



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 Meeting Agenda

7:00 p.m., Monday, April 13, 2015

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. CALL MEETING TO ORDER

II. ROLL CALL

III. FLAG SALUTE

IV. AGENDA APPROVAL

V. PROCLAMATIONS

- A. Buddy Hunt Day - April 22, 2015
[Proclamation](#)
- B. Driving Distracted Awareness Month - April 2015
[Proclamation](#)

VI. PRESENTATION

- A. WRIA 8 Presentation on Salmon Recovery Priorities
[Presentation](#)

VII. 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.

VIII. CONSENT AGENDA

- A. Adopt Minutes for the March 2 and March 16, 2015 City Council Meetings
[DRAFT 03 02 2015 Minutes](#)
[DRAFT 03 16 2015 Minutes](#)

- B. Approve Check Nos. 31783 - 31872 Totaling \$362,653.56 and Electronically Transferred Payroll Funds in the Amount of \$66,195.55 for the Period Ending March 27, 2015
[Checks for Approval](#)
- C. Adopt Resolution No. 15-256 Authorizing the City Manager to Enter Into a Multifamily Housing Property Tax Exemption Agreement, Contract No. 15-C1413, with MSPT LLC for Phase I of the Kenmore Village Residential Project - Bryan Hampson, Development Services Director, and Andrew Bauer, Associate Planner
[Agenda Bill & Attachments](#)
- D. Authorize the City Manager Approval Authority for JSH Properties to Enter Into a Contract with Wayne's Roofing for Reroofing of the Post Office Building - Jennifer Gordon, Public Works Operations Manager
[Agenda Bill & Attachments](#)
- E. Approve SR 522 West A Project Agreement, Contract No. 15-C1410, with MCImetro Access Transmission Services - Kent Vaughan, Senior Civil Engineer
[Agenda Bill & Attachment](#)

IX. BUSINESS AGENDA

- A. Award Contract No. 15-C1409 to Gallatin Public Affairs for Media Relations and Marketing Services - Nancy Ousley, Assistant City Manager
[Agenda Bill & Attachments](#)
- B. Approve Contract No. 15-C1411 with Jacobs Engineering for West Samm Bridge Design - Kris Overleese, Public Works Director/City Engineer
[Agenda Bill](#)
[Slides](#)

X. STAFF REPORT

- A. Update on Parks & Transportation Funding Process - Kris Overleese, Public Works Director/City Engineer
- B. "For the Love of Kenmore" Follow-up and Next Steps - Rob Karlinsey, City Manager
[Followup Memo](#)
[Wood Sculpture Memo](#)

XI. COUNCILMEMBER REPORTS & COMMENTS

XII. COUNCILMEMBER INITIATIVES

XIII. ADJOURNMENT

Upcoming Meetings:

Mon., April 20, 2015	7:00 p.m.	City Council Regular & Special Joint Planning Commission Meeting
Tues., April 21, 2015	7:00 p.m.	Planning Commission Regular Meeting
Mon., April 27, 2015	7:00 p.m.	City Council Regular Meeting
Mon., April 27, 2015	8:30 p.m.	Kenmore Transportation Benefit District Board Regular Meeting



CITY OF KENMORE PROCLAMATION

WHEREAS, Lance “Buddy” Hunt moved to Kenmore with his family a couple of decades ago from southern California, graduated from Inglemoor High School, and currently works in Kenmore as a certified Telex radio dispatch technician; and

WHEREAS, Buddy Hunt has been clean and sober for 4½ years, has a 1½-year-old baby, and is getting married in September; and

WHEREAS, Buddy loves the City of Kenmore and is proud to live here; and

WHEREAS, he has completed a community emergency response certification class through the Northshore Fire Department; and

WHEREAS, he has volunteered for the City to do park cleanup work and to support the Christmas Tree Lighting ceremony; and

WHEREAS, he is active with the March of Dimes raising money for the Babies Little Helpers program and also collects food donations for Hopelink through the Northshore Cedar Park Church; and

WHEREAS, he is vice president of the Eastside Seahawker Chapter, a volunteer organization, and organized, publicized, and ran the Kenmore Hawk Walks in 2014 and 2015, bringing together hundreds of Seahawk fans to City Hall to raise the 12th Man flag and march down the sidewalks of NE Bothell Way to the 192 Brewing Company for Seahawk fan rallies; and

WHEREAS, Buddy Hunt’s service and leadership as a volunteer demonstrate his strong sense of community, concern for other people, and desire to contribute to better lives for everyone in the community,

NOW, THEREFORE, BE IT RESOLVED that the Kenmore City Council does hereby honor Lance “Buddy” Hunt for his community service and involvement.

BE IT FURTHER RESOLVED that in appreciation and celebration of “Buddy” Hunt, the Kenmore City Council proclaims April 22, 2015 to be “Buddy Hunt Day” in the City of Kenmore, and urges all citizens to join with us in this observance.

IN WITNESS WHEREOF, signed this 13th day of April, 2015.

Signed: _____
David Baker, Mayor

Attested: _____
Patty Safrin, City Clerk

**City of Kenmore, Washington
Proclamation**

DRIVING DISTRACTED AWARENESS MONTH

WHEREAS, the National Highway Traffic Safety Administration (NHTSA) estimates that there are at least 3,000 deaths annually from distraction-affected crashes – crashes in which drivers lost focus on the safe control of their vehicles due to manual, visual or cognitive distraction; and

WHEREAS, the U.S. Department of Transportation launched a national campaign in 2009 to end the dangerous practice of distracted driving; and

WHEREAS, while these efforts have boosted public attention to the problem and built momentum for action in communities around the country, serious behavioral and technological challenges remain; and

WHEREAS, studies show that texting simultaneously involves manual, visual and mental distraction and is among the worst of all driver distractions; and

WHEREAS, drivers under 25 are two to three times more likely than older drivers to send text messages or e-mails while driving; and

WHEREAS, the problem is complex, and the solutions require parents, teens, educators, employers, industry and government to get involved; and

WHEREAS, the first line of defense is personal responsibility by ALL drivers to recognize their own inability to safely multitask while behind the wheel, put their wireless devices away and focus on the road; and

WHEREAS, friends and family members need to use their influence to steer others toward responsible and safe driving behaviors,

NOW, THEREFORE, I, David Baker, Mayor of the City of Kenmore, Washington, on behalf of the City Council, proclaim April 2015 to be “**Driving Distracted Awareness Month**” in the City of Kenmore. I urge all citizens to visit Distraction.gov, take the pledge to drive distraction-free, and ask your loved ones to do the same.

IN WITNESS WHEREOF, signed this 13th day of April, 2015.

Signed: _____
David Baker, Mayor

Attested: _____
Patty Safrin, City Clerk

Watershed Restoration and Salmon Recovery: Renewing our Partnership

28 Local Governments Working Together to Make Our
Watershed a Place Where Salmon and People
Can Live Together

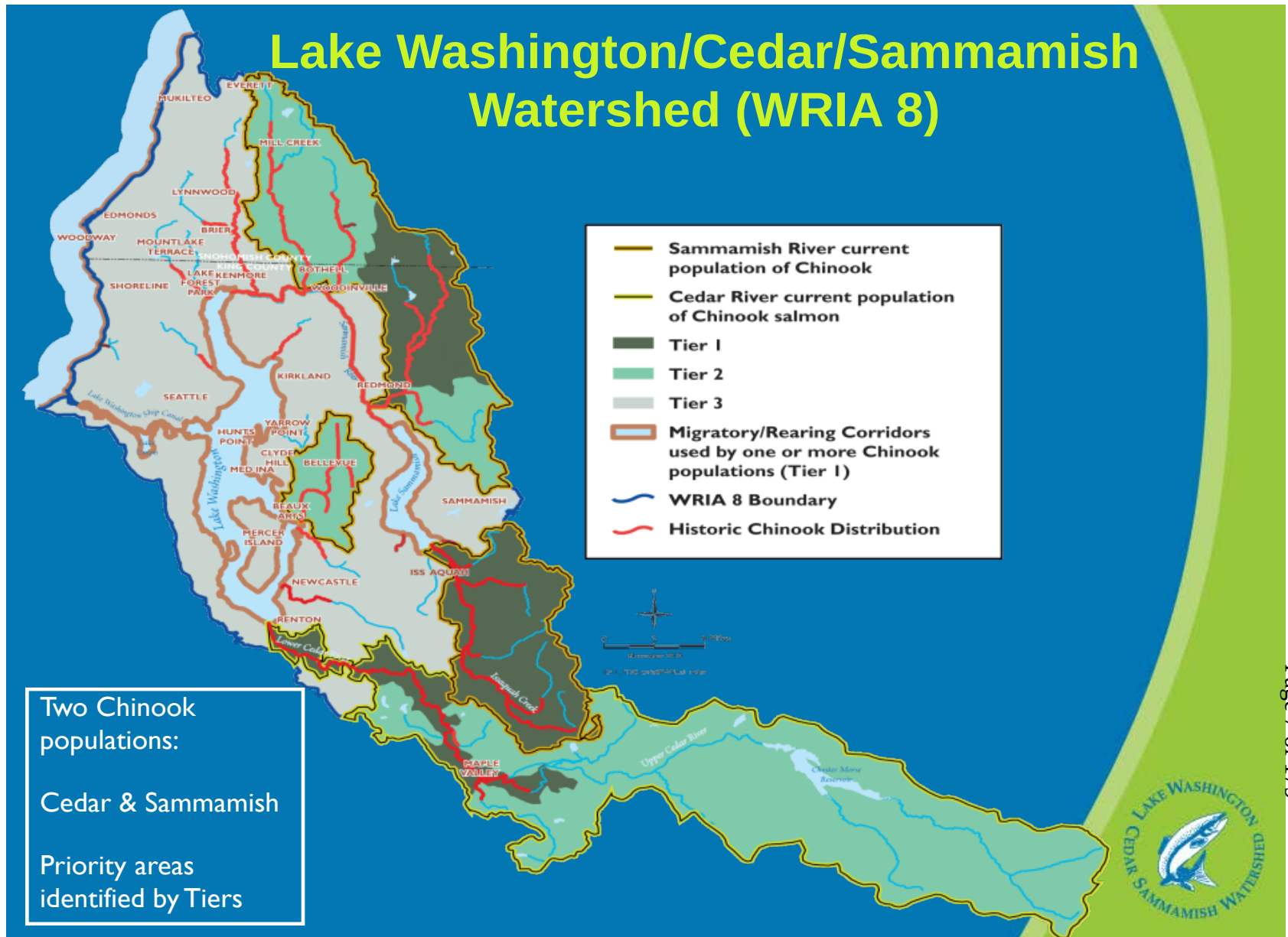


Jason Mulvihill-Kuntz
Watershed Coordinator
Lake Washington/Cedar/
Sammamish Watershed (WRIA 8)

City of Kenmore
City Council Presentation
April 13, 2015



Lake Washington/Cedar/Sammamish Watershed (WRIA 8)



The Road to Recovery

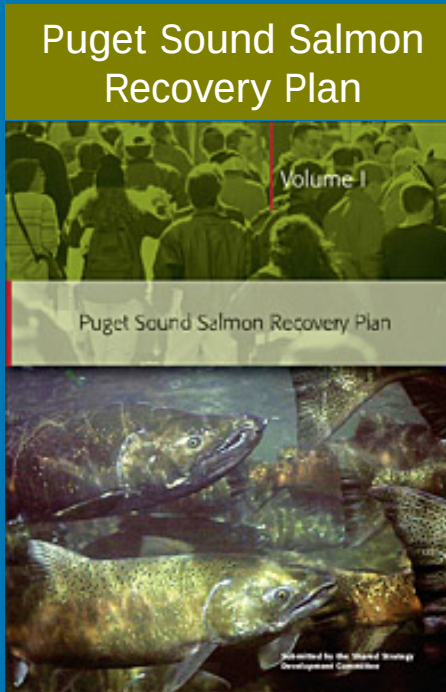
- 1999 Chinook salmon listed as threatened
- 2001 Jurisdictions sign interlocal agreement (ILA) to recover salmon
- 2005 Watershed recovery plan completed
- 2006 Begin first 10 years of implementation
- 2007 Federal adoption of Puget Sound Recovery Plan
- 2010 Watershed Summit – Assess first five years of implementation
- 2015 First 10 years of implementation complete!
Initial ILA sunsets



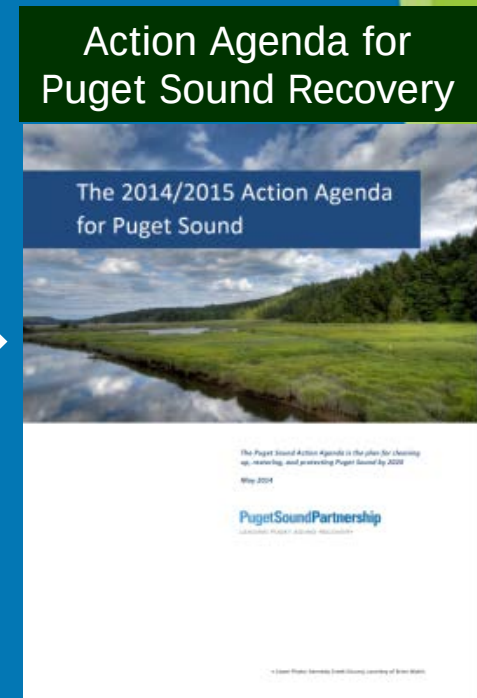
Watershed Salmon Recovery Plan: Part of Puget Sound Recovery



Approved
2005



Approved
2007



Approved
2008
(updated 2014)

Leadership: WRIA 8 Salmon Recovery Council

- Stakeholders representing 28 local government partners and stakeholders
- Fostering strong regional collaboration and governance
- Leveraging individual jurisdiction dollars for watershed benefits



Role of the Salmon Recovery Council

- Directing implementation
- Providing policy guidance
- Building capacity
- Advancing funding strategy
- Supporting education and outreach



Regional Watershed Funding WRIA Based Cost-share: WRIA 8

For 2015

Total : \$541,900

Note: Total reflects WRIA 8 Salmon Recovery Council decision (May 15, 2014) to increase ILA cost share 5% in 2015. To be recalculated every 3 Years (per WRIA 8 Forum decision July 20, 2006). Updated in June 2014 to reflect City of Bothell annexation of 1.6 square miles of King County and 2013 population, assessed value, and area data.

