM = City Manager's Office

CD = Community Development

DS = Development Services

Item	Source	Need PC Review?	Recommend PC Review?	Amend-ment scope	Could it be grouped?	Lead Department	Year?
LAND USES							
1. Revise all zones for standardized uses	Staff	No	No	Large	Yes	CD	2017
2. Review of NB zone	Staff	Yes	Yes	Small	Yes	CD	2017
3. Downtown uses	City Manager	Yes, if policy needed	Yes	Small	Yes	CD	2019+
4. Revisit marijuana researcher locations (Bastyr)	Staff	No	No	Medium	No	CD	2019+
5. Heavy manufacturing amortization	Staff	No	No	Medium	Yes	TBD	2018
6. Heavy manufacturing prevention, including review of non-conformance standards	Staff	No	No	Medium	Yes	DS	2017
TRANSPORTATION							
7. Parking standards	Staff	Maybe	Yes	Large	No	TBD	2019+
8. CTR ordinance	State	No	Yes	Medium	Yes	CD	2019+

Item	Source	Need PC Review?	Recommend PC Review?	Amend-ment scope	Could it be grouped?	Lead Department	Year?
9. Airport Plan	State	Yes	Yes	Medium	No	CD	2019+
ANIMALS							
10. Goats as pets	Citizen	Maybe	Yes	Medium	Yes	TBD	2019+
11. Chicken regulations	Citizen	Maybe	Yes	Medium	Yes	TBD	2019+
HOUSING							
12. Housing Strategy Plan follow-up	Comp Plan	Yes	Yes	Large	Yes	CD	2017
SIGNS							
13. Billboard amortization	Council	No	No	Small	Yes	DS	2017
14. Banner program	Staff	No	No	Small	Yes	DS	2018
15. Reed v. Town of Gilbert review	Court	No	No	Medium	No	DS	2019+
SUSTAINABILITY							
16. Electric vehicle parking incentive	PC	No	Yes	Small	Yes	CD	2019+
17. Landscaping "Green factor"	PC	Maybe	Yes	Large	Yes	CD	2019+
18. Standards for alternative energy facilities	Comp Plan	No	Yes	Medium	Yes	CD	2019+
19. Recycling of building materials	Staff	No	No	Small	Yes	DS	2017
AESTHETICS							
20. Appurtenance heights	PC	No	Yes	Medium	Yes	CD	2019+

Item	Source	Need PC Review?	Recommend PC Review?	Amend-ment scope	Could it be grouped?	Lead Department	Year?
21. Outdoor storage standards	PC	No	Yes	Small	Yes	CD	2019+
22. Design standards review	Staff	Maybe	Yes	Large	Yes	CD	2019+
PARKS							
23. PROS Plan update	State	Yes	Yes	Medium	Yes	CD	2018
24. Park impact fee study	Staff	No	No	Medium	Yes	CD	2017/ 2018
CRITICAL AREAS							
25. Rewrite/consolidate floodplain rules	Staff	No	No	Medium	Yes	CD	2018
26. Critical area rules update	Staff/ State	Yes	Yes	Large	Yes	CD	2018
27. Shoreline Master Program update	State	Yes	Yes	Large	Yes	CD	2018
SINGLE-FAMILY STANDARDS							
28. Structures in rear yards	Staff	No	Yes	Small	Yes	CD	2019+
TREES							
29. Tree cutting penalties	Staff	No	No	Small	Yes	DS	2017
30. Protection for heritage trees	Staff	No	Yes	Medium	Yes	CD	2019+

Item	Source	Need PC Review?	Recommend PC Review?	Amend-ment scope	Could it be grouped?	Lead Department	Year?
MISCELLANEOUS							
31. Coordinate setbacks/landscaping in commercial zones	Staff	No	No	Small	Yes	CD	2019+
32. Review change of use standards	Staff	No	No	Small	Yes	TBD	2019+
33. Historic preservation code update	Staff	No	No	Medium	No	CM	2017
34. Address known code enforcement gaps, loopholes and fines/penalties	Staff	No	No	Small	Yes	DS	2017
35. Code enforcement liens	Staff	No	No	Small	Yes	DS	2017
36. Comprehensive review of code enforcement chapter	Staff	No	No	Large	No	DS	2018
37. Address franchise requirements	Staff	No	No	Large	No	TBD	2019+
38. School impact fees	School District	Yes for Plan amend-ments	Yes for Plan amend-ments	Large	Yes	CD	2017

Explanation of Prioritization Chart Items

Following are more complete descriptions of each item in the docket prioritization chart:

1. Revise all zones for standardized uses. In 2014 as part of the Regional Business zoning project, a new set of land uses was adopted—reducing the number of listed uses from nearly 250 to approximately 50. This project would amend all remaining zoning districts to use the same land use terminology.
2. Review of Neighborhood Business (NB) zone. This is the last holdover commercial zoning district from King County. The NB zone is located in two places along Juanita Drive, at NE 170th Street and at NE 153rd Place.
3. Downtown uses. This project would review permitted land uses in the downtown, considering the possibility, for example, of allowing clean light manufacturing.
4. Revisit marijuana researcher locations (Bastyr). State law has added a new class of marijuana business—a marijuana researcher—to the list of possible marijuana licensees. Bastyr may be interested in the future in becoming a marijuana researcher and the university has asked that we add this consideration to the list of possible future code amendments.
5. Heavy manufacturing amortization. This project would review the feasibility of amortizing existing heavy manufacturing uses.
6. Heavy manufacturing prevention, including review of non-conformance standards. This project would consider techniques to limit future heavy manufacturing on nonconforming sites, including tightening the nonconformance rules. (Currently, nonconforming uses may be expanded through the conditional use permit process.)
7. Parking standards. This project would assess existing parking standards to determine whether parking requirements could be reduced. (Currently, an applicant may reduce parking requirements if documented through a parking demand analysis.)
8. CTR ordinance. State law requires that cities have a commute trip reduction (CTR) ordinance applicable to businesses which have more than 100 full-time employees. State CTR funds are not available to jurisdictions without an ordinance.

Kenmore's largest employer, Bastyr University, already has its own CTR plan, required through the Bastyr University Master Plan.

9. Airport Plan. State law requires that cities with airports have an Airport Plan in place to protect continued operation of the airport. Kenmore has incorporated information and a number of policies into its Comprehensive Plan related to Kenmore Air, however a formal airport plan has not been developed.

10. Goats as pets. A citizen has requested code amendments that would allow goats as pets.

11. Chicken regulations. A citizen has requested code amendments to increase the number of chickens allowed on a lot in the City.

12. Housing Strategy Plan follow-up. The Planning Commission will be presenting recommended priorities for the Housing Strategy Plan to Council. If Council agrees with the prioritization, the highest priority item could be added to the 2017 docket.

13. Billboard amortization. Staff continues to explore ways to eliminate billboards in Kenmore. Billboard amortization is one approach that could be explored.

14. Banner program. This project would allow some banners, of limited type and term, in Kenmore.

15. Reed v. Town of Gilbert review. This court decision mandates that signs be regulated by type and size and not by content. In other words, if a type and size of sign is regulated, the sign message cannot be regulated. Although requirements of this ruling are being supported administratively, code amendments are needed.

16. Electric vehicle parking incentive. This code amendment would use special electric vehicle parking requirements to encourage use of electric vehicles.

17. Landscaping "Green factor." Green factor is a City of Seattle scoring system for landscapes to help increase the quantity and improve the quality of urban landscaping. The Planning Commission recommended that the City review this approach.

18. Standards for alternative energy facilities. This project would consider code amendments for solar and wind facilities, along with other alternative energy facilities.

19. Recycling of building materials. This code amendment would make recycling of some building materials mandatory.
20. Appurtenance heights. Currently, certain appurtenances may extend above maximum building height limitations. This project would review those allowances for potential adjustments.
21. Outdoor storage standards. Outdoor storage for nonresidential uses is addressed in the Zoning Code. This project would review outdoor storage standards to see if additional requirements should be included.
22. Design standards review. The bulk of the City's design standards were adopted in 2003. This project would review the standards to see if adjustments are needed.
23. PROS Plan update. The Parks, Recreation and Open Space (PROS) Plan was updated in 2013. To continue eligibility for RCO funding, the Plan must be reviewed/revised every six years.
24. Park impact fee study. Although the City has reviewed and updated transportation impact fees, park impact fees have not been addressed since initial adoption.
25. Rewrite/consolidate floodplain rules. The Municipal Code contains two independent code sections addressing development in floodplains. As part of the critical areas and Shoreline Master Program revisions, these floodplain sections should be updated and consolidated.
26. Critical area rules update. These rules were developed in 2006 and slightly adjusted with the Shoreline Master Program update in 2012. As part of the mandated Shoreline Master Program update, the critical areas rules should be revisited.
27. Shoreline Master Program update. The City adopted its Shoreline Master Program in 2012. The State requires that it be reviewed/revised by 2019.
28. Structures in rear yards. Code amendments in 2008 resulted in a 20' required rear yard in the R-4 and R-6 single-family residential zones. A few minor amendments since 2009 have addressed small sheds, play equipment and arbors in the rear yard, but review of additional structures in the rear yard is needed.
29. Tree cutting penalties. Current tree cutting penalty code sections need adjustment.