WRIA 8 Salmon Recovery Council approved 5-15-14

WRIA 8 Jurisdiction	Population (Pop)		Assessed Value (AV)		Area (Sq. MI.)		Cost-Share Amount (Average of Pop, AV, Area)		WRIA 8 Jurisdiction
Beaux Arts	290.00	0.0%	\$104,734,000	0.0%	0.08	0.0%	0.0%	\$139	Beaux Arts
Bellevue	132,100.00	9.3%	\$33,167,992,493	12.5%	33.53	7.2%	9.7%	\$52,487	Bellevue
Bothell	40,540.00	2.9%	\$5,955,222,655	2.2%	13.66	2.9%	2.7%	\$14,532	Bothell
Clyde Hill	2,980.00	0.2%	\$1,714,510,000	0.6%	1.06	0.2%	0.4%	\$1,951	Clyde Hill
Edmonds	39,950.00	2.8%	\$7,512,735,402	2.8%	8.99	1.9%	2.5%	\$13,708	Edmonds
Hunts Point	395.00	0.0%	\$784,473,000	0.3%	0.28	0.1%	0.1%	\$694	Hunts Point
Issaquah	32,130.00	2.3%	\$6,132,631,583	2.3%	11.4	2.4%	2.3%	\$12,704	Issaquah
Kenmore	21,170.00	1.5%	\$2,835,378,679	1.1%	6.14	1.3%	1.3%	\$7,016	Kenmore
Kent	0.00	0.0%	\$1,714,000	0.0%	0.45	0.1%	0.0%	\$176	Kent
King County (Uninc.)	129,665.00	9.2%	\$16,265,512,387	6.1%	166.03	35.7%	17.0%	\$92,035	King County (Uninc.)
Kirkland	81,730.00	5.8%	\$14,356,215,877	5.4%	17.81	3.8%	5.0%	\$27,128	Kirkland
Lake Forest Park	12,680.00	0.9%	\$1,844,674,400	0.7%	3.51	0.8%	0.8%	\$4,237	Lake Forest Park
Maple Valley	2,454.00	0.2%	\$357,899,600	0.1%	1.3	0.3%	0.2%	\$1,051	Maple Valley
Medina	3,000.00	0.2%	\$2,822,326,500	1.1%	1.41	0.3%	0.5%	\$2,856	Medina
Mercer Island	22,720.00	1.6%	\$9,132,580,404	3.5%	6.21	1.3%	2.1%	\$11,539	Mercer Island
Mill Creek	18,600.00	1.3%	\$3,048,481,121	1.2%	4.68	1.0%	1.2%	\$6,268	Mill Creek
Mountlake Terrace	20,160.00	1.4%	\$2,269,630,481	0.9%	4.17	0.9%	1.1%	\$5,737	Mountlake Terrace
Mukilteo	20,440.00	1.4%	\$3,843,580,393	1.5%	6.00	1.3%	1.4%	\$7,557	Mukilteo
Newcastle	10,640.00	0.8%	\$1,888,944,600	0.7%	4.46	1.0%	0.8%	\$4,376	Newcastle
Redmond	55,840.00	3.9%	\$11,941,569,998	4.5%	16.45	3.5%	4.0%	\$21,651	Redmond
Renton	59,193.00	4.2%	\$6,961,057,377	2.6%	13.81	3.0%	3.3%	\$17,655	Renton
Sammamish	48,060.00	3.4%	\$8,110,684,304	3.1%	17.05	3.7%	3.4%	\$18,277	Sammamish
Seattle	435,487.00	30.7%	\$92,061,834,922	34.8%	53.01	11.4%	25.6%	\$138,921	Seattle
Shoreline	53,670.00	3.8%	\$7,322,409,100	2.8%	11.59	2.5%	3.0%	\$16,337	Shoreline
Sno. Co. (Uninc.)	159,369.00	11.3%	\$20,454,964,615	7.7%	55.51	11.9%	10.3%	\$55,813	Snoh. Co. (Uninc.)
Woodinville	10,990.00	0.8%	\$2,507,893,071	0.9%	5.66	1.2%	1.0%	\$5,308	Woodinville
Woodway	1,300.00	0.1%	\$441,766,909	0.2%	1.08	0.2%	0.2%	\$886	Woodway
Yarrow Point	1,015.00	0.1%	\$838,037,500	0.3%	0.36	0.1%	0.2%	\$841	Yarrow Point
Totals	1,416,568.00	100.0%	\$264,679,455,371	100.0%	465.69	100.0%	100.0%	\$541,900	Totals
							\$641,800		

NOTE: King County land area excludes the Upper Cedar basin

DATA SOURCES:

- Parcels with 2013 Assessment data
- 2010 Census Tracts
- 2013 Population
- King County Cities
- Snohomish County Cities

What does the ILA Fund?

- Salmon Recovery Council and regional/state coordination
- Recovery Plan implementation
- Project grant program management
- Project tracking
- Communications, outreach, and education – telling the salmon recovery story
- Technical coordination, including
 - ❖ Assessing progress – monitoring and adaptively managing the Recovery Plan
 - ❖ Instigating critical research
 - ❖ Maintaining science-based restoration and protection strategy



Integrating Other Efforts

- Fish passage at Ballard Locks
- Salmon SEEson – outreach and education
- Hatchery & harvest management
- Cedar River Corridor Plan (identifying projects to reduce flood risk and restore floodplain)
- Shoreline and riparian area stewardship
- Water quality
- Regional stormwater management
- Noxious weed treatment
- Puget Sound recovery

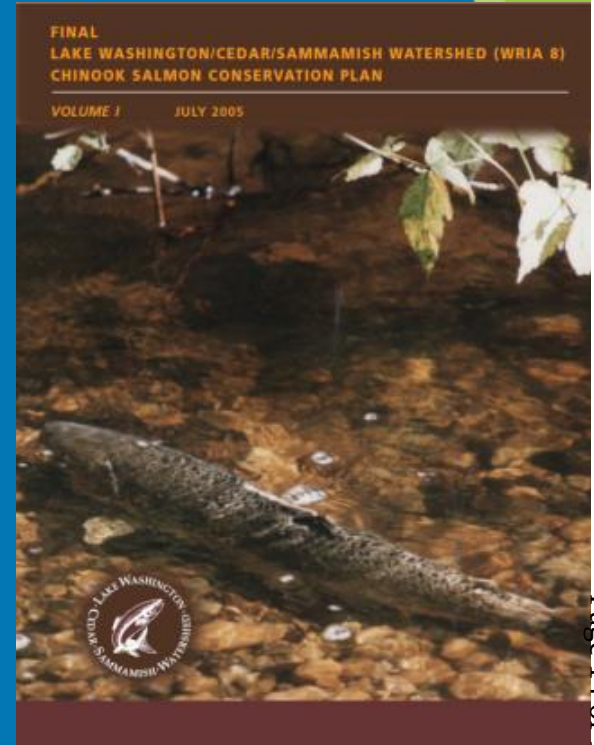


WRIA 8 Plan: What Needs to be Done?

Identifies factors of decline, recovery goals, priority actions, and monitoring needs

Three types of actions:

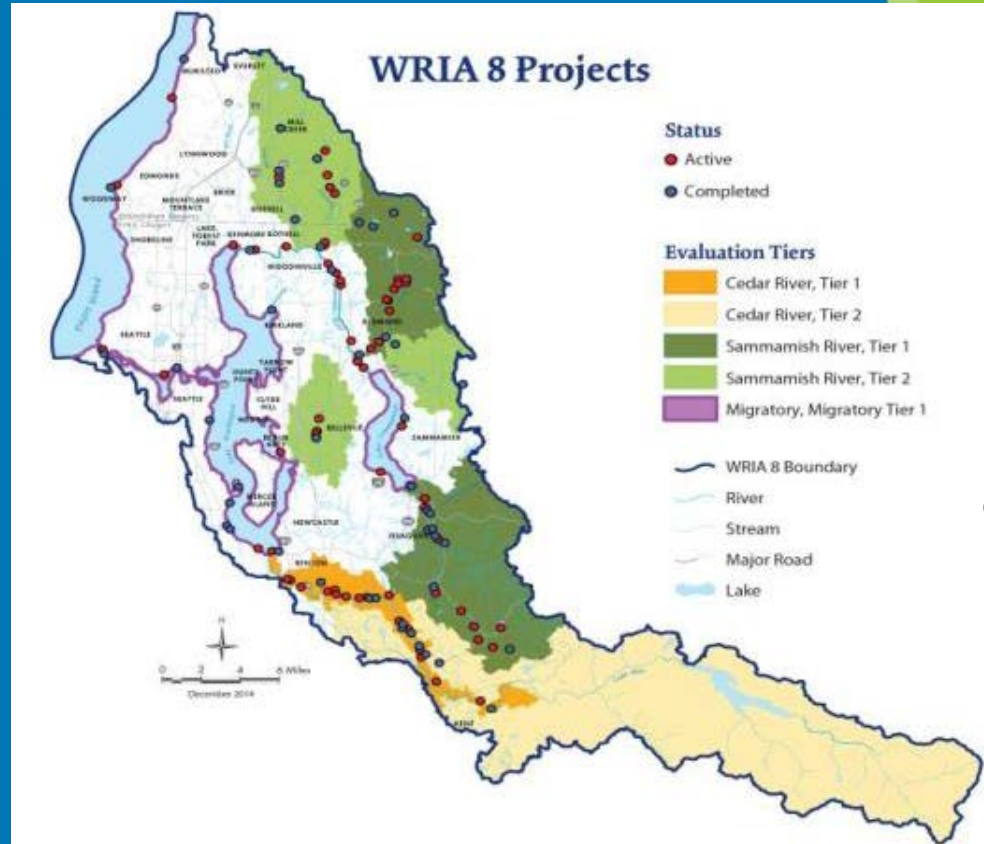
- On-the-ground projects – habitat protection and restoration
- Land use regulations and planning
- Outreach, education, and stewardship



What Have We Accomplished?

Funding and Projects:

- Since 2005, 49 projects completed / 51 projects active
- 10-Year Start List Project Implementation: 22% Completed
- From 1998 – 2014, allocated over **\$15 million** in KCD and King County Flood Control District watershed grant funds – leveraging over **\$28 million**
- From 1998 – 2014, allocated nearly **\$20 million** in federal and state funds



What Have We Accomplished?

- 2,625 acres protected through acquisition or easement
- Over 450 acres of riparian area treated/planted
- Nearly one mile of levees removed or set back
- Over 73 acres of floodplain reconnected
- Over 8,000 feet of lakeshore restored



Lake Washington and Sammamish River

- **Green Shorelines** program promotes replacing bulkheads with softer shoreline alternatives



Kenmore Projects in WRIA 8 Plan:

- Two projects received \$150,000 in grant funding
- Enhance and reconnect riparian wetlands at Wildcliffe Shores – complete!
- Squire's Landing Park restoration (partnership with Sno-King Watershed Council and Adopt A Stream Foundation) – active
- Lake Pointe property riparian and aquatic restoration (partnership with Dept. of Ecology) – proposed
- Sammamish River Mouth wetland restoration
- Little Creek restoration (partnership with Adopt A Stream)



Ongoing Recovery

The future of salmon and watershed health is in the hands of every community.

Salmon recovery faces numerous challenges:

- *Public support and political will*
- *Adequate funding*
- *Climate change and ocean conditions*
- *Land use pressures*



Local governments working together do make a difference!



What's Next?

Renewing WRIA 8 Interlocal Agreement and Memorandum of Understanding

- ❖ **January – May 2015:** WRIA 8 presentations to partner jurisdictions; ILA partners review and provide feedback on drafts
- ❑ **May – July:** WRIA 8 staff integrates feedback on ILA and MOU for Salmon Recovery Council approval
- ❑ **July – December:** Final ILA and MOU available for ILA partners' approval and signature by December



Watershed Partners Creating a Place for People and Fish





ADDITIONAL SLIDES

King County Watersheds (Water Resource Inventory Areas or WRIAs)



WRIA 8 Recovery Plan

Science-based policy and implementation

Identifies factors of decline, recovery goals, priority actions, and monitoring needs

Increase survival rate of juvenile salmon produced annually (Cedar > 13.8%; Bear > 4.4%)

Meet annual abundance goals of returning adults (Cedar > 1,250 fish; Bear & Cottage > 350 fish)

Protect and restore ecosystem processes that create/support salmon habitat

Protect existing habitat and restore best potential habitat

Implement 10-Year Start List – three types of actions:

- 197 habitat protection and restoration projects
- Land use actions
- Outreach, education, and stewardship programs



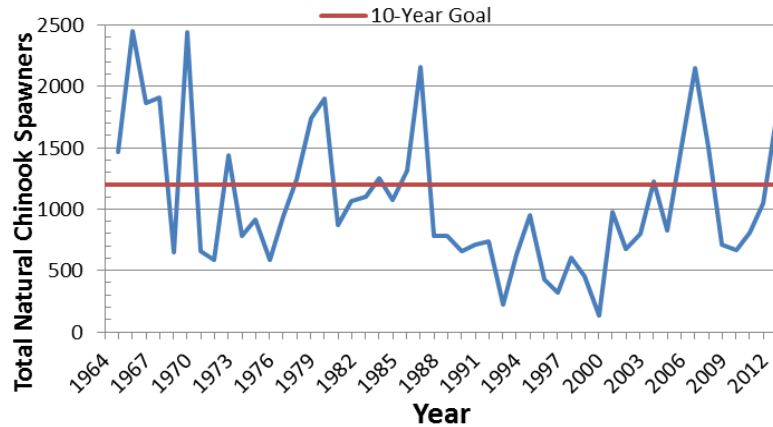
What are the benefits of participating?

- Project/program grant funding
- Demonstrates proactive approach to address Endangered Species Act listing
- Stewardship and public outreach/education
- Regional leadership and partnerships



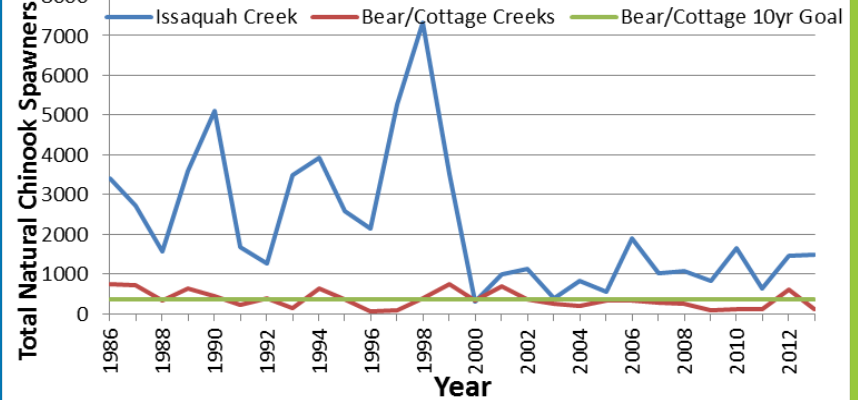
How Are the Salmon Doing?

Cedar Escapement



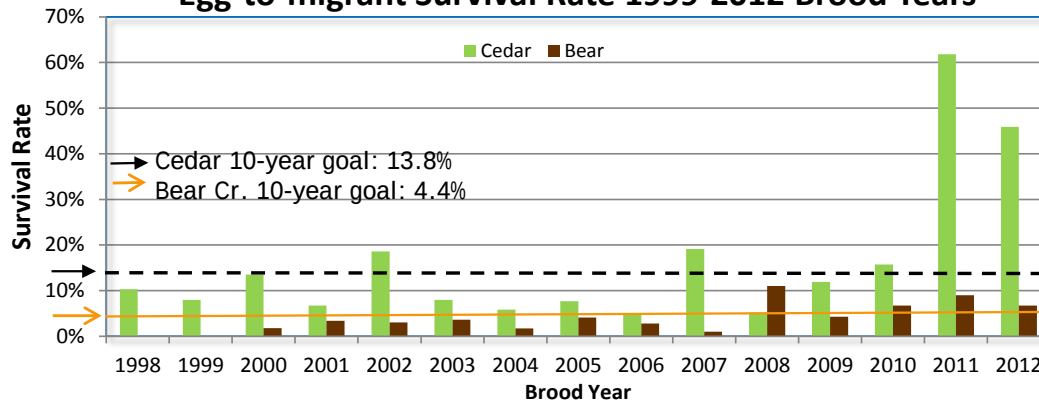
Sammamish Escapement

(includes Bear/Cottage, Issaquah Creeks)



WRIA 8 Chinook Salmon

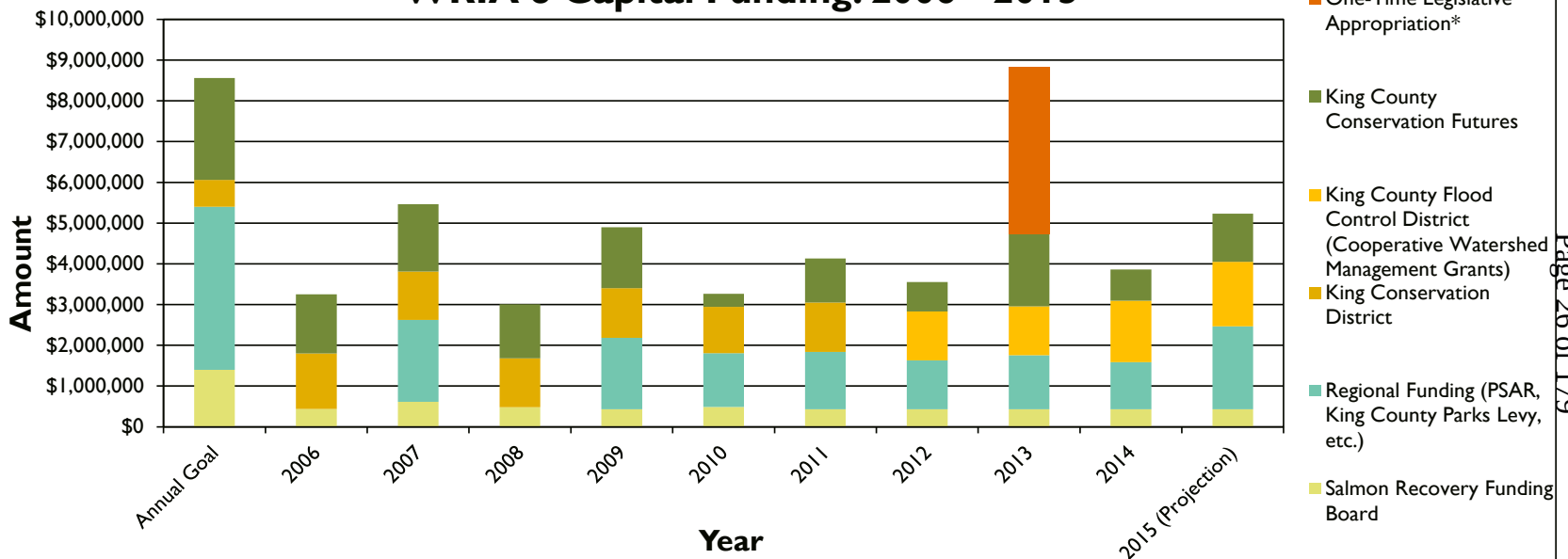
Egg-to-migrant Survival Rate 1999-2012 Brood Years



What Have We Accomplished?

Funding:

WRIA 8 Capital Funding: 2006 - 2015



**City of Kenmore, Washington
City Council Special Meeting
Minutes
March 2, 2015**

CALL TO ORDER – The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 7:00 p.m.

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

Staff present: Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Kris Overleese, Public Works Director/City Engineer; Bryan Hampson, Development Services Director; Leslie Harris, Management Analyst; Kent Vaughan, Senior Civil Engineer; Andrew Bauer, Associate Planner; and Nancy Meehan, Executive Assistant

CONSENT AGENDA

Mayor Baker pulled Item B., “Adopt Resolution No. 15-253, Final Plat Approval for the Reserve at Inglemoor Plat,” from the Consent Agenda for separate consideration.

Adoption of Resolution No. 15-253, Final Plat Approval for the Reserve at Inglemoor Plat, was moved and seconded. The motion passed 6-0, with Mayor Baker recusing himself from the vote.

Approval of Check Nos. 31569 - 31654 in the Amount of \$235,393.28 and Electronically Transferred Payroll Funds Totaling \$68,314.92 for the Period Ending February 13, 2015 was moved and seconded. The motion passed unanimously.

CITIZEN COMMENTS

There were no citizens wishing to speak during Citizen Comments.

BUSINESS AGENDA

New City Website Demonstration – Leslie Harris, Management Analyst, was present to brief the Council on the City’s new website design. The website has been redesigned to set the City apart from other jurisdictions through design and functionality and to include new features, such as the ability to be viewed from multiple platforms and reorganization of content for more ease of use. Included is a community calendar where the public can submit information about events through an online form for staff to review and publish. She was also available to answer any questions.

2014 Year-End Development Services Report – Bryan Hampson, Development Services Director, was present to give a brief report. He noted that the City received a Municipal Excellence Award from the Association of Washington Cities (AWC) for Process Streamlining. He stated that most types of permits are now available online through MyBuildingPermit.com.

The City experienced an upward trend in development activities in 2014. He detailed some of the highlights of larger projects that the Development team worked on in 2013-2014. He reviewed the department’s 2015 goals and was available to answer any questions.

SR 522 West A Bid Award – Kris Overleese, Public Works Director/City Engineer, and Kent Vaughan, Senior Civil Engineer, were present to give a brief overview of construction preparations for this segment of SR 522 and to request that Council authorize awarding the bid to Marshbank Construction. They were also available to answer any questions.

Councilmember Van Ness moved to Authorize the City Manager to Execute Contract No. 14-C1328 with Marshbank Construction, Inc. in the Amount of \$10,029,640.85 to Construct the SR 522 West A (T-6) Project, Plus 10% Contingency for a Total Contracting Authority of \$11,033,000. Councilmember Curtis seconded the motion. The motion passed 7-0.

STAFF REPORTS

City Manager Karlinsey stated that the City will close on the Kenmore Village property this coming Friday and should receive a check at that time. He announced that just prior to tonight's Council meeting, one of the City squad cars got into an accident at 175th and 68th, but no one was hurt.

School District Boundary Adjustment Letter – Assistant City Manager Nancy Ousley drafted a letter to the Northshore School District for Council's review.

Councilmember Curtis suggested removing the Kenmore Vikings language and simply saying "to allow Kenmore students to graduate from Inglemoor High School."

Councilmember Van Ness stated that the School District admitted they had not taken into consideration the psychological impact on ethnic groups, including English as a second language families, of which there is a significant group at Kenmore Elementary.

Mayor Baker stated that splitting the groups on socioeconomic boundaries is a big concern, especially in light of the fact that Kenmore Elementary has the highest rate of students participating in the free lunch program of any school in the Northshore system.

It was Council consensus to approve the letter after incorporating the concerns and suggestions expressed by Councilmembers.

King County Water Taxi Service Expansion Study – City Manager Karlinsey recommended that the City agree to be included in the study, and he distributed a draft letter to the Director of the King County Marine Division stating that Kenmore is very interested in seeing a water taxi location in the City and addressing some of the information they requested.

It was Council consensus to send the letter as written.

CITY COUNCILMEMBER REPORTS & COMMENTS

Councilmember Smith stated that he went to the Volunteer Event last week, and that staff did a fantastic job. He also attended the City Manager's presentation at the Chamber of Commerce meeting, which was fun and well done by the City Manager.

Councilmember Sperry also attended the Volunteer Event, which was very well done. She learned how many people volunteer for the City, including students in the Adult Transition Program.

Councilmember Curtis stated that the Inglemoor High School Chamber Orchestra was fantastic.

Deputy Mayor Van Ness reported on the Economic Development Investors' meeting he attended last week. He stated that he rode the bus downtown for the first time last week and was inspired to get his Senior ORCA card.

Mayor Baker stated that 120 people attended the Chamber of Commerce luncheon when Rob Karlinsey gave his State of the City address. He noted that the City Manager was well-received by the whole group and did an outstanding job telling the City's story. He stated that a small group was here Wednesday night for the Inglemoor High School Chamber Orchestra, as noted by Councilmember Curtis. He suggested that the Hank Heron cartoon, created by Senior Civil Engineer Kent Vaughan for SR 522, be used as a City mascot. It could be used in many ways, including incorporating it into the Town Green and creating a children's book.

It was Council consensus to have the City Manager look into making Hank Heron a City mascot and find out how the City can potentially acquire a copyright.

EXECUTIVE SESSION

Mayor Baker recessed the regular meeting to an executive session at 8:35 p.m. to discuss Potential Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately 20 minutes and that no action is anticipated when the meeting is reconvened. The City Attorney was present by phone.

Mayor Baker extended the executive session for 15 minutes at 8:55 p.m., and extended the executive session again for 3 minutes at 9:12 p.m.

ADJOURNMENT

Mayor Baker adjourned the special meeting at 9:15 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

**City of Kenmore, Washington
City Council Regular Meeting
Minutes
March 16, 2015**

CALL TO ORDER – The regular meeting of the Kenmore City Council was called to order by Mayor David Baker at 7:00 p.m.

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

Staff present: Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Public Works Director/City Engineer; Debbie Bent, Community Development Director; Bryan Hampson, Development Services Director; Zack Richardson, Civil Engineer; Greg Lum, Building & Code Inspector; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

FLAG SALUTE

Mayor Baker led the flag salute.

AGENDA APPROVAL

It was Council consensus to approve the agenda as submitted.

CITIZEN COMMENTS

James McNeal, 16314 Valhalla Drive, Bothell, was present on behalf of 1,300 people who have signed a petition on the One Bothell website asking for Council support for the purchase of the Wayne Golf Course along the Sammamish River in Bothell as a recreational restoration habitat for fish and wildlife and an education outreach regarding the Puget Sound, rather than allowing the site to become a housing development.

Andy Rehaun, 19621 109th Place, Bothell, Vice Chair for WRIA 8 Salmon Recovery Council, was present as a citizen to request support for a \$5M State legislature ask that the City of Bothell has placed in the Senate and the House budgets for the purchase of the Wayne Golf Course.

Sara Hayashi, 14615 81st Avenue NE, Kenmore, and Karissa Webster, 15325 75th Avenue NE, Kenmore, were present as board members of the Northshore Schools Foundation to invite the City Council, City Manager and Assistant City Manager to the Northshore Schools Foundation “All in for Kids” luncheon on April 7th at the Lynnwood Convention Center.

Pete Stoltz, 6423 NE 175th Street, Kenmore, was present to state that he is interested in working with the City to resolve complaints by citizens. He also detailed some of Cal Portland’s operations and their importance to the City and the region.

Patrick O’Brien, 6330 NE 181st Street, Kenmore, was present to state his concerns about staff reports which do not have hard facts and evidence as well as his concerns about noise violations and violations of business hours of operation.

Kate Donaldson, 6401 NE 181st Street, Kenmore, was present to state her concerns regarding high capacity transit on SR 522 and the industrial area of Kenmore.

Janet Hays, 6303 NE 181st Street, Kenmore, was present to state her concern that Public Comment comes at the beginning of the meeting and there is no opportunity for rebuttal of agenda items. She also stated her concerns about the Industrial Uses item of the agenda and the King County Legislative Agenda item.

Mayor Baker thanked the citizens for their comments.

CONSENT AGENDA

Consent Agenda Item B, “Approve Contract No. 15-C1381, Open Space Agreement for Lake Forest Park Plat, Lot 9,” was pulled by Councilmember Curtis for separate consideration.

Development Services Director Bryan Hampson and Civil Engineer Zack Richardson came forward to answer any questions regarding Contract No. 15-C1381.

Councilmember Curtis moved to Approve Contract No. 15-C1381, Open Space Agreement for Lake Forest Park Plat, Lot 9. Mayor Baker seconded the motion. The motion passed unanimously.

Councilmember Denuski moved to approve Items A and C of the Consent Agenda. Councilmember Van Ness seconded the motion to Approve Check Nos. 31646-31710 in the Amount of \$218,424.56 and Electronically Transferred Payroll Funds Totaling \$67,915.33 for the Period Ending February 27, 2015; and Approve Personnel Policy Amendments. The motion passed unanimously.

BUSINESS AGENDA

Approval of High Deductible Health Plan Savings Account - Joanne Gregory, Finance & Administration Director, was present to give a brief report. She was also available to answer any questions. Director Gregory stated that a City Benefit Review Team has examined strategies for employee health coverage which would hold down City paid costs while still ensuring that employees receive the best value for their dollar. Last November the team concluded that offering a high deductible health plan as an option to employees, in addition to the current health plans offered, would provide the most potential for savings by the City, and by employees as well. She detailed the Health Savings Account which would be provided to employees who choose the high deductible health plan option.

Councilmember Smith moved to Approve the High Deductible Health Plan as an option beginning July 1, 2015, and fund the associated Health Savings Accounts according to the schedule outlined on the agenda bill. Councilmember Curtis seconded the motion. The motion passed 7-0.

King County Legislative Agenda - Nancy Ousley, Assistant City Manager, was present to give a brief report. She was also available to answer any questions. She stated that having a list of legislative priorities for King County issues can help direct our resources and efforts in working with the County.

Industrial Uses - Bryan Hampson, Development Services Director, and Greg Lum, Building & Code Inspector, were present to give a brief report. They were also available to answer any questions. Director Hampson stated that the purpose of this discussion is to provide Council with information necessary to consider an ordinance for the purpose of regulating heavy industry and heavy manufacturing activities within the City which may negatively impact City residents (negative externalities). He stated that they divided the possible regulations into five different sections — public roads, fees & licenses, code enforcement issues, development regulations, and other issues. He reviewed specific possible revisions to the Kenmore Municipal Code (KMC). City Attorney Rod Kaseguma stated that regulating hours of operation and noise would more appropriately go into a business operation ordinance or a noise ordinance.

Town Green Design & Budget Update - Rob Karlinsey, City Manager; Debbie Bent, Community Development Director; Matt Porteous, Hewitt Architects; and Jim Baba, Graham Baba Architects, were present to give a brief report. They were also available to answer any questions. Matt Porteous showed a brief video and some slides of the proposed Town Green. He detailed some of the features that are planned. Jim Baba detailed the plans for the inside of the Pavilion building, including a radiant floor system and gas fireplace. Porteous reviewed the project schedule, and stated that it might be finished by the end of June 2016. He discussed why the budget has increased from \$3.5M to \$4.2M. City Manager Karlinsey stated that he identified a couple of funding sources in the agenda bill.

Councilmember Van Ness moved to move forward with the construction of the Town Green as designed. Councilmember Curtis seconded the motion. The motion passed 7-0.

STAFF REPORT

WRIA 8 Representation - Rob Karlinsey, City Manager, was present to state that in the past Mayor Baker and Deputy Mayor Van Ness have represented the City at WRIA 8, but lately have not been available due to conflicts. He noted that it is important for the City to be represented by our elected officials. The meetings are on the third Thursdays of the month, from 3 to 5 p.m., usually in Bellevue. Deputy Mayor Van Ness stated that he will try to attend two out of three meetings each quarter.

Comprehensive Plan Update - Regional Transportation Policies - Debbie Bent, Community Development Director, was present to give a brief staff report. She and City Manager Karlinsey were also available to answer any questions. Karlinsey requested direction from Council on two points.

It was Council consensus to keep advocating for light rail in Kenmore and to direct the Planning Commission to strengthen our Transportation Element language accordingly.

It was Council consensus to direct the Planning Commission to include water-based transportation in the Transportation Element.

CITY COUNCILMEMBER REPORTS & COMMENTS

Councilmember Sperry thanked the City Manager for giving the State of the City report to the Bothell Chamber of Commerce and for recording it as well.

Councilmember Curtis stated that the Washington, DC, trip for the National League of Cities (NLC) meeting was worthwhile. He had the opportunity to speak with Army Corps of Engineers people and legislators.

Deputy Mayor Van Ness stated that the NLC meeting was excellent as usual, and it was an honor to hear President Obama speak about a new initiative called the Tech Hire initiative. He would like to explore whether the City could become a part of the initiative.

Mayor Baker stated that there were some very good programs at the NLC conference. He recently had the privilege of being part of the ribbon cutting ceremony for the new hangar at Kenmore Air. He will attend a WSDOT meeting in Kirkland Wednesday, where tolling will be discussed. He and City Manager Karlinsey will be there and will try to make sure there is money for mitigation. On March 24th he plans to attend a training session on open government and transparency provided by the State. Tomorrow he will be briefed on a new County program called Best Starts for Kids. He noted that City Engineer Overleese did a presentation at an Eastside Transportation Partnership (ETP) meeting recently.

ADJOURNMENT

Mayor Baker adjourned the regular meeting at 10:02 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

City of Kenmore 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 and that the following claims, paid by checks 31783-31872 which total \$362,653.56, and electronically transferred payroll funds totalling \$66,195.55, are just, due and unpaid obligations against the City of Kenmore/King County/Washington, and that I am authorized to authenticate and certify to said claims.