30. Protection for heritage trees. Some other jurisdictions, notably Lake Forest Park, have code amendments in place to protect “exceptional” trees—both on development sites and on single-family residential properties.
31. Coordinate setbacks/landscaping in commercial zones. Setback and landscaping requirements conflict in some commercial zones. These amendments would resolve these conflicts.
32. Review change of use standards. When a business changes from one type of use to another, the Zoning Code process for review is unclear. The Building Code has change of use standards. Standards in the Zoning Code need adjustment to clarify the required permit process.
33. Historic preservation code update. This code has not been updated for several years and adjustments are needed. In particular, a code amendment to provide more flexibility for change of use of historic properties could be considered.
34. Address known code enforcement gaps, loopholes and fines/penalties. Recent code enforcement cases have uncovered some regulatory gaps. This project would address those gaps and tighten up the City’s regulations.
35. Code enforcement liens. This project would address property liens as a code enforcement tool.
36. Comprehensive review of code enforcement chapter. A comprehensive review of this chapter would prevent code enforcement “gaps” before they occur.
37. Address franchise requirements. As a result of numerous recent franchise requests, it may be appropriate to consider a separate Municipal Code chapter outlining the franchise process and requirements.
38. School impact fees. After years of not charging impact fees, the Northshore School District has requested that the City revise its Comprehensive Plan and development regulations to allow impact fee collection. Comprehensive Plan and code amendments would be necessary.

Subject/Topic: Presentation of the Planning Commission's recommendations on the Housing Strategy Plan Proposed Council Action/Motion: Adopt the Planning Commission's Housing Strategy Plan recommendations	For Council Meeting Agenda of: 1/23/17 Department: Community Development Prepared by: Debbie Bent, Director Approved by Department Head: <u>DA 1/19/17</u> Approved by City Attorney: <u>NA</u> Approved by Finance Director: <u>[Signature] 1/10/17</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: 1: Background Memorandum (to be uploaded on 1/18/17)
Expenditure Required: \$0 Amount Budgeted: \$0 Appropriation Required: \$0	
In April of 2016, the City Council directed the Planning Commission to develop a Housing Strategy Plan, focused on affordable housing, outlining actions that could be taken over the coming years to implement the housing goals, objectives and policies of the Comprehensive Plan. The Commission, with staff assistance from A Regional Coalition for Housing (ARCH), has completed the draft strategy plan and will present it to the City Council at a joint meeting on January 23. A comprehensive background memo, describing the Planning Commission's process and conclusions will be available on January 18, following the January 17 Planning Commission meeting. The four affordable housing strategies recommended by the Planning Commission for review and consideration in the next two or three years are: • Techniques to preserve existing affordable housing; e.g., density transfers from affordable properties to areas where additional density has been proposed, and consideration of a manufactured housing community overlay. • Review of accessory dwelling unit (ADU) regulations. The review should include evaluating current code provisions, the permitting process, fees, and utility requirements. Other actions could include a clemency program to legalize existing ADUs, community outreach, and targeted direct assistance. • Flexible re-use of tax-exempt or publicly-owned sites through a special process to increase housing supply and enable more diverse forms of housing if linked to providing some affordable housing. • Expanding density bonuses, adding density transfers, and other methods with mixed-use and multi-family developments; e.g., mandatory programs with increased development capacity and layering local incentives to create greater affordability (multifamily tax exemptions with density incentives, for example). The Planning Commission's recommendations do not imply that specific strategies should be adopted. It is possible that later, when considered in more detail, the City may decide not to pursue a listed strategy. The Commission believes that the four top tier strategies show the most promise for addressing affordable housing issues in Kenmore, but further review, coupled with a robust public input effort, would be necessary to determine whether any of the strategies ultimately are appropriate for Kenmore. As directed by the City Council, the Planning Commission did not review direct assistance affordable housing strategies. These strategies will be presented to the Council for future discussion at an upcoming City Council meeting.	
FISCAL CONSIDERATION: None.	
COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: "Adopt a Housing Strategy Plan that outlines action steps and priorities" (Comprehensive Plan implementation measure)	

City of Kenmore
Housing Strategy Plan: Background and Summary
January 2017

This memo introduces the Planning Commission's recommended Housing Strategy Plan matrix. It consists of four main parts: Background, Plan Organization, Priority Strategies, and the attached Plan matrix.

Background

Council Instructions. In April 2016, the City Council directed the Planning Commission to draft and recommend a Housing Strategy Plan, in accordance with the implementation strategies of the Comprehensive Plan Housing Element. The Council also provided guidance that the Strategy Plan should emphasize affordable housing strategies, in particular for seniors, the community's workforce (people who work in Kenmore), young adults, homeless people and families, and families with children.

Proposed Plan. The Commission spent numerous meetings first reviewing and studying possible housing strategies and then selecting and prioritizing from among the strategy options those that seemed more promising and worthy of fuller study. The organization of the Housing Strategy Plan and the evaluative process of prioritization is described below. The resulting prioritization is best illustrated in the attached documents.

Topic Complexity. In this process it became very obvious that many internal and external factors bear upon this topic and affect the priority-setting. In particular, those factors include:

- Actions that Kenmore has already undertaken over the past decade to address local housing needs; e.g., increasing residential capacity in the downtown area plan, allowing the development of accessory dwelling units, linking affordability to rezones that increase residential capacity, waiving impact fees for affordable housing, and providing funding support for affordable housing. The Strategy Plan will build upon these efforts.
- Other city council adopted initiatives, such as the 20 Year Vision, Budgeting Results Map and the Economic Development Strategy.
- The Growth Management Act (GMA), which states that Comprehensive Plans encourage the availability of affordable housing to all economic segments, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.
- Countywide Planning Policies (CPPs), in which each jurisdiction agrees to plan to accommodate a portion of the countywide housing target and address a proportionate amount of the housing needs of all economic segments of the county. Kenmore's housing target for the years 2006–2031 is 3,500. Countywide housing needs of moderate-, low-, and very-low-income households are equal to 16 percent, 12 percent and 12 percent, respectively, of all housing.
- City staff and ARCH (A Regional Coalition for Housing) were the Commission's sole advisors on this topic. ARCH presented the Commission with some information it prepared from other sources, including certain focus group results and statistics. ARCH is a partnership of 15 East King County cities to assist these cities, including Kenmore, in developing housing policies, strategies, programs, and regulations with a focus on affordable housing. ARCH also operates a Housing Trust Fund, the assets of which are donated by its member cities, including Kenmore,

and are used to financially assist people looking for affordable housing. A summary of annual contributions from member cities to ARCH is included as Attachment 5.

- Because there was very limited input from other housing sector stakeholders, the Commission feels it is important that as specific strategies are further evaluated and developed, there be greater stakeholder outreach and public involvement to obtain the benefit of multiple housing industry perspectives on the affordable housing issue.
- Kenmore's character as a largely residential community, with the majority of residential land area used for single-family housing. Neighborhoods are well established and are one of the city's most desirable assets. A City objective is to provide additional housing that is compatible with existing neighborhoods. In recent years, the city has seen an increase in development in the Downtown planning area that incorporates higher density housing, which helps to accommodate the city's overall housing targets as well as create more diversity of housing that is also near transit and other services.
- Regional housing economics. Housing prices (including rents) in the Seattle region have increased significantly since 2012. Price increases are a function of increased demand for housing exceeding the supply. A significant contributor to increased housing demand is job growth; correspondingly, some of the highest prices in the regional are in areas nearest job centers. Kenmore itself is not a job center, but its proximity to job centers in Seattle, East King County, and South Snohomish County have contributed significantly to increased demand in Kenmore.
- Kenmore housing affordability relative to that of nearby cities. The housing cost data provided to the Commission (dated 2013) showed that Kenmore's average price for detached single-family housing was 37% below the average of the average housing prices for the 14 other ARCH member cities. In fact, this data showed that Kenmore's average housing price was 17% below the next lowest priced ARCH member city (Bothell). Kenmore's median household income is approximately \$88,000. King County's median income is approximately \$71,000 for a family of 2.

As for local jobs and housing, the Jobs-Housing Ratio is a way to measure demand for housing from local employment relative to the local housing supply. A ratio of less than 1.0 means there is less housing demand from the local workforce than is available in the city. The Jobs-Housing Ratio in Kenmore is near 0.4 and is projected to stay near that figure to 2031. This is much lower than the Jobs-Housing Ratio in King County and East King County. Employed Kenmore residents overwhelmingly work in other cities.

Also, Kenmore has a home ownership rate of 74%, which is at the upper end for cities in King County and even East King County. Because their housing costs are largely fixed, homeowners are much less vulnerable than are renters to increases in housing costs.

- Still, there is a segment of Kenmore's population that bears a significant housing cost burden relative to its income. Approximately 35% of Kenmore's households are considered moderate or low income households. Moderate income households have an income between 50% and 80% of the area median income. "Cost-burdened" refers to households that spend more than 30% of their incomes on housing. Approximately 20 percent of Kenmore households are low or very low income, which is defined as making less than 50% of King County median income. By

this measure, 87% of these low or very low income households are cost burdened. Most of these households rent. Note, however, that Kenmore has a relatively high number of manufactured homes (close to 300), which sell and rent for less than site-built homes, along with a number of subsidized multifamily housing units. Because of this, Kenmore has the second highest percentage of affordable housing for low income households of East King County cities, at 11%.

- The Commission believes that a key element of affordable housing is to increase public transportation between areas with less expensive land (and housing) costs and the job centers in the region. Transportation is beyond the scope of the Council's assignment to the Commission. But the Commission believes that this is an important consideration in housing policy and commends the Council for its advocacy for improvements in public transportation and the impact it will have on affordable housing.
- Tenant protection measures. The Commission analyzed and rejected proposals that are sometimes referred to as "tenant protection" measures. These measures have been enacted in Seattle and certain other larger cities. The Commission feels they impose extensive regulations on landlords regarding lease terms, registration of rental properties and related fees, tenant notices far longer than required by state law, and significant limitations on landlords' ability to terminate rental agreements. From its discussion of these policies, and comments received from the Rental Housing Association of Washington, it is felt that these laws discourage the construction of, and investment in, rental housing. This would aggravate the original source of the affordable housing problem by increasing the imbalance between housing supply and demand. This increased imbalance would have the undesirable result of increasing rents generally.

Plan Organization

How is the Strategy Plan Organized? The Strategy Plan (See Attachment 1) supports the goals and policies of the City's Comprehensive Plan Housing Element. The Strategy Plan is divided into four main sections:

Section I, Regulatory Approaches, includes strategies that include review and possible amendment of land use regulations.

Section II, Direct and Indirect Assistance, includes strategies that involve various forms of financial assistance from the City.

Section III, Regional and Statewide Initiatives. Many strategies to address housing issues are regional strategies. Kenmore works cooperatively with intergovernmental agencies, for profit developers and not-for-profit housing agencies to encourage housing opportunities that serve the region.

Section IV, Oversight and Monitoring. Kenmore's Comprehensive Plan Housing Element establishes goals and policies to meet the community's current and longer range housing needs. The Strategy Plan suggests specific work program actions to achieve these housing goals. The last section of the Strategy Plan includes actions to review and evaluate how the City is meeting its housing goals.

Each section includes one or more strategies. Each strategy cites the related Comprehensive Plan policy. For some strategies, there are several listed sub-strategies—more specific actions to implement the goals and policies.

For each strategy, the matrix summarizes a variety of information. The first two columns indicate whether a strategy requires potential changes to the Kenmore Municipal Code or some other form of action by the City Council. The third column tells whether the City can perform the strategy on its own or must cooperate with others. The next few columns were used to help evaluate and classify strategies and are described in more detail below. Classifications of each strategy are listed in the last column.

Criteria for evaluating and prioritizing strategies. The Commission evaluated the strategies using the following criteria. In the matrix, the level of shading under the criteria indicates consistency with the criteria. The darker the shading, the more consistent the strategy is with the criteria:

- “Income Served:” Objective H-3.2 of the Comprehensive Plan is to “adopt programs and regulations that support housing affordable to very low, low, and moderate-income households, comparable to the countywide need.” Therefore, the plan matrix includes columns to show whether a given strategy has an impact on housing for each of these income levels, as well as market-rate housing.
- “Population Served:” As mentioned above, the Council sent the strategy plan assignment to the Commission with guidance to prioritize actions that would lead to more affordable housing for seniors, the community’s workforce (people who work in Kenmore), young adults, homeless people and families, and families with children. Therefore, the plan matrix includes columns to show whether a given strategy has a direct impact on housing for each of these demographic groups.
- “Broader Vision:” The Commission also considered strategies’ consistency with other city documents and plans, such as the 2016-2017 City Council Goals and the Kenmore 20-Year Vision, for additional guidance.
- “Timeliness:” The Commission considered two aspects related to timeliness. How soon could the impact of a strategy be experienced? Is this an opportunity that may pass if not acted upon now?
- “Public Cost:” This factor is to account for the city’s investment, either in monetary resources (direct funding, land donations, fee waivers) or staff and Council time.
- “Already Addressed:” This criterion is in consideration of those strategies that are underway or have already been completed.

The Commission spent numerous meetings understanding, evaluating, and classifying the strategies identified in the Strategy Plan. In the first round of discussions, the Commission discussed and grouped strategies into three areas: those of potential interest; those not of interest or applicability to Kenmore; and those that do not seem applicable at this time, but may be worth reevaluating in the future. At subsequent meetings, the Commission chose their Tier 1 and Tier 2 strategies from those they had agreed were of potential interest. Those categorized as not of interest were classified as Tier 3. Items of potential future interest are included in the monitoring strategies (see below).

The Commission found it complicated to assess and categorize the wide range of strategies. In addition to using the criteria above, the Commission also felt it important to consider the potential effects that proposed strategies might have on the efficiency of housing markets or city administration. Although not called out explicitly in the criteria described above, regulatory burden could result, for example, in reducing the number of affordable housing units created (i.e., impact on Incomes Served and Populations Served), or in higher administrative costs to the city (Public Cost). The Commission also understood that there are broader macro-economic forces and trends impacting housing in Kenmore, which are beyond the scope and capacity for them to fully analyze for the full range of strategies. For example, housing markets, including Seattle, experience recessions from time to time. Affordable housing policies should be analyzed in the context of not only economic expansions, but also the impact they might have on economic growth in economic recessions. A more thorough consideration of this issue should occur at the time implementation of an individual strategy is considered. This also reinforces the importance of city involving a range of stakeholders and perspectives as they more fully evaluate and consider acting on specific strategies.

In summary, the Commission sought to prioritize strategies that promised to be the most effective and efficient in achieving the City's affordable housing objectives, especially in the near-term.

Priority Strategies

The matrix (Attachment 1) summarizes strategies into three tiers. Tier 1 comprises strategies determined most important to consider in the next few years. A Tier 3 priority was given to strategies that are not a current concern of the City, or strategies that don't appear to have much potential impact within Kenmore, but may be worth considering in the future depending on the effectiveness of other strategies and changes in local conditions. Unless there was strong rejection of the strategy, the intent of the process was not to eliminate many strategies. Leaving a strategy option in the plan does not endorse the option, but rather means that the City is open to studying the possibility of the option in the future. The Commission also acknowledges that the City Council will still need to evaluate and decide whether any strategies that provide direct assistance (e.g. funding assistance for affordable housing, impact fee waivers) should be included as Tier 1 items in the Strategy Plan.

Tier 1 Strategies.

The Commission recommends that the city consider Tier 1 strategies first. Other strategies can be considered in the future based on the outcomes of considering and implementing any of the Tier 1 strategies. (Note: Attachment 2 is a summary of the strategy matrix for only the Tier 1 strategies)

Five of the nine Tier 1 strategies (A.1.a., A.1.b., A.3.a., A.3.b., and A.3.c.) would exercise the City's land use powers to leverage the private market to produce affordable housing. More efficient land use increases the yield for builders in return for meeting the City's objectives—and not only affordable housing, but potentially guiding growth that is more efficient for transit and infrastructure. The Commission has sought to emphasize policies that encourage the housing construction and investment sectors of the economy to increase housing supply in Kenmore. This would reduce the current and growing imbalance between housing demand and supply without imposing extra fees, taxes, and/or land use restrictions on current property owners. The key to land use policies that provide private sector

incentives is increasing housing density in appropriate areas of Kenmore, particularly those with nearby public transit access.

Two strategies (B.2.a. and C.2.) would have the City cooperate with non-profit agencies—one group that creates affordable housing, and the other that supports low-income households by various means. The City’s commitment in both cases is relatively small.