 <u>City Manager</u>	<u>3/30/15</u> <u>Date</u>
 <u>Finance Director</u> Accountant	<u>3/27/15</u> <u>Date</u>

Check #	Vendor Name	Description	Check Amount
31783	KING COUNTY SUPERIOR COURT CLERK	SR522 W. A Condemnation PP# 76 & 77	126,900.00
31784	CITY OF KENMORE	PERS Retro Reimbursement	13.34
31785	NATIONWIDE FINANCIAL 401a	Social Security Replacement Plan	10,710.53
31786	NATIONWIDE RETIREMENT SOLUTIONS 457	Deferred Comp Payroll Deduction	285.00
31787	ICMA RETIREMENT TRUST 457 - 304745	Deferred Comp Payroll Deduction	2,835.43
31788	DRS 457	Deferred Comp Payroll Deduction	420.00
31789	AFLAC	Private Medical/ Disability Plans	438.51
31790	CITY OF KENMORE FS	Flexible Spending Medical Plans	334.21
31791	BANK OF AMERICA 941	Payroll Taxes	13,801.69
31792	WA GUARANTEED EDUCATION TUITION	WA Pre-Tax Education Plan	100.00
31793	DEPARTMENT OF RETIREMENT SYSTEMS	WA State Retirement	12,706.35
31794	DEPARTMENT OF LABOR AND INDUSTRIES	Worker's Compensation	1,869.76
31795	UNITED WAY OF KING COUNTY	Employee Charitable Contribution	513.24
31796	NATIONAL LIFE OF VERMONT	Life Insurance	123.17
31797	AMERICAN GENERAL	Life Insurance	443.72
31798	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Deduction	275.00
31799	VOID	Void	-
31800	CAPITAL ONE COMMERCIAL/ COSTCO	Holiday Lighting Supplies	247.44
31801	SNOHOMISH COUNTY HEARING EXAMINER	Filing Fee for SEPA DNA Appeal	500.00
31802	AWC EMPLOYEE BENEFITS	Payroll Entry	40,204.60
31803	LINCOLN NATIONAL LIFE INSURANCE	Payroll Entry	779.42
31804	ASSOCIATION OF WA CITIES	2015 Workers Comp Retro Program	1,878.94
31805	BAKER, DAVID	2/25-3/18 Mileage Reimbursement	343.28
31806	CASCADE PEST CONTROL	March Rhododendron Park Pest Control	142.35
31807	CITY OF BELLEVUE	Qtr 1 & 2 2015 ARCH Contributions	13,356.50
31808	COASTWIDE LABORATORIES	Parks Restroom Cleaning Supplies	341.98
31809	FERGUSON ENTERPRISES INC #1539	Drainage Materials	880.36
31810	FRUHLING SAND & TOPSOIL	3/3-3/6 Vegetation/Asphalt Dumping	400.00

31811	JET CITY PRINTING	SR522 W. A Construction Notice Postcards	344.92
31812	KING COUNTY FINANCE	January & February Jail Fees	3,883.71
31813	KING COUNTY FINANCE	February Adult/Juvenile Detention CWP	6,400.00
31814	KING COUNTY OFFICE OF FINANCE	January Public Def Indigency Screening	459.07
31815	KING COUNTY SHERIFF	Dec. 2014 Police/ School District Overtime	413.21
31816	MR. T'S TROPHIES	Kris Overleese Name Tag/Nameplate	29.24
31817	NORTHSHORE FIRE DEPT	February Fire Marshal Plan Review	280.00
31818	NORTHSHORE UTILITY DIST	February Vehicle Fuel/Maint. & Utility Bills	5,140.27
31819	HONEY BUCKET	2/28-3/27/15 Squires Landing Rental	218.35
31820	OFFICE DEPOT	Office Supplies	69.81
31821	OFFICE TEAM	Temporary Staffing Services	2,411.12
31822	PUGET SOUND ENERGY	Electricity/Street Lights/Traffic Lights/Gas	10,929.64
31823	CEMEX	Roadway Repair Materials	315.99
31824	STEWART MACNICHOLS HARMELL, INC.	January Public Defender Services	5,500.00
31825	TOTAL LANDSCAPE CORP	City Hall/Parks March Landscaping	5,002.61
31826	UNITED RENTALS NW, INC	Concrete Saw/74th & 175th Repair	138.65
31827	WA STATE CONSOLIDATED TECH SVCS	February ListServ Fee	175.00
31828	WA STATE DEPT OF TRANSPORTATION	Dec. SR522 West A Design/Jan. Traffic Signal	3,165.55
31829	COLUMBIA RIDGE LANDFILL	Street Sweeper Dump Fees	882.64
31830	AURORA RENTS	Diamond Asphalt Blade Rental	328.49
31831	GATES, JANICE	Reimburse Aflac Deduction Ret'd for J. Gates	40.74
31832	SEES TREES AND EXCAVATION INC	Remove Hazardous Tree/Inglewood Wetlands	306.60
31833	AA ASPHALTING, INC	Juanita Drive - 160th Concrete Island	4,648.28
31834	VAN NESS, ALLAN	Mileage Reimbursement	162.73
31835	SPERRY, LAURIE	Mileage/Parking Reimbursement	24.10
31836	KONICA MINOLTA BUSINESS SOLUTIONS	Copier Charges for KBA Staff/SR522 West A	253.11
31837	WA STATE DEPT OF TRANSPORTATION	Jan. SR522 West A Construction Svcs	252.31
31838	BANNER BANK LD	Social Media/Volunteer Event	2,097.38
31839	BANNER BANK CS	Pizza for School Dance/Supplies	465.74
31840	HDR	Jan. SR522 W. A Const/Design/ROW	3,851.93
31841	BANNER BANK DB	Conference Registration	1,397.50
31842	BANNER BANK NO	Parking/Transportation/Mtg Expenses	210.26
31843	CURTIS, DR. MILTON	Lodging/Airfare/Meals	1,326.64
31844	GENERAL DYNAMICS	Police Training/Durrant & Minzghor	890.00
31845	BANNER BANK JG	Job Recruitment/Advertising	110.00
31846	BANNER BANK KENMORE	Laptop/Subscription/Equipment	2,019.40
31847	BANNER BANK KENMORE	Computers/Monitors/Supplies	2,670.60
31848	BANNER BANK JGORDON	Signs/Parks Display Boards/Supplies	3,945.63
31849	ZONAR SYSTEMS	Street Sweeper Tracking Service	525.33
31850	SHRED-IT	3/4/15 Shredding Service	52.47
31851	ALCALDE & FAY	March Gov't. Affairs Consulting	5,037.63
31852	COMCAST	City Hall Internet 3/14-4/13	323.34
31853	TOWN CENTER HARDWARE	Feb Public Works/City Hall Supplies	140.59
31854	SARAH ROBERTS	January & February Prosecution Services	21,016.08
31855	WA STATE DEPT OF LABOR & INDUSTRIES	Annual Elevator Operating Certification	141.60
31856	INTEGRA TELECOM	3/8-4/7 City Hall Phone Service	794.64
31857	BANNER BANK BH	Supplies/Maps/ Training	1,258.72
31858	PERTEET INC.	Reimbursement for WTS Gala Fee	70.00
31859	BANNER BANK VAN NESS	Lodging/Transportation/Meals	430.91

31860	BANNER BANK	BAKER	Registration/Lodging/Meals/Parking	1,987.82
31861	WASHINGTON STATE PATROL		Feb. Sammamish Bridge Enforcement	287.00
31862	GREATER BOTHELL CHAMBER OF COMMERCE		State of the City Luncheon	40.00
31863	JOYCE ZIKER PARKINSON		Feb. Legal Consult/Lk WA Sediments	3,000.00
31864	WELWEST CONSTRUCTION INC.		Retainage Pymt Contract 14-C1296	4,868.03
31865	WAGE WORKS		Feb. Flex Plan Administration Fee	50.00
31866	KENMORE COMMERCIAL LLC		April Incubator Bldg. Lease Payment	3,281.00
31867	INNOVAC		Vactor Services	1,010.14
31868	FASTSIGNS		Kenmore Event Signs	210.61
31869	PLANNING ASSOCIATION OF WASHINGTON		Training Registration for Samantha Loyuk	80.00
31870	SCORE		February Health Svcs @ SCORE Jail	1,109.12
31871	HEWITT		1/31-2/27 Town Green Architectural Services	13,731.82
31872	DLT SOLUTIONS		Autodesk AutoCAD Subscription 3/15-3/16	1,600.67
3/20/2015	PAYROLL		Direct Deposit	66,195.55
				<u>\$ 428,849.11</u>

2015	PRIOR VENDOR ACTIVITY	TOTAL	FOR 2015
	A+ CONFERENCING		41.30
	AAA PRINTING		723.80
	ACTION ENTERTAINMENT		395.00
	ACTIVE SHOOTER TRAINING LLC		184.52
	AFLAC		877.02
	ALCALDE & FAY		10,047.31
	ALLISON & PARTNERS		6,400.00
	ALPHAGRAPHICS US718		398.64
	AMERICAN GENERAL		887.44
	AMERICAN PLANNING ASSOCIATION		1,648.00
	AMERICAN PUBLIC WORKS ASSOCIATION		960.00
	ANCHOR QEA, LLC		2,059.00
	APPLIED TECHNOLOGIES NW INC.		8,700.25
	ARTS OF KENMORE		792.75
	ASSOCIATION OF WA CITIES		14,672.00
	AV CAPTURE ALL		2,757.43
	AWC EMPLOYEE BENEFITS		80,409.25
	BAKER, DAVID		702.66
	BANK OF AMERICA 941		54,913.22
	BANNER BANK BAKER		82.21
	BANNER BANK CS		96.00
	BANNER BANK JG		1,405.76
	BANNER BANK JGORDON		953.94
	BANNER BANK KENMORE		4,537.84
	BANNER BANK LD		836.51
	BANNER BANK NO		736.58
	BANNER BANK PS		23.08
	BANNER BANK VAN NESS		23.00
	BASTYR UNIVERSITY		50,200.00
	BLACKBAUD		6,283.89
	BRIEN, GAYLYNN		150.00
	BUILDERS EXCHANGE OF WASHINGTON INC		138.85
	CALPORTLAND COMPANY		298.00
	CASCADE PEST CONTROL		284.70
	CEMEX		649.08
	CENTER FOR PRIORITY BASED BUDGETING		12,500.00
	CITY OF BELLEVUE		3,784.48
	CITY OF KENMORE		40.02
	CITY OF KENMORE FS		1,336.84
	CITY OF LAKE FOREST PARK		147,926.90
	CITY OF SHORELINE		771.50
	CLK CONSTRUCTION LLC		8,492.95
	COASTAL WEAR PRODUCTS INC		1,356.71
	COASTWIDE LABORATORIES		921.62
	CODE PUBLISHING COMPANY		350.00
	COLUMBIA RIDGE LANDFILL		1,979.85
	COMCAST		626.08

DAILY JOURNAL OF COMMERCE	379.50
DEPARTMENT OF ECOLOGY	6,370.50
DEPARTMENT OF LABOR AND INDUSTRIES	3,605.40
DEPARTMENT OF RETIREMENT SYSTEMS	51,439.33
DEVRIES, DENIS	70.00
DRS 457	2,620.00
ECONOMIC DEV COUNCIL OF SEATTLE/KC	5,000.00
EVERGREEN SAFETY COUNCIL	299.00
FRONTIER	3,056.36
FRUHLING SAND & TOPSOIL	107.50
GORDON THOMAS HONEYWELL	7,446.68
GREATER BOTHELL CHAMBER OF COMMERCE	1,750.00
GREGORY, JOANNE	99.73
HANSEN, COREY	6,850.00
HARRIS & SMITH PUBLIC AFFAIRS	1,581.25
HEWITT	12,291.22
HONEY BUCKET	442.50
HOPKINS, CRAIG	166.32
ICMA RETIREMENT TRUST 457 - 304745	11,341.72
INDEPENDENT STATIONERS	1,410.83
INGLEMOOR HIGH SCHOOL MUSIC BOOSTERS	1,500.00
INNOVAC	2,831.25
INSLEE, BEST, DOEZIE & RYDER, P.S.	January Legal Services
INTEGRA TELECOM	13,038.50
iWORQ SYSTEMS	1,545.04
JET CITY PRINTING	2,800.00
JOYCE ZIKER PARKINSON	172.74
KARLINSEY, ROB	2,340.00
KENMORE COMMERCIAL LLC	294.49
KENMORE JR HIGH SCHOOL	6,562.00
KING CO. UTILITY COORDINATION COUNCIL	75.00
KING COUNTY ANIMAL SVCS	75.00
KING COUNTY FINANCE	360.00
KING COUNTY FINANCE W.L.R.D.	37,055.34
KING COUNTY MUNICIPAL CLERKS ASSOC	2,241.83
KING COUNTY OFFICE OF FINANCE	25.00
KING COUNTY RADIO COMM SERVICES	1,128.59
KING COUNTY SHERIFF	283.61
KING COUNTY SUPERIOR COURT CLERK	2,481.02
KING CTY EASTSIDE TRANSP PARTNERSH	14,300.00
KONICA MINOLTA BUSINESS SOLUTIONS	200.00
KUSTOM SIGNALS, INC.	209.32
LAW OFFICE OF JOHN RUNGERUDE, PS	18.00
LINCOLN NATIONAL LIFE INSURANCE	300.00
MAIL FINANCE	1,598.36
MILLER STEPHENS, MARY	703.00
MOBILE ELECTRICAL DISTRIBUTORS INC	2,500.00
MR. T'S TROPHIES	13.47
NATIONAL LIFE OF VERMONT	450.11
	358.06

NATIONWIDE FINANCIAL 401a	43,667.41
NATIONWIDE RETIREMENT SOLUTIONS 457	1,140.00
NEOPOST NORTHWEST	274.82
NORTHSHORE FIRE DEPT	700.00
NORTHSHORE ROTARY CLUB	476.00
NORTHSHORE UTILITY DIST	5,696.95
NORTHWEST LANDSCAPE SERVICES	3,599.43
NORTHWEST TROPHY	97.46
OFFICE DEPOT	1,209.52
OFFICE MAX	2,691.13
OFFICE TEAM	4,404.50
OfficeMax Workplace Interiors	6,489.89
OLYMPIC ENVIRONMENTAL RESOURCES INC	3,659.00
OSBORN CONSULTING INC.	19,147.38
OUSLEY, NANCY	257.78
PACIFIC TOPSOILS	742.15
PAWS	1,014.00
PENDLETON, MICHAEL	3,523.84
PEOPLES STORAGE	380.00
PERSONAL BEST/ TOPHEALTH	197.77
PERTEET INC.	24,527.89
PHSI PURE WATER FINANCE	422.51
PIPERS CREEK NURSERY	188.34
PUGET SOUND CLEAN AIR AGENCY	14,740.00
PUGET SOUND ENERGY	22,107.83
QUALITY BUSINESS SYSTEMS	1,810.44
RANDALL, BRIAN	124.06
REDMOND, MICHAEL	61.25
REPUBLIC SERVICES	1,711.84
RICHMOND AMERICAN HOMES OF WA	60.00
ROGERS, GLENN	20.91
RONGERUDE, JOHN	900.00
SANDRA OWEN DESIGN	420.00
SCORE	74,187.53
SEATTLE TIMES	1,462.03
SEES TREES AND EXCAVATION INC	416.10
SESAC	360.00
SHRED-IT	106.93
SILVER KITE COMMUNITY ARTS CONSULT.	300.00
SNOHOMISH COUNTY	4,072.00
SOUND CITIES ASSOC	12,798.49
SPERRY, LAURIE	67.85
STARDOM SERVICES, INC.	1,020.00
STATE OF FLORIDA DISBURSEMENT UNIT	1,100.00
STEWART MACNICHOLS HARMELL, INC.	10,500.00
STOPTECH, LTD.	3,571.89
STUDIO 3 SIGNS	2,299.50
TELESYSTEMS WEST	262.80
THE KIPLINGER LETTER	99.00