The last two strategies (C. 3. and C.4.) have the City collaborate with other levels of government. The Puget Sound Regional Council and Sound Cities Association are two places where Kenmore can help influence the direction of federal, state, and regional policies and programs. The City can, of course, lobby independently on legislation for its own objectives.

Among the Tier 1 strategies, the Commission particularly recommends the following four for most immediate consideration:

- Consider strategies for preserving existing affordable housing; e.g., density transfers from affordable properties to areas where additional density has been proposed, and consideration of a manufactured housing community overlay (A.3.b.).
- Review accessory dwelling unit (ADU) regulations (A.3.c.). ADUs provide opportunities to make both renting and homeownership more affordable, enabling some seniors to “age in place,” but must also be sensitive to potential concerns of impacts on neighbors. The review should include evaluating a range of activities such as review current code provisions, permitting process, fees, utility requirements; consider clemency program to legalize existing ADUs, community outreach, and targeted direct assistance.
- Allow flexible re-use of tax-exempt or publicly-owned sites through a special process to increase housing supply and enable more diverse forms of housing if linked to providing some affordable housing (A.1.b.).
- Consider expanding density bonuses, adding density transfers, and other methods with mixed-use and multi-family developments; e.g., mandatory programs with increased development capacity and layering local incentives to create greater affordability (multifamily tax exemptions with density incentives, for example) (A.3.a.).

Other High-priority strategies are:

Regulatory Approaches:

- Consider some form of overlay zoning for senior housing linked to providing some affordable housing.

Indirect Assistance:

- Support applications by housing developers for capital and operating assistance of local affordable housing projects.

Regional & Statewide Initiatives:

- Support various housing-related consumer protection programs; e.g., resources to tenants facing eviction due to temporary financial hardship, foreclosure counseling/assistance, financial counseling/first-time homebuyer classes.

- Collaborate with other local governments (directly and through PSRC and other organizations) on regional housing strategies, including programs serving homeless.
- Work with other cities in evaluating county, state, and federal legislation and funding; e.g., state and federal funding programs that address local housing efforts.

Tier 2 Strategies.

Tier 2 strategies currently appear to have potential, but not as great as those in the Tier 1 category. This group includes many focused on information, referral, or outreach—to people looking for affordable housing, or ways to keep their homes affordable (as by reducing energy costs), or other ways to stay in Kenmore (as by improving the accessibility of their homes as residents age). Others would, again, apply the City's land use authority, but more with the aim of increasing the variety of housing choices than for affordability.

Regulatory Approaches:

- Consider provisions, including design guidelines, to allow some flexibility in single-family neighborhoods for small scale housing (e.g. cottages, duplexes).
- For multi-family housing, consider code amendments to limit project sizes based on height, setbacks, and /or floor-area ration (FAR), not units per acre.
- Ensure development regulations address housing accessibility.
- Provide a flexible development process for preserving environmentally constrained property that accommodates alternative building types.
- Promote use of weatherization programs.
- Promote Universal Design awareness.

Indirect Assistance:

- Information to seniors regarding housing options; e.g., ARCH website, other efforts.
- Monitor accessibility between special needs housing and community facilities and programs.
- Transportation services—work with providers to offer more convenient transportation between special needs housing, shopping, doctors, and transit centers, for example.

Regional & Statewide Initiatives:

- Consider revisions to land use incentive program to link voucher units to affordable units.
- Promote housing repair/rehabilitation assistance (e.g., from King County) for homeowners and landlords.

Oversight & Monitoring:

- Participate in or cooperate with Affirmatively Furthering Fair Housing study to ensure that no city programs, regulations, or actions result in housing discrimination.

Tier 3 Strategies.

Many of the Tier 3 strategies are considered to have minimal, if any, impact on affordable housing (e.g. projects subject to SEPA review, increased energy and water efficiency); perceived as the city having a

more secondary role (promote King County home repair program); or better suited for other larger communities to pursue first and then be assessed by Kenmore (e.g., six-story wood frame construction, employer assisted programs). Also among the Tier 3 strategies are several potential code amendments aimed at supporting affordable housing, but the Commission has less confidence in these compared to those in the Tier 1 and Tier 2 categories, or felt they might be too costly to the City or developers. While still included in the Strategy Plan, these strategies are not recommended for action in the immediate future, and could be reassessed at the time the Strategy Plan is updated based on changing local conditions and the impacts of other strategies.

Monitoring Strategies.

One of the stated purposes of the Strategy Plan is to assist the City to prepare for the next Comprehensive Plan update. Along these lines, there are a number of “strategies” that do not directly result in the creation of housing. These strategies generally fall into the area of monitoring local efforts. They are an integral part of the city’s overall efforts to understand local needs and to help assess the effectiveness of overall efforts and specific strategies, and to help inform future planning efforts. These often require some level of ongoing effort in order to monitor local conditions and to assess the impact of different strategies. These efforts have been listed separately from the other strategies and they are grouped into three categories:

- General monitoring: Includes efforts to monitor general housing supply and affordability.
- Monitoring specific housing issues: This includes monitoring items that are currently not an issue in the city, but may become more relevant (e.g. regulating short-term rental units).
- Monitoring previous city efforts. This involves monitoring items where the city has policies or regulations in place, but they should be monitored to see if they are accomplishing their intended results (e.g. approaches for determining amount of required parking.).

Attachment 3 lists specific monitoring efforts for each of these areas. A more explicit effort to predefine specific annual monitoring/data collection activities is recommended in order to ensure that adequate information is available to monitor the range of these items.

Attachment 4 is a list of pros and cons identified by ARCH for each of the strategies.

Attachments

Attachment 1: Housing Strategy Plan

Attachment 2: Tier 1 strategies

Attachment 3: Monitoring efforts

Attachment 4: Pros/cons of strategies

Attachment 5: Housing Trust Fund contributions

STRATEGY	Housing Element Policy	CODE UP- DATE	OTHER COUNCIL ACTION	COORD. W/ OTHERS REQUIRED	INCOME SERVED--IMPACT				POPULATION SERVED--IMPACT					OTHER CRITERIA				PRIORITY
					VERY LOW	LOW	MOD	MKT	SR	WORK- FORCE	YOUNG ADULTS	HOME- LESS	FAMILIES, KIDS	Broader Vision	Timeliness	Public Cost	Not Already Addressed	
A. REGULATORY APPROACHES.																		
1. <u>Infill/Increased Capacity/ Housing Diversity.</u>																		
a. Consider some form of overlay zoning for senior housing linked to providing some affordable housing.	H-1.3.1	X						•										<u>Tier 1</u>
b. Allow flexible reuse of tax-exempt or publicly-owned sites through a special process to increase housing supply and enable more diverse forms of housing, if linked to providing some affordable housing. i. Possible opportunity at Park-and-Ride.	H-1.3.1	X						•										<u>Tier 1</u>
c. Consider provisions, including design guidelines, to allow some flexibility in single family neighborhoods for small scale housing (e.g. cottages, duplexes).	H-1.3.2	X						•										<u>Tier 2</u>
d. Review code provisions of single-room occupancy or mini-suites in multifamily/mixed-use zones.	H-1.3.2	X																Monitor
e. Modify land use and building codes to maximize economical wood frame construction: i. Allow 6-story wood frame construction. ii. Increase zoning code height limits. iii. Amend building codes to allow prefabricated and new building technologies (e.g. cross-laminated timber).	H-3.3.3	X						•										Tier 3 Tier 3 Monitor
f. Provide a flexible development process for preserving environmentally constrained property that accommodates alternative building types.	H-1.2.7; H-3.3.3	X						•										<u>Tier 2</u>
g. Evaluate parking standards for multifamily housing: i. Evaluate general parking standards ("right sizing"). ii. Explore creating a parking benefit district (cap and trade program).	H-3.3.3	X						•										Monitor
h. For multifamily housing, consider code amendments to limit project sizes based on height, setbacks, and/or FAR, not units per acre.	H-1.3.2	X						•										<u>Tier 2</u>
j. Reduce number of projects subject to SEPA: i. Expand projects eligible for categorical exemptions. ii. Complete planned action EIS for targeted neighborhoods (planning areas).	H-1.4.1; H-3.3.3	X						• • •										<u>Tier 2</u>
k. Review land use/building/fire code provisions and recommend amendments as needed to reduce development costs (without sacrificing adequate review, environmental quality, etc.	H-1.2.5, H-3.3.3	X						•										Monitor

STRATEGY	Housing Element Policy	CODE UP- DATE	OTHER COUNCIL ACTION	COORD. W/ OTHERS REQUIRED	INCOME SERVED--IMPACT				POPULATION SERVED--IMPACT					OTHER CRITERIA				PRIORITY
					VERY LOW	LOW	MOD	MKT	SR	WORK- FORCE	YOUNG ADULTS	HOME- LESS	FAMILIES, KIDS	Broader Vision	Timeliness	Public Cost	Not Already Addressed	
l. Consider code amendments to facilitate rental property preservation: i. Rental inspection program. ii. Consider provisions to limit conversion of rental housing to condominiums.	H-3.1	X						•										Tier 3
																		Tier 3
																		Tier 3
m. Consider regulations to limit short-term rentals.																		Monitor
2. <u>Support for Special Needs Housing.</u>																		
a. Ensure development regs address housing accessibility.	H-1.2.2	X						•										<u>Tier 2</u>
b. Review zoning codes to ensure appropriate opportunities for special needs housing: i. Permit group homes with supportive services. ii. Review and consider provisions for shared housing, including rooming/ boarding houses.	H-2.1.1.a	X						•										Monitor
																		Monitor
																		Monitor
c. Housing options and services enabling seniors to stay in their homes or neighborhoods: i. Review codes to ensure reasonable accommodation for adult family homes.	H-2.1.3	X						•										Monitor
d. Consider ordinance to prohibit Housing Choice Voucher discrimination.	H-3.3.4		X															Tier 3
e. Consider revisions to land use incentive program to link voucher units to affordable units.	H-3.2.1	X																<u>Tier 2</u>
3. <u>Affordable Housing.</u>																		
a. Consider expanding density bonuses, adding density transfers, and other methods with mixed-use and multi-family developments: i. Review and consider expanding density bonuses, including mandatory programs with increased development capacity in mixed-use and multi-family zones. ii. Evaluate parking standards for affordable units created through land use standards. iii. Encourage layering local incentives to create greater affordability (e.g. MFTE w/ density incentives).	H-1.2.8; H-1.4.2; H-3.2.4	X						•										<u>Tier 1</u>
																		Monitor
b. Consider strategies for preserving existing affordable housing: i. Density transfers from affordable properties to areas where additional density has been proposed.	H-3.1	X						•										<u>Tier 1</u>

STRATEGY	Housing Element Policy	CODE UP- DATE	OTHER COUNCIL ACTION	COORD. W/ OTHERS REQUIRED	INCOME SERVED--IMPACT				POPULATION SERVED--IMPACT					OTHER CRITERIA				PRIORITY
					VERY LOW	LOW	MOD	MKT	SR	WORK- FORCE	YOUNG ADULTS	HOME- LESS	FAMILIES, KIDS	Broader Vision	Timeliness	Public Cost	Not Already Addressed	
ii. Manufactured housing community overlay (e.g. Bothell).																		
c. Accessory dwelling units: i. Review current code provisions. ii. Review permitting process and fees / utility requirements. iii. Clemency program to legalize existing ADUs.	H-3.3.2; H-1.3.2	X																Tier 1
d. Expedite permitting for projects with affordable housing.	H-3.2.1.d	X																Tier 3
B. DIRECT & INDIRECT ASSISTANCE.																		
1. <u>Direct Assistance.</u> (Note for Planning Commission draft: Direct Assistance, such as relocation costs and loan programs, will be discussed by the City Council, who will determine specific strategies and priorities.)																		
a. Provide local funding assistance for affordable housing: i. Continue or expand use of city general funds.	H-3.2.5		X		•	•	•		✓	✓	✓	✓	✓					
ii. Dedicated local revenue source(s) for affordable housing. o Property Tax Levy / Portion of revenue resulting from new growth (e.g. construction sales tax) o New source authorized by state legislation (see regional/state initiatives) o Local Voluntary Employers Fund.				X X														
b. Create targeted programs for funding assistance: i. Target preservation and rehabilitation of existing manufactured housing and multifamily housing (including small properties).	H-3.2.5 H-3.1		X	X	• •	• •	• •		 ✓	 ✓	 ✓		 ✓					
ii. Funding to assist low- and mod-income residents if displaced in existing manufactured or multifamily housing.	H-3.1.2	X	X		•	•	•		✓	✓	✓		✓					
iii. Homeownership programs: o Downpayment assistance program for first-time homeowners. o Support for affordable ownership units such as land trusts, sweat equity (Habitat).	H-3.2.5 H-3.2.1						• •			✓	✓		✓					
iv. Revolving loan fund to support 4% tax credits.	H-3.2.5					•	•											
v. A revolving land loan program (REDI).	H-3.2.5				•	•	•		✓	✓	✓	✓	✓					
vi. Support development of emergency and permanent housing with services for homeless individuals and households.	H-3.2.1				•	•						✓						

STRATEGY	Housing Element Policy	CODE UP- DATE	OTHER COUNCIL ACTION	COORD. W/ OTHERS REQUIRED	INCOME SERVED--IMPACT				POPULATION SERVED--IMPACT					OTHER CRITERIA				PRIORITY
					VERY LOW	LOW	MOD	MKT	SR	WORK- FORCE	YOUNG ADULTS	HOME- LESS	FAMILIES, KIDS	Broader Vision	Timeliness	Public Cost	Not Already Addressed	
vii. Home repair program for low/moderate income homeowners (see Support for countywide program).	H-3.1.1					•	•		✓	✓			✓					
viii. Fund infrastructure that supports affordable housing development (e.g. streetscape/park)	H-3.2.5				•	•	•		✓	✓	✓	✓	✓					
ix. Funding for home visits, meals.	H.2.1.3				•	•			✓									
c. Review permit/impact fees for affordable housing:		X	X		•	•	•		✓	✓	✓		✓					
i. Reduce development permit fees for projects with affordable housing.	H-3.2.1.d																	
ii. Review provisions for reducing impact fees for projects with affordable housing.	H-3.2.4																	
d. Surplus land available for affordable housing:			X	X	•	•	•		✓	✓	✓	✓	✓					
i. Inventory of city-owned and other public property real property for potential suitability.	H-3.2.3																	
ii. Prioritize affordable housing integrated into proposals for development of publicly-owned properties.	H-3.2.1.a																	
e. Utilize non-cash subsidies, such as credit enhancement.	H-3.2.1		X			•	•		✓	✓	✓	✓	✓					
2. Indirect Assistance.																		
a. Support applications by housing developers for capital and operating assistance of local affordable housing projects.	H-3.2.1.c			X														Tier 1
b. Information/referral/outreach.				X				•										Tier 2
i. Information to seniors regarding housing options; e.g., ARCH website, other efforts.	H-2.1.3			X														
ii. Accessory dwelling units: community education and outreach.	H-3.3.2			X														
iii. Promote use of weatherization programs.				X														
iv. Promote Universal Design awareness.	H-1.2.2			X														
c. Inventory existing rent-restricted assisted housing and affordable market rate housing.	H-1.1.3			X														Monitor
d. Encourage residential energy and water efficiency as addressed in Utilities Element.	H-1.2.4		X	X				•										Tier 3
i. Support water conservation programs of the NUD.	U-4.1.1																	
ii. Promote use of water conservation features in design or rehab of residential structures.	U-4.1.3																	
iii. Promote higher density and infill developments that are located near major transportation and transit links.	U-4.3.4																	

STRATEGY	Housing Element Policy	CODE UP- DATE	OTHER COUNCIL ACTION	COORD. W/ OTHERS REQUIRED	INCOME SERVED--IMPACT				POPULATION SERVED--IMPACT					OTHER CRITERIA				PRIORITY
					VERY LOW	LOW	MOD	MKT	SR	WORK- FORCE	YOUNG ADULTS	HOME- LESS	FAMILIES, KIDS	Broader Vision	Timeliness	Public Cost	Not Already Addressed	
iv. Encourage the rehabilitation of existing buildings as an alternative to demolition, where appropriate, to encourage the conservation of energy, building materials, and historic preservation.	U-4.3.5																	
e. Increase transportation access between special needs housing and community facilities and programs: sidewalks, ramps, etc.	H-2.2.2		X	X				•										Tier 3
f. Partner with employers to provide affordable housing for their employees.	H-3.2.1			X														Tier 3
C. REGIONAL & STATEWIDE INITIATIVES.																		
1. Promote housing repair/rehabilitation assistance (e.g., from King County) for homeowners and landlords.	H-3.1.1																	Tier 2
a. Participate in regional Universal Design rehab program.	H-1.2.2		X	X				•										
2. Support various housing-related consumer protection programs.			X	X				•										Tier 1 Tier 3
a. Resources to tenants facing eviction due to temporary financial hardships (e.g. housing stabilization program).	H-3.1.1																	
b. Foreclosure counseling/assistance.	H-3.2.5																	
c. Financial counseling/ first-time buyer classes.	H-3.2.5																	
3. Collaborate with other local governments (directly and through PSRC and other organizations) on regional housing strategies, including programs serving homeless.	H-3.2.7			X				•										Tier 1
4. Work with other cities in evaluating county, state, and federal legislation and funding that address local housing efforts:	H-3.2.8		X	X				•										Tier 1
5. Transportation services--work with providers.	H-2.2.2		X	X														Tier 2
D. OVERSIGHT & MONITORING.																		
1. Monitor land supply to accommodate growth, including affordable housing, multi-family housing, and special needs housing.	H-1.3.1			X														Monitor
2. Monitor the range of affordable housing types and locations, how created, etc.	H-1.3.2			X														Monitor
a. Monitor impacts of local incentive programs (e.g. creation of affordable housing in TOD District Overlay zone, ADUs, fee waivers).																		
3. Monitor use of housing repair/rehab assistance.	H-3.1.1			X														Monitor
4. Monitor adult family home and group home licenses and capacity.	H-2.1.3			X														Monitor
5. Monitor the benefits of energy and water efficiency programs.	H-1.2.4			X														Tier 2