TOPIA TECHNOLOGY/ BIS	400.00
TOTAL LANDSCAPE CORP	11,406.82
TOWN CENTER HARDWARE	92.81
TWEDT, CHARLES	1,500.00
TWO BROTHERS' TREES	600.00
UNITED WAY OF KING COUNTY	1,026.48
UPS STORE	30.66
URBAN LAND INSTITUTE	215.00
UTILITIES UNDERGROUND LOCATION CTR	288.96
VAN NESS, ALLAN	628.50
VAUGHAN, KENT	116.00
VERIZON WIRELESS	2,939.74
WA ASSOC OF BUILDING OFFICIALS	900.00
WA ASSOC OF PUBLIC RECORDS OFFICERS	140.00
WA CITIES INSURANCE AUTHORITY	212,891.00
WA FINANCE OFFICERS ASSOCIATION	150.00
WA GUARANTEED EDUCATION TUITION	200.00
WA STATE CONSOLIDATED TECH SVCS	350.00
WA STATE DEPT OF TRANSPORTATION	2,061.42
WAGE WORKS	100.00
WALL, JOHN	136.88
WASHINGTON CITY/COUNTY MGMT ASSOC	187.00
WASHINGTON STATE PATROL	776.97
WELLS FARGO FINANCIAL	3,123.75
WETLANDS & WOODLANDS INC	183.96
ZUMAR	1,479.68
	<u>\$ 1,167,157.40</u>



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

Subject/Topic: Multifamily Housing Property Tax Exemption for Kenmore Village Residential Phase I (aka Spencer68) – Resolution No. 15-256	For Council Meeting Agenda of: April 13, 2015 Department: Development Services Prepared by: Andrew Bauer, Planner Initial & Date Approved by Department Head: <u>BD 4/2/15</u> Approved by City Attorney: <u>✓ RK VIA EMAIL</u> Approved by Finance Director: <u>✓</u> Approved by City Manager: <u>R&K</u>
Proposed Council Action/Motion: Adopt Resolution No. 15-256 Authorizing the City Manager to Enter into a Multifamily Housing Property Tax Exemption Agreement with MSPT LLC for Phase I of the Kenmore Village Residential Project	Exhibits/Attachments: 1. Resolution 15-256 2. Tax Exemption Agreement 3. Development Agreement

Expenditure Required \$0

Amount Budgeted \$ N/A

Appropriation Required \$ N/A

INFORMATION/BACKGROUND:

The Council authorized a development agreement between MSPT LLC (MainStreet Property Group) on December 9, 2013 for the development of the Kenmore Village Residential project (aka Spencer68). The development agreement acknowledged that the project would qualify for the Multifamily Housing Property Tax Exemption, if it met the procedural and tenant income requirements of KMC Chapter 3.65. Consistent with the development agreement, the applicant has requested a 12- year tax exemption in return for providing 35 affordable units in Phase I of the development. The 12-years is the maximum period allowed by the City's code and State law (RCW Chapter 84.14).

As a member city of ARCH (A Regional Coalition for Housing), staff has relied heavily on their experience with the multifamily housing tax exemption and administering the affordable housing. ARCH has provided their technical assistance in preparation of the attached tax exemption agreement and regulatory agreement. ARCH will continue to provide assistance in future years serving as the City's designee in tracking compliance with the regulatory agreement and annual reporting.

Chapter 3.65 KMC, in accordance with State law, sets forth a process for determining that a proposed project meets the conditions for tax exemption. This process is apart from the development agreement. Under this process, the applicant must apply for a conditional certificate of tax exemption, which must be approved by the Director of Development Services. The application has been filed by MSPT. If the Director approves the application, the City Council may approve an agreement regarding the terms and conditions of the project and eligibility for exemption. The application has been approved by the Director and the agreement is included as Attachment 2. In order to administer necessary aspects of the affordable housing provisions that were not specified in the development agreement the City and MSPT will also enter into a regulatory agreement and declaration of restrictive covenants, which will be an exhibit to the tax agreement. The regulatory agreement and declaration of restrictive covenants will be recorded on the property. Finally, when the project is complete and

the owner files an application for a final certificate of tax exemption, and the City is satisfied that the project meets the requirements for tax exemption, the City will notify the County Assessor so that the residential improvements will be tax-exempt.

As a condition of a 12- year tax exemption per State law, MSPT must make at least 20 percent of the multifamily units affordable to low and moderate income households. However, the City's code and an affordable housing covenant already placed on the property both require 25 percent of the multifamily units be made affordable, exceeding the minimum in State law. As a result, 35 of the 138 units being built in Phase 1 must be affordable. Three of the 35 affordable units in this phase of the Spencer68 project must be available to households whose annual income does not exceed 50 percent of the King County median income, and 32 of the affordable units must be available to households annual income does not exceed 85 percent of the King County median income.

In a future phase 2 of the Spencer68 project, 2 additional units for residents at 50 percent of the King County median income will be included for a total of 5 units at 50 percent King County median income.

The construction and designation of the affordable units satisfies not only the multifamily housing property tax exemption requirements, but also the requirements of the development agreement, KMC Chapter 18.77 (Affordable Housing), and the affordable housing covenant recorded on the property by King County (recording #20050110001850).

Upon authorization from the City Council, the City Manager will sign the tax exemption agreement and will execute the regulatory agreement and declaration of restrictive covenants, which again will be recorded against the property. Upon completion of construction of the multifamily housing units in Phase 1, the City will file a final certificate of tax exemption with the County Department of Records and Elections, provided all requirements of KMC Chapter 3.65 and the tax exemption agreement are satisfied.

FISCAL CONSIDERATION:

The tax exemption means that the City will forgo property tax revenue that would have come from the value of the residential improvements for 12 years. The City will always receive property tax revenue from the land and non-residential improvements to the property.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

To create a vibrant, walkable downtown.

CITY OF KENMORE
WASHINGTON

RESOLUTION NO. 15-256

**A RESOLUTION OF THE CITY OF KENMORE, WASHINGTON,
AUTHORIZING THE CITY MANAGER TO ENTER INTO A
MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION
AGREEMENT WITH MSPT VI LLC FOR PHASE 1 OF THE
KENMORE VILLAGE RESIDENTIAL PROJECT.**

WHEREAS, on December 9, 2014, MSPT VI LLC (“MSPT”) and the City of Kenmore entered into the “Development Agreement by and between the City of Kenmore and MSPT VI LLC, for the Kenmore Village Residential Development,” for the construction of residential units on approximately 4.7 acres of real property at 18149 68th Avenue NE, Kenmore, Washington, (“Development Agreement”); and

WHEREAS, the Development Agreement, among other things, authorized construction of the project in phases, required MSPT to provide affordable housing in the project, and provided for a property tax exemption for qualifying affordable units upon compliance with the procedural and tenant income requirements of KMC Chapter 3.65; and

WHEREAS, as authorized by the Development Agreement and KMC Chapter 3.65, MSPT has applied for a 12-year property tax exemption for the 35 affordable units in Phase 1 of the project; and

WHEREAS, MSPT has filed with the Development Services Director an application for tax exemption for the affordable units, and the Director has approved the application; and

WHEREAS, KMC Chapter 3.65 requires that upon approval of the application for tax exemption, the property owner shall enter into an agreement with the City regarding the terms and conditions of the project and eligibility for tax exemption, and the City Council shall approve the agreement by resolution; and

WHEREAS, MSPT and the City have negotiated and recommended to the City Council a tax exemption agreement for the affordable units in Phase 1 of the project (“Tax Exemption Agreement”); and

WHEREAS, following execution of the Tax Exemption Agreement, the Director will issue a conditional certificate of acceptance of tax exemption, and upon completion of Phase 1 of the project, will issue a final certificate of tax exemption;

WHEREAS, pursuant to and in furtherance of the Development Agreement, and concurrent with execution of the Tax Exemption Agreement, MSPT and the City will enter into the “Regulatory Agreement and Declaration of Restrictive Covenants, Kenmore Village Residential Phase 1,” which provides for 138 new multifamily housing units, requires 35 of those units to be affordable units, and establishes construction, eligibility and reporting requirements for the

affordable units (“Regulatory Agreement”); and

WHEREAS, the Regulatory Agreement will be attached to the tax exemption agreement as an Exhibit and will be recorded against the real property;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES RESOLVE that the City Manager is authorized and directed to execute on behalf of the City of Kenmore, an agreement substantially in the form of the “Multifamily Housing Limited Property Tax Exemption Agreement Kenmore Village Residential Phase I” attached hereto as Exhibit A.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON,
AT A REGULAR MEETING THEREOF THIS 13TH DAY OF APRIL 2015.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod Kaseguma, City Attorney

MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION AGREEMENT

KENMORE VILLAGE RESIDENTIAL PHASE I

THIS AGREEMENT, entered into this _____ day of _____, 2015, between the City of Kenmore, a State of Washington municipal corporation ("City") and the MSPT VI LLC, a Washington limited liability company ("Applicant"), and incorporated attachments and exhibits, contains all terms and conditions agreed to by the City and the Applicant to undertake the activities described herein.

RECITALS

1. Applicant has applied for a limited property tax exemption as provided in Chapter 84.14 RCW and Chapter 3.65 KMC for multifamily residential rental housing ("Multifamily Housing") in the Residential Target Area, and the City's Development Services Director ("Director") has approved the application; and
2. Applicant has submitted to the City preliminary site plans and floor plans for new Multifamily Housing to be constructed as part of a one hundred thirty-eight (138) unit mixed-use Phase 1 project ("Project") on property situated at 18149 68th Avenue Northeast in Kenmore, Washington ("Property"), and as more particularly described in **Exhibit A** which is attached hereto, and incorporated by reference herein; and
3. Applicant is the owner of the Property; and
4. In the application, the Applicant represented to the City, as required by Chapter 84.14 RCW and Chapter 3.65 KMC, that the Project will provide at least four (4) new dwelling units designed for permanent residential rental or ownership occupancy, and will provide permanent residential housing comprising at least fifty percent (50%) of the gross floor area of the Project.
5. The Project will not result in the net loss of existing affordable housing which receives housing assistance through federal low- or moderate-income housing programs (e.g., HUD Section 8 program); and
6. The City has determined that the Multifamily Housing will, if completed, occupied, and owned as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; and
7. This Agreement is entered into pursuant to City Council action taken on (date of council action).

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

1. Conditional Certificate of Acceptance of Tax Exemption.

The City agrees, upon execution of this Agreement following approval by the City Council, to issue a Conditional Certificate of Acceptance of Tax Exemption (“Conditional Certificate”), which Conditional Certificate shall expire three (3) years from the date of approval of this Agreement by the Council, unless extended by the Director as provided in KMC 3.65.080.

2. Agreement to construct Multifamily Housing.

a. Applicant agrees to construct the Project on the Property, including the Multifamily Housing, substantially as described in the site plans and floor plans attached hereto in **Exhibit B**, subject to such modifications thereto as may be required to comply with applicable codes and ordinances, including the design review process

b. Applicant agrees to construct the Project on the Property, including the Multifamily Housing, and to comply with all applicable zoning requirements, land use regulations, and building and housing code requirements contained in Titles 15, 17, 18, 19, and 20 KMC or other applicable law. Applicant further agrees that approval of this Agreement by the City Council, its execution by the Director, or issuance of a Conditional Certificate by the City pursuant to Chapter 3.65 KMC in no way constitutes approval of proposed improvements on the Property with respect to applicable provisions of Titles 15, 17, 18, 19, and 20 KMC or other applicable law or obligates the City to approve proposed improvements.

c. Applicant agrees that the Multifamily Housing will be completed within three years from the date of approval of this Agreement by the Council, unless extended by the Director for cause as provided in KMC 3.65.080.

3. Agreement to provide affordable housing.

Applicant agrees to provide a minimum of thirty-five (35) Affordable Units for rent, specifically available for Low- or Moderate-Income Households. Three units will be available and affordable to households whose annual household income does not exceed fifty percent (50%) of the King County median income (“Low-Income Households”). Thirty-two (32) units will be available and affordable to households whose annual household income does not exceed eighty-five percent (85%) of the King County median income (“Moderate-Income Households”), both adjusted for household size, as determined by the United States Department of Housing and Urban Development (“HUD”). The affordable monthly housing expense, including rent and an appropriate utility allowance, shall be no greater than thirty percent (30%) of the applicable level of the King County median income.

4. Location and Design of Affordable Units/ Affordability Agreement/ Conversion.

a. The Affordable Units shall be those units indicated in **Exhibit C**. The Owner may propose to change the particular units dedicated for the Affordable Units, provided that a total of 35 units are designated for Affordable Units, and the same affordability and bedroom mix of Affordable Units is maintained. The Affordable Units shall be integrated with all other dwelling units of the Project. The Owner shall request in writing the City's approval of any proposed change to the units dedicated for the Affordable Units. The City will review the proposed changes and shall base its approval or disapproval of the proposed changes upon the criteria set forth in this section. The exterior designs of the Affordable Units are to be compatible and comparable with the market rate units. The interior finish of the Affordable Units shall at a minimum include standard features and result in a totally finished and livable home.

b. Prior to issuing a certificate of occupancy, an agreement in a form acceptable to the city attorney ("Affordability Covenant") and substantially in the form of **Exhibit D** that addresses price restrictions, eligible household qualifications, long-term affordability, and any other applicable topics of the Affordable Units shall be recorded with the King County department of records and elections. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the Applicant. Affordable Units that are provided under this section shall remain as affordable housing for the life of the Project.

c. In the event the Project is proposed for conversion to condominium, owner-occupied, or non-rental residential use, the Owner must submit to the City for its approval a plan for preserving the Affordable Units. The City can consider options which would convert the Affordable Units to owner occupancy Affordable Units. In the event a condominium conversion occurs during the period of the property tax exemption and owner occupied Affordable Units are provided at the affordability levels as defined in KMC 3.65.020.A or that have such other comparable level of affordability as provided for in the City's affordable housing multifamily tax exemption incentive program, as regulated through Chapter 18.77 KMC, per Section 6 of this Agreement, the Affordable Units will continue to be eligible for the property tax exemption for the balance of the exemption period or for the period of time the conversion allows, whichever is appropriate. The balance of the Project would no longer be eligible for the exemption, and City will not cancel the Final Certificate of Tax Exemption as provided in Section 10 of this Agreement.

5. Requirements for Final Certificate of Tax Exemption.

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

- a. A statement of expenditures made with respect to the overall Project and the residential portions of the Project;
- b. A description of the completed work, including floor area of residential and non-residential area, and a statement of qualification for the exemption;
- c. Documentation that the Multifamily Housing was completed within the required three-year period or any authorized extension and in compliance with the terms of this Agreement; and
- d. Information regarding Applicant's compliance with the affordability requirements in Chapter 3.65 KMC and this Agreement, which shall include the following:
 - (1) Identification of all Affordable Units, whether rented or held vacant to be rented by Income Eligible Occupants, the size of the Affordable Units, and the maximum rents and household incomes for each affordable unit at time of initial leasing;
 - (2) Rents (or offering rents, as applicable) for all Affordable Units;
 - (3) A copy of the application and income verification form used for rental of Affordable Units;
 - (4) A copy of the form of lease or rental agreement to be used for Affordable Units; and
 - (5) Any such further information that the Director deems necessary or useful to evaluate eligibility for the Final Certificate of Tax Exemption.

6. Agreement to Issue Final Certificate.

The City agrees to file a Final Certificate, with an exemption period of twelve (12) years with the King County Assessor within fifteen (15) days of submission of all materials required by paragraph 5, if Applicant has:

- a. Successfully completed the Multifamily Housing in accordance with the terms of this Agreement and Chapter 3.65 KMC;
- b. Filed a request for a Final Certificate with the Director and submitted the materials described in Paragraph 5 above;
- c. Paid to the City a fee in the amount of \$150.00 to cover the Assessor's administrative costs; and

d. Met all other requirements provided in Chapter 3.65 KMC for issuance of the Final Certificate.