STRATEGY	Housing Element Policy	CODE UP- DATE	OTHER COUNCIL ACTION	COORD. W/ OTHERS REQUIRED	INCOME SERVED--IMPACT				POPULATION SERVED--IMPACT					OTHER CRITERIA				PRIORITY
					VERY LOW	LOW	MOD	MKT	SR	WORK- FORCE	YOUNG ADULTS	HOME- LESS	FAMILIES, KIDS	Broader Vision	Timeliness	Public Cost	Not Already Addressed	
6. Participate in or cooperate with Affirmatively Furthering Fair Housing study to ensure that no city programs, regs, or actions result in housing discrimination.				X														Tier 2
7. Monitor accessibility between special needs housing and community facilities and programs.	H-2.2.2			X														Tier 2

ATTACHMENT 2: TIER 1 STRATEGIES*

* Shaded strategies are recommended for first consideration

STRATEGY	INCOME SERVED--IMPACT				POPULATION SERVED--IMPACT					OTHER CRITERIA			
	VERY LOW	LOW	MOD	MKT	SR	WORK-FORCE	YOUNG ADULTS	HOME-LESS	FAMILIES, KIDS	Broader Vision	Timeliness	Public Cost	Not Already Addressed
A. REGULATORY APPROACHES.													
1. <u>Infill/Increased Capacity/ Housing Diversity.</u>													
a. Consider some form of overlay zoning for senior housing linked to providing some affordable housing.				•									
b. Allow flexible reuse of tax-exempt or publicly-owned sites through a special process to increase housing supply and enable more diverse forms of housing, if linked to providing some affordable housing.				•									
i. Possible opportunity at Park-and-Ride.													
3. <u>Affordable Housing.</u>													
a. Consider expanding density bonuses, adding density transfers, and other methods with mixed-use and multi-family developments:				•									
i. Review and consider expanding density bonuses, including mandatory programs with increased development capacity in mixed-use and multi-family zones.													
iii. Encourage layering local incentives to create greater affordability (e.g. MFTE w/ density incentives).													
b. Consider strategies for preserving existing affordable housing:				•									
i. Density transfers from affordable properties to areas where additional density has been proposed.													
ii. Manufactured housing community overlay (e.g. Bothell).													
c. Accessory dwelling units:													
i. Review current code provisions.													
ii. Review permit process /fees / utility reqmnts.													
iii. Clemency program to legalize existing ADUs.													

STRATEGY	INCOME SERVED--IMPACT				POPULATION SERVED--IMPACT					OTHER CRITERIA			
	VERY LOW	LOW	MOD	MKT	SR	WORK-FORCE	YOUNG ADULTS	HOME-LESS	FAMILIES, KIDS	Broader Vision	Timeliness	Public Cost	Not Already Addressed
B. DIRECT & INDIRECT ASSISTANCE.													
1. <u>Direct Assistance.</u> (Direct Assistance, such as relocation costs and loan programs, will be discussed by the City Council, who will determine specific strategies and priorities.)													
2. <u>Indirect Assistance.</u>													
a. Support applications by housing developers for capital and operating assistance of local affordable housing projects.													
C. REGIONAL & STATEWIDE INITIATIVES.													
2. Support various housing-related consumer protection programs.				•									
b. Foreclosure counseling/assistance.													
c. Financial counseling/ first-time buyer classes.													
3. Collaborate with other local governments (directly and through PSRC and other organizations) on regional housing strategies, including programs serving homeless.				•									
4. Work with other cities in evaluating county, state, and federal legislation and funding that address local housing efforts:				•									

MONITORING ACTIVITIES		Housing Element
GENERAL MONITOR		
1. Monitor land supply to accommodate growth, including affordable housing, multi-family housing, and special needs housing.		H-1.3.1
2. Monitor the range of affordable housing types and locations, how created, etc. a. Monitor impacts of local incentive programs (e.g. creation of affordable housing in TOD District Overlay zone, ADUs, fee waivers).		H-1.3.2
3. Inventory existing rent-restricted assisted housing and affordable market rate housing.		H-1.1.3
4. Review land use/building/fire code provisions and recommend amendments as needed to reduce development costs (without sacrificing adequate review, environmental quality, etc.		H-1.2.5, H-3.3.3
MONITORING OF SPECIFIC HOUSING ISSUES.		
1. Review code provisions of single-room occupancy or mini-suites in multifamily/mixed-use zones.		H-1.3.2
2. Amend building codes to allow prefabricated and new building technologies (e.g. cross-laminated timber).		
3. Consider regulations to limit short-term rentals.		
4. Review and consider provisions for shared housing, including rooming/boarding houses.		
MONITORING OF PREVIOUS CITY EFFORTS.		
1. Evaluate parking standards for multifamily housing (Note: City allows parking studies to modify parking requirement) a. Evaluate parking standards for affordable units created through land use standards.		H-3.3.3
2. Review zoning codes to ensure appropriate opportunities for special needs housing/ Opportunities for seniors to stay in their home/community: a. Permit group homes with supportive services. b. Review codes to ensure reasonable accommodation for adult family homes. c. Monitor adult family home and group home licenses and capacity.		H-2.1.1.a / H2.1.3 H-2.1.3
3. Monitor use of housing repair/rehab assistance.		H-3.1.1

ATTACHMENT 4 STRATEGY CONSIDERATIONS (Pros and Cons)

STRATEGY (Related Housing Element Policy)	Housing Element	pros	cons
A. REGULATORY APPROACHES.		Help market be more responsive to go needs as they change/emerge.	Typically doesn't directly impact affordability. Enabling doesn't ensure allowed uses will occur. o Other market options may still be more profitable to market (e.g. duplexes in single family). Similarly, market forces may lead to limited approach (senior overlay in Bothell).
1. Infill/Increased Capacity/ Housing Diversity.			
a. Consider some form of overlay zoning for senior housing (e.g. Bothell or Bellevue approach).	H-1.3.1	Able to direct to parts of community most appropriate. Tailor land use to unique aspects of senior housing (less parking, "density" if used for capacity.	Market forces may lead to limited approach (e.g. senior overlay in Bothell).
b. Allow flexible reuse of larger sites (e.g. church properties) through a special process to enable denser, more diverse forms of housing. Could be linked to providing some affordable housing.	H-1.3.1	Allow more creative use of land. // opportunity to provide more diversity. // opportunity to incorporate other public benefits--preserve open space. // incorporate buffering approaches to adjacent in exchange for rest of site.	Neighboring properties' concerns of character // traffic if more density.
c. Consider provisions, including design guidelines, to allow some flexibility in single family neighborhoods for small scale housing (e.g. cottages, duplexes).	H-1.3.2	Responsive to large proportion of smaller households // can add housing design diversity.	Neighboring properties' concerns of character.
d. Review code provisions of single-room occupancy or mini-suites in multifamily/mixed-use zones.	H-1.3.2	May not be zoning issue. Could be building code issue // through market, offer lower cost housing option for small households // may be a simple action.	Is any action needed? // may be limited market demand.
e. Modify land use and building codes to maximize economical wood frame construction: i. Allow 6-story wood frame construction. ii. Increase zoning code height limits. iii. Amend building codes to allow prefabricated and new building technologies (e.g. cross-laminated timber).	H-3.3.3	If allowing taller buildings, this is a way to make construction more feasible financially.	Ability to provide adequate fire protection for taller buildings. Is technology fully understood?
f. Provide a flexible development process for preserving environmentally constrained property that accommodates alternative building types.	H-1.2.7; H-3.3.3	allows env protection wout losing devel. Capacity.	adequate protections to result in compatible to adjacent uses
g. Evaluate parking standards for multifamily housing: i. Evaluate general parking standards ("right sizing"). ii. Explore creating a parking benefit district (cap and trade program).	H-3.3.3	For structured parking- parking very expensive. // env conditions can make more difficult to provide (e.g. water table).	ff-site spillover // different benefit for different types of housing
h. For multifamily housing, consider code amendments to limit project sizes based on height and setbacks only, not density.	H-1.3.2	Allows market flexibility to determine appropriate unit mix	If do all small units, will there be more traffic? Related impacts not accounted in plans.
j. Reduce number of projects subject to SEPA: i. Expand projects eligible for categorical exemptions. ii. Complete planned action EIS for targeted neighborhoods (planning areas).	H-1.4.1; H-3.3.3	Shorten permit period // save some cost // some argument that other requirements (e.g. critical areas, traffic analysis, impact fees) have supplemental environmental impact review. Provide certainty to potential developers. Helps to expedite permit process	Way to account for any unique specific project features. Upfront costs born by city.
k. Review land use/building/fire code provisions and recommend amendments as needed to reduce development costs (without sacrificing adequate review, environmental quality, etc.	H-1.2.5, H-3.3.3		Preserve public safety.
l. Consider code amendments to facilitate rental property preservation: i. Rental inspection program. ii. Consider provisions to limit conversion of rental housing to condominiums.	H-3.1	To better ensure basic unit quality. Kenmore has a relatively low proportion of rental housing. Helps to prevent loss.	Is there a need? does market generally maintain? Limiting private market responsiveness / property owner rights // may be state legislation limiting
m. Consider regulations to limit short-term rentals.		Limit permanent (esp. single-family) housing areas from being used for non-permanent housing (incompatible land uses).	Limits property owners' rights.