7. Annual Certification.

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

a. A statement of the occupancy and vacancy of the Multifamily Housing units during the previous year;

b. A statement that the Multifamily Housing has not changed use since the date of filing of the Final Certificate;

c. A statement that the Multifamily Housing continues to be in compliance with this Agreement and the requirements of Chapter 3.65 KMC;

d. A description of any improvements or changes to the Project made after the filing of the Final Certificate or the previous certification;

e. A statement of the change in ownership of all or any part of the property since the Final Certificate was filed; and

f. Information and documentation sufficient to demonstrate, to the satisfaction of the Director, compliance with the affordability requirements of Chapter 3.65 KMC and this Agreement, which shall, at minimum, include the following:

(1) Identification of each Affordable Unit, and any substitution of Affordable Units during the previous year and for each Affordable Unit, the current Household Income limits and maximum allowed rent;

(2) For each Affordable Unit that was initially occupied or that had a change of tenancy during the previous year, the date of each tenant's initial occupancy; and

(3) For each Affordable Unit, the tenant's current Household Income and current contract rent.

8. No violations for duration of exemption.

For the duration of the exemption granted under Chapter 3.65 KMC, Applicant agrees that the Project and that portion of the Property on which the Project is constructed will have no violations of applicable zoning requirements, land use regulations, and building and housing code requirements contained in Titles 15, 17, 18, 19, and 20 KMC or other applicable law for which the Development Services Department or its functional successor shall have issued a notice of violation, citation or other notification that is not resolved by a certificate of compliance, certificate of release, withdrawal, or another method that proves either compliance or that no violation existed, within the time period for compliance, if any, provided in such notice of violation, citation or other notification or any extension of the time period for compliance granted by the Director.

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

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

10. Cancellation of Exemption - Appeal.

a. The City reserves the right to cancel the Final Certificate if at any time the Multifamily Housing, the Project or that portion of the Property on which the Project is constructed no longer complies with the terms of this Agreement or with the requirements of Chapter 3.65 KMC, or for any other reason no longer qualifies for an exemption. City shall provide written notice to Applicant of any non-compliance with the terms of this Agreement and Applicant shall have a 90 day right to cure. So long as Applicant is able to comply within 90 days, the Agreement shall stay in full effect.

b. If the exemption is canceled for non-compliance, Applicant acknowledges that state law requires that an additional real property tax is to be imposed in the amount of: (1) the difference between the tax paid and the tax that would have been paid if it had included the value of the non-qualifying improvements, dated back to the date that the improvements became non-qualifying; (2) a penalty of 20% of the difference calculated under paragraph (a) of this paragraph; and (3) interest at the statutory rate on delinquent property taxes and penalties, calculated from the date the tax would have been due without penalty if the improvements had been assessed without regard to the exemptions provided by Chapter 84.14 RCW and Chapter 3.65 KMC. Applicant acknowledges that, pursuant to RCW

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

c. Upon determining that a tax exemption is to be canceled, the Director, on behalf of the City Council, shall notify the property owner by certified mail, return receipt requested. The property owner may appeal the determination in accordance with KMC 3.65.120.

11. Amendments.

No modification of this Agreement shall be made unless mutually agreed upon by the parties in writing and unless in compliance with the provisions of KMC 3.65.070.

12. Binding Effect.

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

13. Audits and Inspection of Records.

Applicant understands and agrees that the City has the right to audit or review appropriate records to assure compliance with this Agreement and Chapter 3.65 KMC and to perform evaluations of the effectiveness of the Multifamily Tax Exemption program. Applicant agrees to make appropriate records available for review or audit upon seven days' written notice by the City.

14. Notices.

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

CITY: Development Services Department
City of Kenmore
18120 68th Ave NE
Kenmore, WA 98028
Attn: Director

With a copy to:
A Regional Coalition for Housing (ARCH)
16225 NE 87th Street, Suite A-3
Redmond, WA 98052
Attn: Housing Planner

APPLICANT: MSPT VI LLC
Attn: Kelly Price
12332 NE 115th Place
Kirkland, WA 98033

15. Severability.

In the event that any term or clause of this Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement that can be given effect without the conflicting terms or clause, and to this end, the terms of the Agreement are declared to be severable. However, if the severable term prevents the City from receiving the benefits of having affordable housing as set forth in Chapter 84.14 RCW and Chapter 3.65 KMC, then this agreement shall be deemed terminated, or may be terminated, as soon as possible in compliance with any applicable law.

16. Exhibits.

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

Exhibit A	Legal Description
Exhibit B	Project Site Plan and Floor Plans
Exhibit C	Designation of Affordable units
Exhibit D	Regulatory Agreement and Covenant

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

CITY OF KENMORE

APPLICANT

By: _____
Its: City Manager

By: _____
Its: Manager

Approved as to Form:

City Attorney

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this _____ day of _____, 2015, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, known to me to be the _____ of the CITY OF KENMORE, who executed the foregoing document on behalf of said City, and acknowledged the said document to be the free and voluntary act and deed of said City, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said document.

IN WITNESS WHEREOF I have given under my hand and official seal this ____ day of _____, 2015.

Notary Public in and for the State of Washington.

Print Name _____

Residing at _____

My commission expires _____

STATE OF WASHINGTON }
 }
COUNTY OF KING } ss.

On this _____ day of _____, 2015, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of _____, corporation, who executed the foregoing instrument on behalf of the said corporation, and acknowledged the said document to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said document.

IN WITNESS WHEREOF I have given under my hand and official seal this ____ day of _____, 2015.

Notary Public in and for the State of Washington.

Print Name _____

Residing at _____

My commission expires _____

EXHIBIT A

LEGAL DESCRIPTION

LOT #1 OF SPENCER68 BINDING SITE PLAN RECORDED UNDER RECORDING
NO. 20140520000886 IN KING COUNTY, WA.

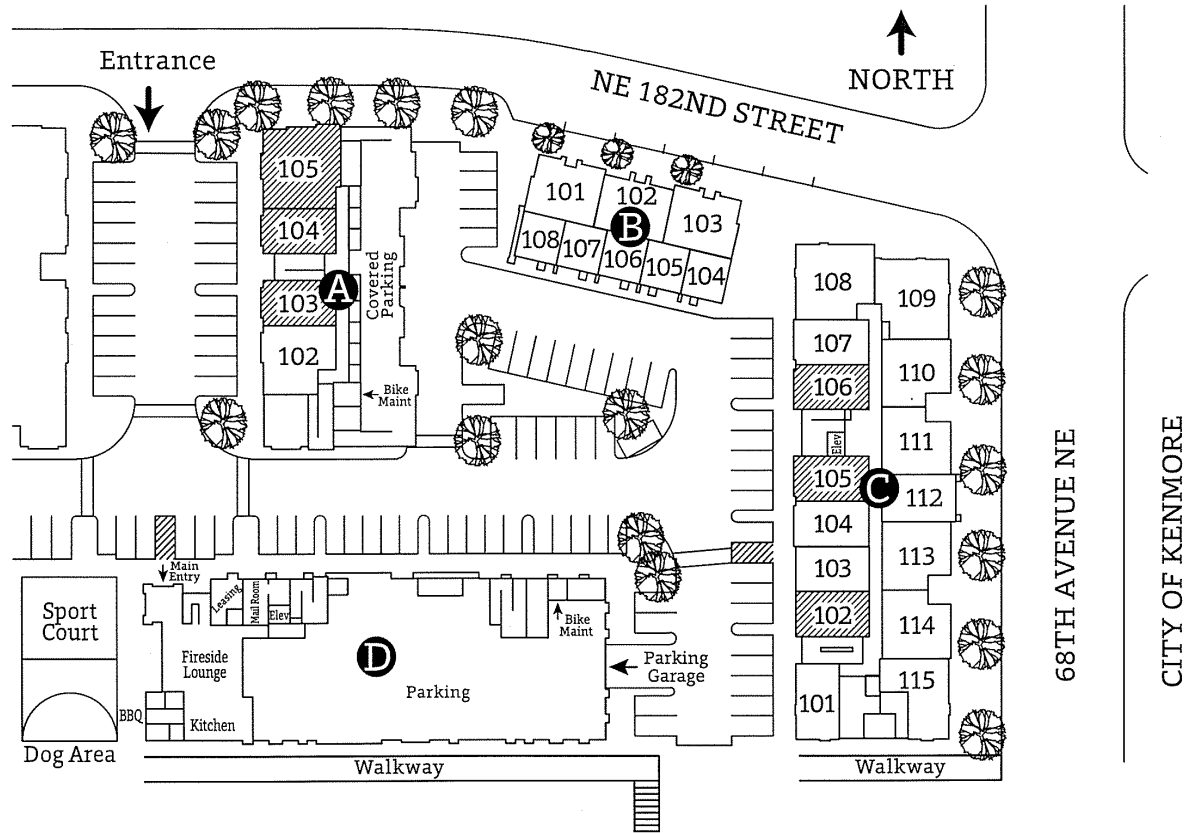
EXHIBIT B
PROJECT SITE PLAN

See attached diagram.

THE SPENCER 68

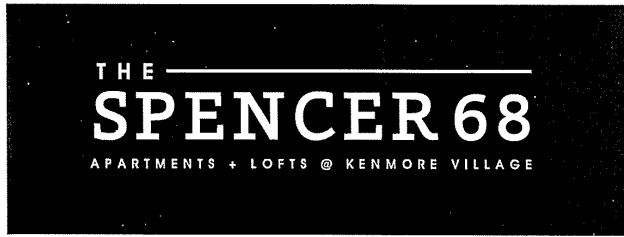
APARTMENTS + LOFTS @ KENMORE VILLAGE

- A** The Trailhead
- B** The Burke
- C** The Propeller
- D** The Lake House

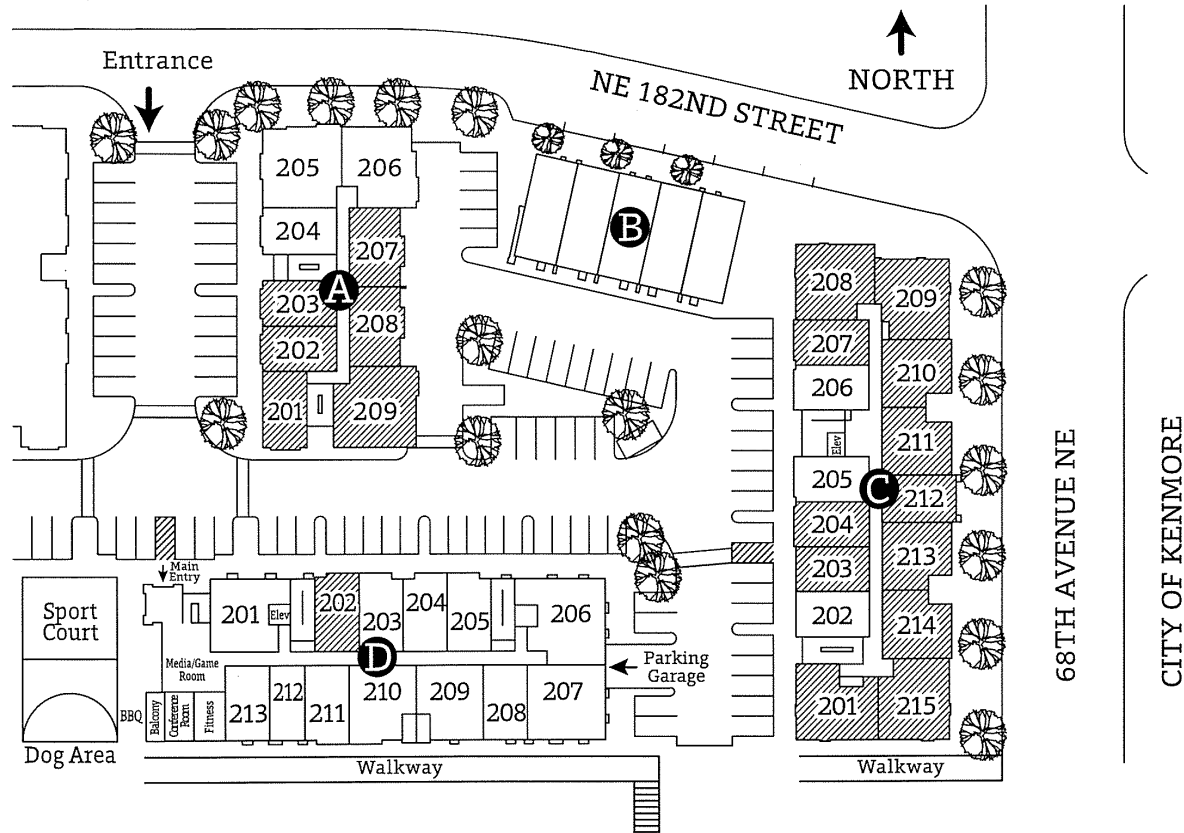


www.liveatspencer68.com | 6711 NE 182nd Street, Kenmore | hello@liveatspencer68.com

425-408-0481



- A** The Trailhead
- B** The Burke
- C** The Propeller
- D** The Lake House



Connection to the Future Spencer Square Retail Area



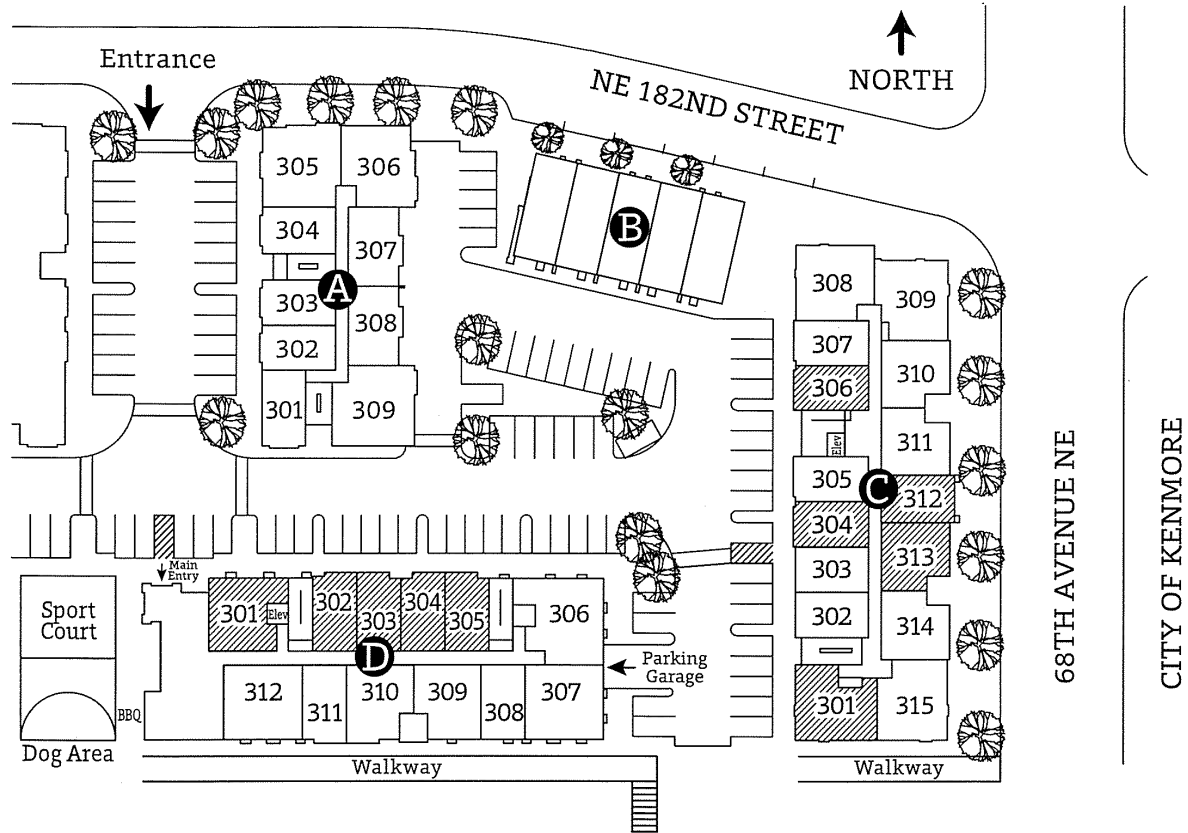
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THE SPENCER 68