STRATEGY (Related Housing Element Policy)		Housing Element	pros	cons
2. <u>Support for Special Needs Housing.</u>				
a. Ensure development regs address housing accessibility.	H-1.2.2	May help people to be able to age in place.	Doesn't directly create affordability. May increase development costs.	
b. Review zoning codes to ensure appropriate opportunities for special needs housing: i. Permit group homes with supportive services. ii. Review and consider provisions for shared housing, including rooming/ boarding houses.	H-2.1.1.a	Comply with fair housing requirements. Can provide relatively affordable form of housing for persons needing services. Same as (i).	City may already be in compliance. May be more a matter of monitoring. May already be allowed. Existing residents may be opposed to use in single-family areas (more like business than housing). Same as (i).	
c. Housing options and services enabling seniors to stay in their homes or neighborhoods: i. Review codes to ensure reasonable accommodation for adult family homes.	H-2.1.3	Similar to (b).	Similar to (b).	
d. Consider ordinance to prohibit Housing Choice Voucher discrimination.	H-3.3.4	Several other cities in EKC have similar provision.	Private sector: Is a voluntary program; extra administration and inspections time.	
e. Consider revisions to land use incentive program to link voucher units to affordable units.	H-3.2.1	Create greater affordability without impacting private cash flow.	See previous.	
3. <u>Affordable Housing.</u>				
a. Consider expanding density bonuses, adding density transfers, and other methods with mixed-use and multi-family developments: i. Review and consider expanding density bonuses, including mandatory programs with increased development capacity in mixed-use and multi-family zones. iii. Evaluate parking standards for affordable units created through land use standards. iv. Encourage layering local incentives to create greater affordability (e.g. MFTE w/ density incentives).	H-1.2.8; H-1.4.2; H-3.2.4	Way to use the private market to leverage public benefit resulting from public land use action. Allows more efficient utilization of land. Cost saving. Way to encourage less car usage. Helps to create greater level of affordability than can be achieved from single incentive.	Impacts of allowing additional development (traffic, infrastructure). Using reasonable affordability standards (not adversely impact project economics). Spill over parking impact. No direct correlation to affordability. Getting public value for amount of the incentive offered (double dipping).	
b. Consider strategies for preserving existing affordable housing: i. Density transfers from affordable properties to areas where additional density has been proposed. ii. Manufactured housing community overlay (e.g. Bothell).	H-3.1	Could be used to target some existing property for preservation. Helps to minimize land use pressures for higher intensity.	Different approach from density incentives, so offsets that approach. (Would need to have complement.) Restricts land rights.	
c. Accessory dwelling units: i. Review current code provisions. ii. Review permitting process and fees / utility requirements. iii. Clemency program to legalize existing ADUs.	H-3.3.2; H-1.3.2	No direct assistance needed to create relatively affordable units. Permitting details can sometimes impact feasibility Encourage registration of existing ADUs so they are legal for sales, financing.	Neighborhood concerns of compatability/impact on nearby owners. How to monitor compliance? Already have provisions - is it needed? Compromising life-safety? Compromising life-safety. Banks don't typically recognize.	
d. Expedite permitting for projects with affordable housing.	H-3.2.1.d	Time is money (e.g. holding costs).	Should improve overall system. Not just for affordable housing.	
B. <u>DIRECT & INDIRECT ASSISTANCE.</u>				
1. <u>Direct Assistance.</u>				
a. Provide local funding assistance for affordable housing: i. Continue or expand use of city general funds. ii. Dedicated local revenue source(s) for affordable housing. o Property Tax Levy / Portion of revenue resulting from new growth (e.g. construction sales tax). o New source authorized by state legislation (see regional/state initiatives). o Local Voluntary Employers Fund.	H-3.2.5			
b. Create targeted programs for funding assistance:	H-3.2.5			

STRATEGY (Related Housing Element Policy)	Housing Element	pros	cons
i. Target preservation and rehabilitation of existing manufactured housing and multifamily housing (including small properties).	H-3.1		
ii. Funding to assist low- and mod-income residents if displaced in existing manufactured or multifamily housing.	H-3.1.2		
iii. Homeownership programs:			
o Downpayment assistance program for first-time homeowners.	H-3.2.5		
o Support for affordable ownership units such as land trusts, sweat equity (Habitat).	H-3.2.1		
iv. Revolving loan fund to support 4% tax credits.	H-3.2.5		
v. A revolving land loan program (REDI).	H-3.2.5		
vi. Support development of emergency and permanent housing with services for homeless individuals and households.	H-3.2.1		
vii. Home repair program for low/moderate income homeowners (see Support for countywide program).	H-3.1.1		
viii. Fund infrastructure that supports affordable housing development (e.g. streetscape/park).	H-3.2.5		
ix. Funding for home visits, meals.	H-2.1.3		
c. Review permit/impact fees for affordable housing:			
i. Reduce development permit fees for projects with affordable housing.	H-3.2.1.d		
ii. Review provisions for reducing impact fees for projects with affordable housing.	H-3.2.4		
d. Surplus land available for affordable housing:			
i. Inventory of city-owned and other public property real property for potential suitability.	H-3.2.3		
ii. Prioritize affordable housing integrated into proposals for development of publicly-owned properties.	H-3.2.1.a		
e. Utilize non-cash subsidies, such as credit enhancement.	H-3.2.1		
2. Indirect Assistance.		Several of these may work as effectively/efficiently at a larger scale (county/state/ARCH).	
a. Support applications by housing developers for capital and operating assistance of local affordable housing projects.	H-3.2.1.c	Limited effort required.	Knowing enough about proposal to be sure fit for community.
b. Information to seniors regarding housing options; e.g., ARCH website, other efforts.	H-2.1.3	Information is helpful to consumers.	Not directly providing housing. Could require significant staff time. May be more efficient to do at different scale (county, private, etc.). Limited direct return. Need to keep information up to date.
c. Accessory dwelling units: community education and outreach.	H-3.3.2	Residents may not be aware ADUs are allowed.	Similar issue as other public education.
d. Inventory existing rent-restricted assisted housing and affordable market rate housing.	H-1.1.3	Help be aware of projects that may lose affordability; may help in focusing efforts	Might be better to do on a larger scale.
e. Promote use of weatherization programs.		Doesn't directly help affordability. Helps sustainability and building preservation	Some county programs exist already.
f. Promote Universal Design awareness.	H-1.2.2		
g. Implement energy and water efficiency measures, as addressed in Utilities Element.	H-1.2.4		
h. Increased transportation access between special needs housing and community facilities and programs: sidewalks, ramps, etc.	H-2.2.2		