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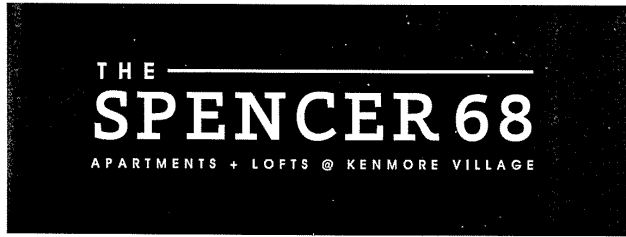


Connection to the Future Spencer Square Retail Area

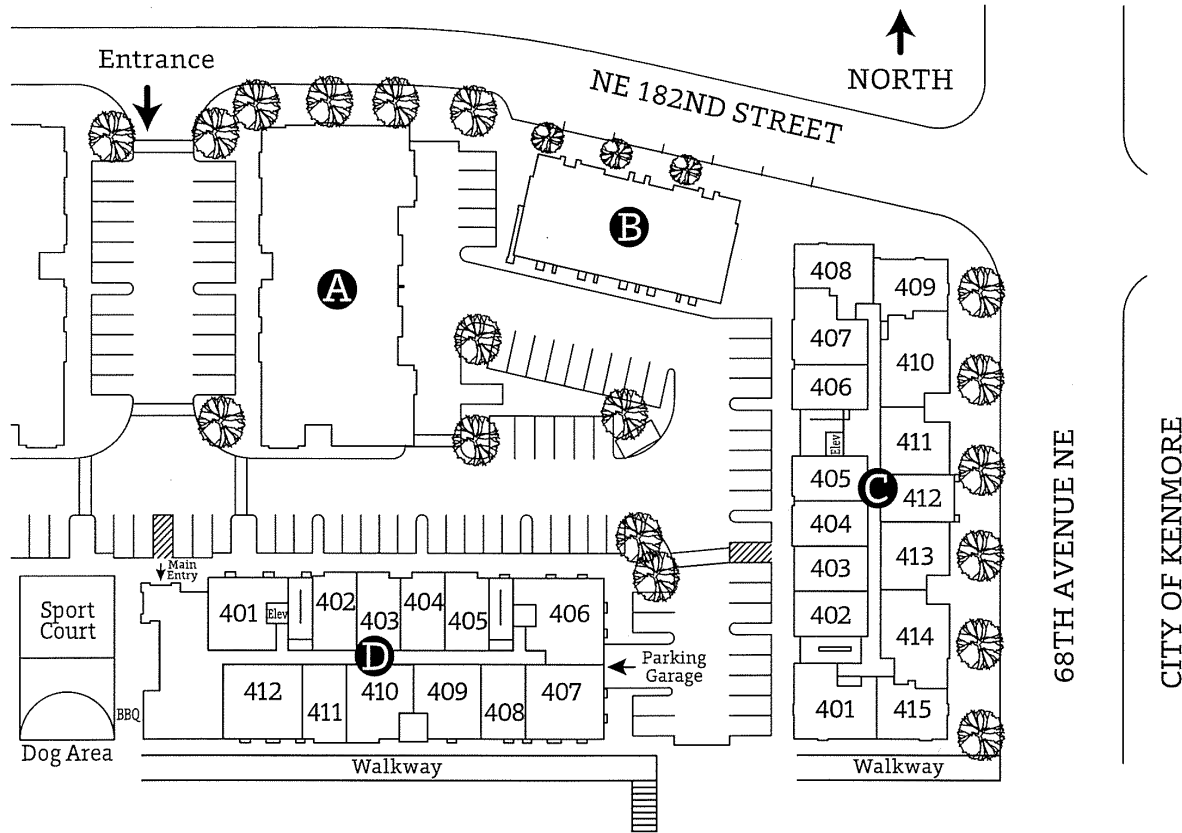


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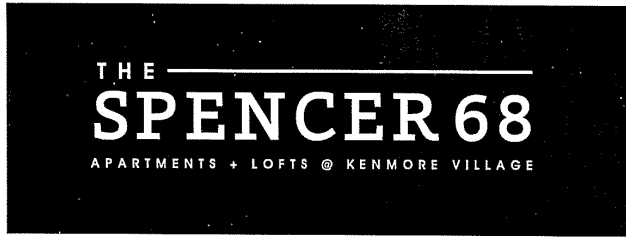


Connection to the Future Spencer Square Retail Area

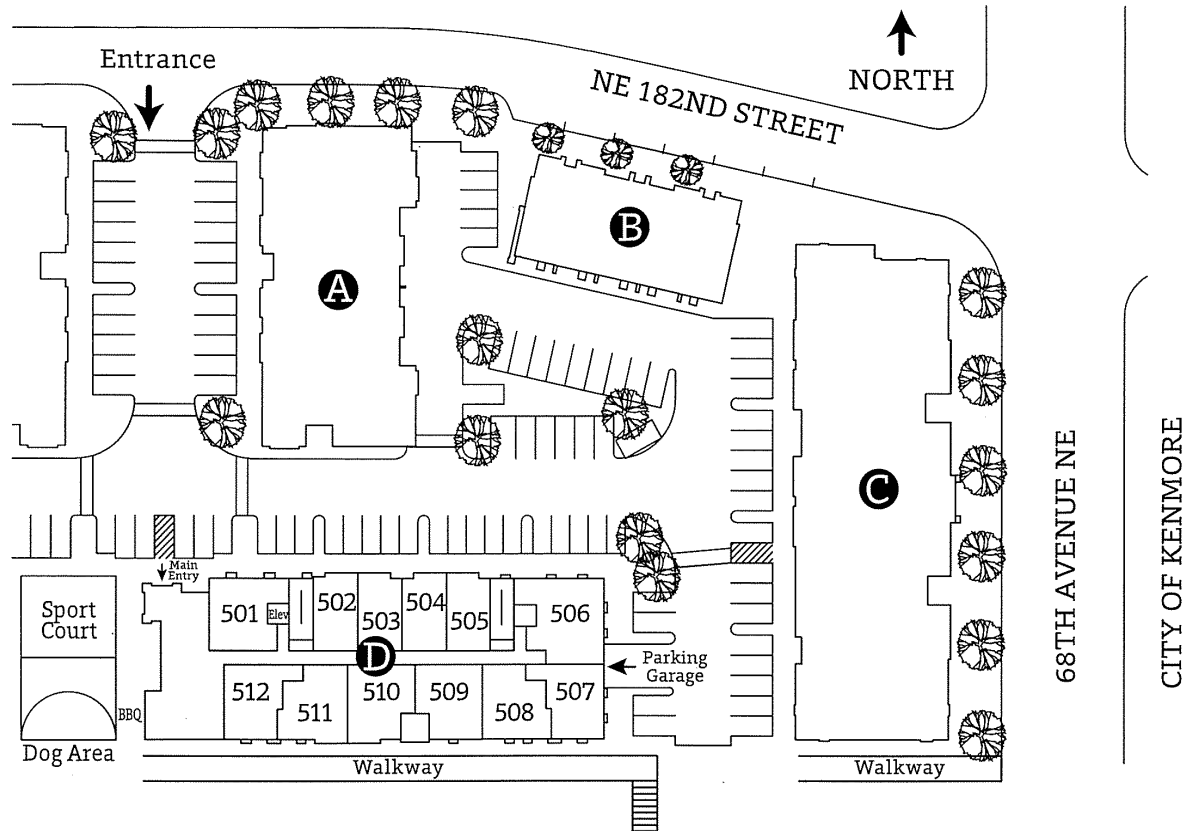


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Connection to the Future Spencer Square Retail Area



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425-408-0481

EXHIBIT C

DESIGNATION OF AFFORDABLE UNITS

Unit Number	Unit Type	Affordability
A-103	Open 1-bedroom (0015-A1)	85%
A-104	Open 1-bedroom (0015-A2)	50%
A-105	2-bedroom (2012-A1)	85%
A-202	Open 1-bedroom (0015-A4)	85%
A-203	Open 1-bedroom (0015-A5)	50%
A-207	1-bedroom (1025-A1)	85%
A-208	1-bedroom (1025-A1)	85%
A-209	2-bedroom (2012-A4)	85%
C-102	Open 1-bedroom (0015-A5)	85%
C-105	Open 1-bedroom (0015-A5)	85%
C-106	Open 1-bedroom (0015-A5)	85%
C-201	2-bedroom (2046-C1)	50%
C-203	Open 1-bedroom (0015-A5)	85%
C-204	Open 1-bedroom (0015-A5)	85%
C-207	Open 1-bedroom (0015-A5)	85%
C-208	2-bedroom (2012-C7)	85%
C-209	2-bedroom (2012-C8)	85%
C-210	1-bedroom+tech (1043-C3)	85%
C-211	1-bedroom+tech (1043-C3)	85%
C-212	Open 1-bedroom (0015-A5)	85%
C-213	1-bedroom+tech (1043-C3)	85%
C-214	1-bedroom (1043-C4)	85%
C-215	2-bedroom (2012-C5)	85%
C-301	2-bedroom (2046-C2)	85%
C-304	Open 1-bedroom (0015-C9)	85%
C-306	Open 1-bedroom (0015-C8)	85%
C-312	Open 1-bedroom (0015-C6)	85%
C-313	1-bedroom+tech (1043-C1)	85%
D-202	Open 1-bedroom (0015-A5)	85%
D-301	2-bedroom (2046-D1)	85%
D-302	Open 1-bedroom (0015-A5)	85%
D-303	Open 1-bedroom (0015-A5)	85%
D-304	Open 1-bedroom (0015-A5)	85%
D-305	Open 1-bedroom (0015-A5)	85%

EXHIBIT D

REGULATORY AGREEMENT AND COVENANT

See attached form of agreement.

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

KENMORE VILLAGE RESIDENTIAL PHASE 1

SECTION 1 — DEFINITIONS AND INTERPRETATION
SECTION 2 — RESIDENTIAL RENTAL PROPERTY
SECTION 3 — AFFORDABLE UNITS FOR ELIGIBLE HOUSEHOLDS
SECTION 4 — REPORTING REQUIREMENTS
SECTION 5 — SECTION 8 CERTIFICATE HOLDERS
SECTION 6 — LEASE PROVISIONS
SECTION 7 — SALE OR TRANSFER OF THE PROJECT
SECTION 8 — TERM
SECTION 9 — NO DISCRIMINATION
SECTION 10 — COVENANTS RUN WITH LAND
SECTION 11 — ENFORCEMENT
SECTION 12 — SUBORDINATION, TERMINATION, RIGHTS RESERVED BY
HUD
SECTION 13 — ESTOPPEL CERTIFICATE
SECTION 14 — AGREEMENT TO RECORD
SECTION 15 — RELIANCE
SECTION 16 — GOVERNING LAW
SECTION 17 — NO CONFLICT WITH OTHER DOCUMENTS
SECTION 18 — AMENDMENTS
SECTION 19 — NOTICES
SECTION 20 — FEE WAIVER REQUIREMENTS
SECTION 21 — SEVERABILITY
SECTION 22 — CONSTRUCTION
SECTION 23 — TITLES AND HEADINGS

EXHIBITS

"A" LEGAL DESCRIPTION OF PROPERTY
"B" DESIGNATION OF AFFORDABLE UNITS
"C" CERTIFICATE OF HOUSEHOLD ELIGIBILITY
"D" ANNUAL PROJECT CERTIFICATION

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

KENMORE VILLAGE RESIDENTIAL PHASE 1

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (the "Agreement") is made and entered into as of this _____ day of _____, 2015, by and between the CITY OF KENMORE, a Municipal Corporation of the State of Washington ("City") and MSPT VI LLC, a limited liability company ("Owner").

WITNESSETH:

A. This Agreement is predicated upon the following facts:

1) The Owner is the owner of property located at 18149 68th Ave NE in Kenmore, Washington. The Owner intends to develop said property in two and possibly more phases. In Phase 1(hereafter referred to as the "Project"), the Owner will construct and rent one hundred thirty-eight (138) rental units subject to City approval, and such other approvals by State and local agencies, as required.

2) The Project will include a minimum of thirty-five (35) affordable rental units for Moderate- and Low-Income Households ("Eligible Households," as the term is defined below). Such affordable rental units shall be of such bedroom quantity and quality as are in proportion to the overall proportion of bedroom quantity and quality of all of the rental units in the Project.

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

4) The Owner has indicated its willingness to accept certain conditions affecting the use of the Property, particularly with regard to Eligible Households.

5) The Parties enter this Agreement pursuant to a "Development Agreement By and Between the City of Kenmore and MSPT VI LLC for the Kenmore Village Residential Development," dated December 9, 2013, as amended ("Development Agreement"), which among other things, authorizes the Owner to develop the Kenmore Village Residential Development in phases, addresses affordable housing pursuant to Chapter 18.77 of the Kenmore Municipal Code ("KMC"), and addresses multi-family housing property tax exemption pursuant to Chapter 3.65 KMC.

6) The Parties enter this Agreement pursuant to KMC Section 20.47.040 KMC, which implements Road and Park Impact Fee Exemptions for Low-Income Housing.

7) Owner has applied for a limited property tax exemption for twelve years as provided in Chapter 84.14 RCW and Chapter 3.65 KMC for multi-family residential housing ("Multifamily Housing") in the Residential Targeted Area, and the Development Services Director has approved the application.

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

SECTION 1 – DEFINITIONS AND INTERPRETATION

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

"Affordable Rents" means a monthly housing expense, including if applicable a Utility Allowance, which is no greater than thirty percent (30%) of the monthly King County Median Income level for Eligible Households, as shown in the following table, as adjusted for Household Size. The maximum Affordable Rents shall be adjusted no more than once every twelve (12) months and such adjustment shall be by a factor equivalent to adjustments in the King County Median Income.

Applicable Levels of King County Median Income

Affordable Rent Level	
Low-Income	50%
Moderate-Income	85%

"Affordable Units" means the thirty-five (35) minimum units in the Project as selected by the Owner and as approved by the City or its Designee, as set forth in **Exhibit B**, and reserved for occupancy by Eligible Households pursuant to Section 3, adjusted for household size.

"City" means the City of Kenmore.

"Development Agreement" means the "Development Agreement By and Between the City of Kenmore and MSPT VI LLC for the Kenmore

Village Residential Development," dated December 9, 2013, as amended.

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

"Eligible Household" means one or more adults and their dependents which adults certify that they meet the qualifications for eligibility set forth below in this definition, Section 3.F of this Agreement, and as set forth in the Certificate of Household Eligibility attached hereto as Exhibit C and incorporated by reference herein, and who certify that their Household Income does not exceed the applicable percent of the King County Median Income, as set forth in this definition and Section 3.F of this Agreement, adjusted for household size.

Maximum Percent of King County Median Income at Occupancy

Income Level	
Low-Income	50%
Moderate-Income	85%

"Household Income" means all income from all household members over the age of 18 residing in the household. Income consists of those items listed in Exhibit C, Certificate of Household Eligibility (e.g. wages, interest income, etc.). Income of dependents who reside within a household for less than six (6) months of the year will not be counted toward Household Income.

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

<u>UNIT TYPE</u>	<u>AVERAGE HOUSEHOLD SIZE</u>
Studio/Open One Bedroom	1 Person
1 Bedroom	2 Persons
2 Bedroom	3 Persons
3 Bedroom	4 Persons

"King County Median Income" means the median income for the Seattle-Bellevue, WA HUD Metro FMR Area as most recently determined by the Secretary of Housing and Urban Development (the "Secretary") under Section 8(f)(3) of the United States Housing Act of 1937, as amended, or if programs under said

Section 8(f)(3) are terminated, median income determined under the method used by the Secretary prior to such termination.

"KMC" means the Kenmore Municipal Code.

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

"Owner" means MSPT VI LLC, a limited liability company, and its successors and assigns, and any surviving, resulting or transferee entity.