STRATEGY (Related Housing Element Policy)			
	Housing Element	pros	cons
i. Partner with employers to provide affordable housing for their employees.	H-3.2.1	Other regions have shown that cost of providing housing assistance can be less than cost of recruitment/training resulting from higher turnover.	May be hard to do at city scale.
C. REGIONAL & STATEWIDE INITIATIVES.		Some issues are more readily/efficiently addressed through more regional efforts.	Regional programs may not be tailored enough to address city level issue.
1. Promote housing repair/rehabilitation assistance (e.g., from King County) for homeowners and landlords. a. Participate in regional Universal Design rehab program.	H-3.1.1 H-1.2.2	Program already exists at countywide level. System allows for city input.	May need better advertising at local level to make homeowners aware.
2. Support various housing-related consumer protection programs. a. Resources to tenants facing eviction due to temporary financial hardships (e.g. housing stabilization program). b. Foreclosure counseling/assistance. c. Financial counseling/ first-time buyer classes.	H-3.1.1 H-3.2.5 H-3.2.5	County program exists. Programs are available. (ARCH website has general information.) State (WSHFC) programs exist.	City residents may not be aware. City residents may not be aware.
3. Collaborate with other local governments (directly and through PSRC and other organizations) on regional housing strategies, including programs serving homeless.	H-3.2.7		
4. Work with other cities to support County, state, and federal legislation and funding that support local housing efforts.	H-3.2.8		
5. Transportation services--work with providers.	H-2.2.2		
D. OVERSIGHT & MONITORING.		Tracking information is important to assess the effectiveness of local efforts and help provide direction for future efforts.	Requires staff time to monitor, so need to match monitoring efforts to available resources. Some information is not easily available or specific to Kenmore.
1. Monitor land supply to accommodate growth, including affordable housing, multi-family housing, and special needs housing.	H-1.3.1	City does this for buildable lands.	
2. Monitor the range of affordable housing types and locations, how created, etc.	H-1.3.2	Requires some local primary research (ARCH does this for new multifamily).	May be harder to get information.
3. Monitor licenses, land use permits, and capacity of group homes with supportive services (H-2.1.1.a, H-2.1.2). a. Monitor impacts of local incentive programs (e.g. creation of affordable housing in TOD District Overlay zone, ADUs, fee waivers).		Should be readily available.	
4. Monitor use of housing repair/rehab assistance.	H-3.1.1	Should be readily available.	
5. Monitor adult family home and group home licenses and capacity.	H-2.1.3	Information through state.	May be somewhat limited.
6. Monitor the benefits of energy and water efficiency programs.	H-1.2.4		May be difficult to get information.
7. Participate in or cooperate with Affirmatively Furthering Fair Housing study to ensure that no city programs, regs, or actions result in housing discrimination.	H-3.3.4	Will involve cooperating with regional effort (if not eliminated by new administration).	
8. Monitor accessibility between special needs housing and community facilities and programs.	H-2.2.2		May be difficult to get information.

ARCH Parity Program: Annual Detail

	2010 Total	2011			2011 Total	2012			2012 Total	2013			2013 Total
		Genera				Genera				Genera			
		CDBG	IFund	Other		CDBG	IFund	Other		CDBG	IFund	Other	
Bellevue	\$601,177	\$68,986	\$256,000	\$185,552	\$510,538	\$44,498	\$256,000	\$155,868	\$456,366	\$44,498	\$412,000	\$315,617	\$772,115
Bothell	\$53,862	\$43,504			\$43,504	\$63,086			\$63,086	\$56,079			\$56,079
Clyde Hill	\$16,295	\$1,027	\$15,000	\$474	\$16,501	\$1,489	\$15,000	\$808	\$17,297	\$1,324	\$15,000	\$305	\$16,629
Hunts Point	\$2,804	\$245	\$2,500	\$53	\$2,798	\$356	\$2,500	\$107	\$2,963	\$316	\$2,500	\$57	\$2,873
Issaquah	\$155,820	\$29,804		\$1,526	\$31,330	\$43,226	\$100,000		\$143,226	\$38,425	\$100,000	\$7,601	\$146,026
Kenmore	\$104,394	\$23,741	\$75,000	\$2,872	\$101,613	\$34,428	\$75,000	\$5,318	\$114,746	\$30,604	\$50,000	\$14,211	\$94,815
Kirkland	\$284,201	\$51,850	\$216,000	\$10,035	\$277,885	\$126,309	\$291,000	\$13,132	\$430,441	\$112,280	\$300,000	\$11,827	\$424,107
Medina	\$14,419	\$1,679	\$12,340	\$139	\$14,158	\$2,435	\$12,340		\$14,775	\$2,164	\$12,340	\$162	\$14,666
Mercer Is.	\$47,373	\$17,597	\$20,000	\$636	\$38,233	\$25,517	\$20,000	\$1,065	\$46,582	\$22,683	\$20,000	\$405	\$43,088
Newcastle	\$3,000	\$8,567		\$1,009	\$9,576	\$12,423		\$26,933	\$39,356	\$11,043		\$25,385	\$36,428
Redmond	\$220,784	\$52,050	\$150,000	\$4,197	\$206,247	\$77,355	\$150,000	\$11,517	\$238,872	\$87,774	\$75,000	\$1,756,843	\$1,919,617
Sammamish	\$123,956	\$19,349		\$1,105	\$20,454	\$28,059		\$471,295	\$499,354	\$24,942	\$10,000	\$78	\$35,020
Woodinville	\$30,473	\$11,396	\$12,500	\$535	\$24,431	\$16,525	\$12,500	\$847	\$29,872	\$14,690	\$12,500	\$353	\$27,543
Yarrow Point	\$4,513	\$470	\$3,931	\$52	\$4,453	\$681	\$3,931	\$99	\$4,711	\$605	\$3,931	\$70	\$4,606
Beaux Arts	\$208	\$168			\$168	\$244			\$244	\$217			\$217
Grand Total	\$1,663,279	\$330,433	\$763,271	\$208,185	\$1,301,889	\$476,631	\$938,271	\$686,989	\$2,101,891	\$447,644	\$1,013,271	\$2,132,914	\$3,593,829

	2014			2014 Total	2015			2015 Total	2016			2016 Total
	General											
	CDBG	Fund	Other *		CDBG	General Fund	Other *		CDBG	General Fund	Other *	
Bellevue	\$68,986	\$412,000	\$2,395,174	\$2,876,160	\$68,900	\$412,000	\$789,528	\$1,270,428		\$412,000		\$412,000
Bothell	\$46,188			\$46,188	\$55,377			\$55,377	\$49,032			\$49,032
Clyde Hill	\$1,090	\$15,000	\$405	\$16,495	\$1,307	\$15,000	\$848	\$17,155	\$1,158	\$15,000		\$16,158
Hunts Point	\$261	\$2,500	\$63	\$2,824	\$312	\$2,500	\$95	\$2,907	\$277	\$2,500		\$2,777
Issaquah	\$31,648	\$50,000	\$8,098	\$89,746	\$37,944	\$50,000	\$16,594	\$104,538	\$33,597	\$50,000		\$83,597
Kenmore	\$25,206	\$50,000	\$1,854	\$77,060	\$30,220	\$30,000	\$40,427	\$100,647	\$26,758	\$30,000	\$14,242	\$71,000
Kirkland	\$92,477	\$300,000	\$199,993	\$592,470	\$105,259	\$315,000	\$58,217	\$478,476	\$83,610	\$315,000		\$398,610
Medina	\$1,783	\$12,340	\$216	\$14,339	\$2,137	\$12,340	\$362	\$14,839	\$1,892	\$12,340		\$14,232
Mercer Is.	\$18,682	\$20,000	\$540	\$39,222	\$22,399	\$20,000	\$5,838	\$48,237	\$19,832	\$20,000	\$44,565	\$84,397
Newcastle	\$9,095		\$489	\$9,584	\$10,905	\$25,000	\$8,102	\$44,007	\$9,665	\$25,750		\$35,415
Redmond	\$95,757	\$75,000	\$7,494	\$178,251	\$115,924	\$150,000	\$20,442	\$286,366	\$104,283	\$150,000		\$254,283
Sammamish	\$20,543	\$10,000	\$127	\$30,670	\$24,630	\$10,000	\$127,885	\$162,515	\$21,808	\$10,000	\$128,468	\$160,276
Woodinville	\$12,099	\$12,500	\$361	\$24,960	\$14,506	\$12,500	\$517	\$27,523	\$12,844	\$12,500		\$25,344
Yarrow Point	\$499	\$4,000	\$83	\$4,582	\$598	\$4,000	\$125	\$4,723	\$529	\$4,000		\$4,529
Beaux Arts	\$179			\$179	\$214			\$214	\$190			\$190
Grand Total	\$424,493	\$963,340	\$2,614,897	\$4,002,730	\$490,632	\$1,058,340	\$1,068,980	\$2,617,952	\$365,475	\$1,059,090	\$187,275	\$1,611,840