"Owner Representative" means the person or persons (who may be employees of the Owner) designated from time to time to act hereunder on behalf of the Owner in a written certification furnished to the City or its Designee, containing a specimen signature of such person or persons and signed by the Owner or on behalf of the Owner by a duly authorized representative of the Owner.

"Project" means the building, structures and other improvements to be constructed in Phase 1 on the Property, and all equipment, fixtures and other property owned by the Owner and located on, or used in connection with, such buildings, structures and other improvements and all functionally related and subordinate facilities. The parties acknowledge that the Project is the first phase of the Kirkland Village Residential Development as authorized in the Development Agreement.

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

"Property Tax Exemption Agreement" means that agreement titled Multifamily Housing Limited Property Tax Exemption Agreement, Kenmore Village Residential Phase 1, between the City and Owner dated _____.

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

"Regulatory Agreement" or "Agreement" means this Regulatory Agreement and Declaration of Restrictive Covenants, Kenmore Village Residential Phase 1, between the Parties.

"SHARE Program" City acknowledges that Developer has branded its own affordable program which shall adopt the agreed upon ARCH regulations and requirements.

"Utility Allowance" means that portion of housing expenses for utilities. Therefore, Affordable Rents are calculated assuming payment of all utilities (not including phone, internet service, or cable or satellite television) by the Owner. In the event gas and/or electric utilities, used for purposes of heating, cooking and/or lighting, are paid directly by the tenant, then the monthly Affordable Rent will be reduced by the following allowance:

Studio/Open One Bedroom	\$39
One Bedroom	\$59
Two Bedroom	\$79
Three Bedroom	\$99

The base year for the ARCH utility allowance figures is 2014. The allowance figures will be adjusted annually based on changes in the Consumer Price Index-U.S. Cities Average-All Urban Consumers. If water, garbage and/or sewage are paid for directly by the tenant, the affordable rent levels will be further reduced by the typical cost to the tenant of such utilities, or a set allowance established by the City or its Designee.

SECTION 2 – RESIDENTIAL RENTAL PROPERTY

A. General Description. The Project will be acquired and constructed for purposes of providing multi-family rental housing for Eligible Households and the Owner shall own, manage and operate (or cause the management and operation of) the Project to provide multiple family rental housing comprising a building or structure or several inter-related buildings or structures, each consisting of more than one dwelling unit and facilities functionally related and subordinate thereto, and no other facilities. As used herein, "facilities functionally related and subordinate" to the Project shall include facilities for use by the tenants, including, for example, recreational facilities, parking areas, and other facilities which are reasonably required for the Project, for example, heating and

cooling equipment, trash disposal equipment or units of resident managers or maintenance personnel.

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

C. Conversion to Condominium. In the event the Project is proposed for conversion to condominium, owner-occupied, or non-rental residential use, the Owner must submit to the City for its approval a plan for preserving the Affordable Units, which approval shall not be unreasonably withheld, conditioned or delayed. The City can consider options which would convert the Affordable Units to owner occupancy by Eligible Households and are consistent with the provisions of the Property Tax Exemption Agreement related to conversion to condominium use. This section does not waive the Owner's obligations to comply with any other law or regulations pertaining to conversion to ownership use.

SECTION 3 – AFFORDABLE UNITS FOR ELIGIBLE HOUSEHOLDS

A. Number of Affordable Units. All of the Affordable Units in the Project shall be leased or rented, or available for lease or rental, to the general public, and the Owner shall designate all of the Affordable Units, reserved for occupancy by Eligible Households, as follows:

King County Median Income Level	Affordable Units
Low-Income	3
Moderate-Income	32
Total	35

B. Designation/Re-designation of Affordable Units. The Affordable Units shall be those units indicated in **Exhibit B**. The Affordable Units so designated shall satisfy the requirements of Section 12 of the Development Agreement with regard to Phase 1, shall have substantially the same equipment and amenities as other dwelling units in the Project with the comparable number of rooms, and shall be intermingled with all other dwelling units.

The Owner, from time to time after declaration and construction of all thirty-five (35) Affordable Units, may propose to change the particular units declared as Affordable Units; provided that at all times at least thirty-five (35) of all of the residential units in the Project are designated as Affordable Units, and provided that at all times the same affordability and bedroom mix of Affordable Units are maintained. The Owner shall notify the City or its Designee of the proposed change in writing for the City's or its Designee's approval. The City or its Designee will review the proposed changes and shall base its approval or disapproval of the proposed changes based upon the criteria set forth in this Section. Approval shall not be unreasonably withheld or delayed.

C. Affordable Units Rent Level. The monthly rent for the Affordable Units occupied by Eligible Households shall not exceed the applicable Affordable Rents, and for each specific tenant, shall be adjusted no more than once every twelve (12) months.

D. Renting Affordable Units to Eligible Households. During the Qualified Project Period, the Owner shall rent or lease the Affordable Units to Eligible Households and, if at any time the Owner is unable to rent or lease the Affordable Units, the Affordable Units shall remain vacant pending rental or lease to Eligible Households.

E. Equal Access to Common Facilities. Tenants in the Affordable Units shall have equal access to enjoyment of all common facilities of the Project. All applicable optional rental fees shall apply to Affordable Units consistent with Market Rate Units.

F. Qualifying Eligible Household Income for Affordable Units at Initial Occupancy and Recertification. Qualifying Eligible Household Income at time of occupancy may not exceed the applicable percent of the King County Median Income set forth in the table below, adjusted for Household Size. If applicable pursuant to Section 4.D of this Agreement, at time of annual recertification, a household will remain eligible for a Low-Income Affordable Unit as long as Household Income does not exceed the Maximum Recertification Income set forth in the table below, adjusted for Household Size. For the Low-Income Affordable Units, if at the time of recertification Household Income exceeds the Maximum Recertification Income limit for the income level initially qualified for by a household, then such household must within ninety (90) days either: if they meet the

Qualifying Household Income for a Moderate-Income Affordable Unit, pay the applicable Affordable Rent for a Moderate-Income Affordable Unit, and the next available comparable Moderate-Income Affordable Unit must be rented as a Low-Income Affordable Unit; pay market rent and the next available comparable market rate unit must be rented as a Low-Income Affordable Unit; or vacate the unit, unless otherwise prohibited by law, to make it available for an Eligible Household. Annual recertification of household income is not required for the Moderate-Income Affordable Units.

Maximum Permitted Income Levels

Eligible Households	Maximum Initial Income	Maximum Recertification Income
Low-Income	50%	70%
Moderate-Income	85%	N/A

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

<u>Unit Size</u>	<u>Household Size</u>
Studio	1-2 Persons
1 Bedroom	1-2 Persons
2 Bedroom	1-4 Persons
3 Bedroom	2-6 Persons

SECTION 4 – HOUSEHOLD ELIGIBILITY AND REPORTING REQUIREMENTS

A. Notice of Occupancy Permit. Within thirty (30) days of issuance of any final inspection of the Project, or if applicable, occupancy permits, the Owner shall notify the City's Development Services Department or its Designee, of receipt of the first occupancy permit for the Project.

B. City Mailing List. The City, or City's Designee, maintains a mailing list of households interested in occupying Affordable Units. From time to time the City or its Designee will provide to the Owner the names of persons from the City's mailing list. In determining which eligible applicants shall be rented Affordable Units, the Owner shall, subject to Section 4.C below, reasonably consider persons on the City's mailing list, and when they were placed on the City's mailing list.

C. Completion of Certificate of Household Eligibility. Prior to allowing any household to occupy any Affordable Unit, the Owner shall require the prospective tenant to complete a

Certificate of Household Eligibility that shall be substantially in the form set forth in **Exhibit C**. The Owner shall also undertake a good faith effort to verify the applicant's Household Income, as reported on the completed Certificate. The Owner's obligation to verify the reported Household Income shall be limited to requesting copies of and reviewing the applicant's federal income tax returns, unless the Owner has actual knowledge, or reason to believe, that the information provided by the applicant is materially inaccurate. In the event federal income tax returns are not available, Household Income shall be verified by wage or salary statements, or other income records that the City or its Designee may consider appropriate.

D. Annual Recertification of Residents. On an annual basis, the Owner shall require all households occupying a Low-Income Affordable Unit to complete and return to the Owner an updated Certificate of Household Eligibility. The Owner shall undertake a good faith effort to verify the reported Household Income, as reported in the completed Certificate. The Owner's obligation to verify the Household Income shall be limited to obtaining a copy of and reviewing the tenant's federal income tax returns, unless the Owner has actual knowledge or reason to believe that the information provided by the household is materially inaccurate. In the event federal income tax returns are not available, Household Income shall be verified by wage or salary statements, or other income records the City or its Designee may consider appropriate.

Such certifications shall be filed with the City or its Designee, by attachment to the Annual Project Certification required pursuant to Subsection E of this Section and are subject to independent investigation and verification by the City or its Designee.

E. Annual Project Certification. After rental of the first Affordable Unit and until 90% of the rental units are occupied, the Owner shall, on a quarterly basis, file with the City or its Designee an Annual Project Certification, in substantially the form of **Exhibit D**. Thereafter, during the term of this Agreement, such certification shall be filed annually on or before March 31st and shall set forth the required information for the preceding year.

F. Form of Certification. Notwithstanding anything in this Section to the contrary, all documentation required by this Section shall be submitted on the forms designated herein as such forms may be modified by the City or its Designee from time

to time. Changes to forms by the City or its Designee shall not significantly enlarge the Owner's obligations hereunder.

G. Maintain Complete Records. The Owner shall maintain complete and accurate records pertaining to the Affordable Units, and shall permit any duly authorized representative of the City, including, without limitation, its Designee to inspect the books and records of the Owner pertaining to the Affordable Units, and if applicable, incomes of Eligible Households residing in the Project. Failure to maintain such records or failure to allow examination by the City or any duly authorized representative shall constitute a default hereunder.

SECTION 5 - SECTION 8 CERTIFICATE HOLDERS

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

SECTION 6 - LEASE PROVISIONS

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

B. In the event income certifications are required pursuant to Section 4.C of this Agreement, all leases for Eligible Households shall contain clauses wherein each individual lessee: (i) certifies the accuracy of the statements made in the Certificate of Household Eligibility, (ii) agrees that the household income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy, and (iii) agrees that misrepresentation in the certification is a material breach of the lease, entitling the Owner to terminate the lease for the Affordable Unit.

SECTION 7 - SALE OR TRANSFER OF THE PROJECT

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

SECTION 8 - TERM

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

SECTION 9 - NO DISCRIMINATION

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

SECTION 10 - COVENANTS RUN WITH LAND

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

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

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

SECTION 11 - ENFORCEMENT

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

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

2) Have access to, and inspect, examine and make copies of, all of the books and records of the Owner pertaining to this Agreement or enforcement of this Agreement; provided that the City or its Designee shall not divulge such information to any third party unless required by law or unless the same is necessary to enforce the City's rights hereunder; and

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

4) The Owner hereby grants to the City or the Designee the option, upon the Owner's default under this Agreement, for the Qualified Project Period to lease up to thirty-five (35) of the units in the Project as mutually selected by the City or its Designee and the Owner for the purpose of subleasing such units to Eligible Households, but

only to the extent necessary to comply with the provisions of this Agreement. The City or its Designee may lease from the Owner the units at the Affordable Rent level less a reasonable management fee to reimburse the City or its Designee for any expenses incurred in connection with such sublease. The City or its Designee may terminate its lease of the units in the Project upon determination that the Owner is no longer in default pursuant to this Agreement.

B. Hold Harmless. The Owner hereby agrees to pay, indemnify and hold harmless the City, its Designee, and any other party authorized hereunder to enforce the terms of this Agreement, from any and all costs, expenses and fees, including all attorneys' fees which may be incurred by the City or the Designee or any other party in enforcing or attempting to enforce this Agreement following any default hereunder on the part of the Owner, whether the same shall be enforced by suit or otherwise; together with all costs, fees and expenses which may be incurred in connection with any amendment to this Agreement or otherwise by the City at the request of the Owner.

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

SECTION 12 - SUBORDINATION, TERMINATION, RIGHTS RESERVED BY HUD

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

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

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

(3) Title to the Project is acquired by HUD/FHA, Veterans Administration ("VA"), Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation

("FHLMC") or another party upon foreclosure of a deed of trust or mortgage ("Deed of Trust") insured, made or held by HUD/FHA, VA, FNMA, FHLMC or an institutional, third-party lender or investor (collectively, "Lender").

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

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

B. Notwithstanding anything in this Agreement to the contrary:

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

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

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

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

SECTION 13 - ESTOPPEL CERTIFICATE

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

SECTION 14 - AGREEMENT TO RECORD

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

SECTION 15 - RELIANCE

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

SECTION 16 - GOVERNING LAW - COMPLIANCE WITH LAW

This Agreement shall be governed by the laws of the State of Washington, except to the extent such laws conflict with the laws of the United States or the regulations of federally insured depository institutions, or would restrict activities

otherwise permitted in relation to the operation of federally insured depository institutions. This Agreement is subject to, and the parties shall comply with, the applicable requirements and procedures of Chapters 3.65 and 18.77 KMC.

SECTION 17 – NO CONFLICT WITH OTHER DOCUMENTS

The Owner warrants that it has not executed and will not execute, any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith except for the Multifamily Housing Limited Property Tax Exemption Agreement referenced in Section 21 herein.

SECTION 18 – AMENDMENTS

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

SECTION 19 – NOTICE

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

If to the City: City of Kenmore
Attn: Rob Karlinsey, City Manager
18120 68th Ave. N.E.
Kenmore, WA 98028

With a copy to the Designee
A Regional Coalition for Housing (ARCH)
16225 NE 87th Street, Suite A-3
Redmond, WA 98052
Attn: Housing Planner

If to the Owner: MSPT VI LLC
Attn: Kelly Price
12332 NE 115th Place
Kirkland, WA 98033

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

SECTION 20 - FEE WAIVER REQUIREMENTS

Pursuant to the Development Agreement and Chapter 20.47 KMC, the Owner received fee waivers for Low-Income Affordable Units in the approximate amount of Sixteen Thousand Three Hundred Six Dollars and Ninety-Three Cents (\$16,386.93) for Road Impact Fees and Four Thousand Nine Hundred Seventy-Six Dollars and Forty-Six Cents (\$4,976.46) for Park Impact fees as consideration for the provision of three Low-Income Affordable Units in the Project. In the event at any time during the term of this Agreement, the Low-Income Affordable Units are not provided pursuant to the provisions of this Agreement, the City retains the right to require the Owner to pay to the City all fees that were waived at the rate prevailing at the time the City determines the Project is no longer conforming to the affordability requirements of this Agreement. This provision shall survive termination of the Agreement prior to expiration of the Qualified Project Period.

SECTION 21 - MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION AGREEMENT

This Agreement is subject to the terms and conditions of the Limited Property Tax Exemption Agreement. In the event of any conflict between the terms of this section and the terms of the Property Tax Exemption Agreement, the terms of the Property Tax Exemption Agreement shall control. All amounts payable hereunder shall be paid without any set-off or deduction of any nature. This provision shall survive termination of the Agreement prior to expiration of the Qualified Project Period.

SECTION 22 - SEVERABILITY

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

SECTION 23 - CONSTRUCTION

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

SECTION 24 - TITLES AND HEADINGS

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

IN WITNESS WHEREOF, the Owner and City have each executed the Regulatory Agreement and Declaration of Restrictive Covenants on the Date first above written.

Owners:

City:

Kelly Price
Its Manager

Rob Karlinsey
Its: City Manager

Approved as to Form:

City Attorney

STATE OF WASHINGTON }
 }
COUNTY OF KING } ss.

On this _____ day of _____, 2014, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, known to me to be the _____ of the CITY OF KENMORE, who executed the foregoing document on behalf of said City, and acknowledged the said document to be the free and voluntary act and deed of said City, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said document.

IN WITNESS WHEREOF I have given under my hand and official seal this ____ day of _____, 2014.

Notary Public in and for the State
of Washington.

Print Name _____

Residing at _____

My commission expires _____

STATE OF WASHINGTON }
 }
COUNTY OF KING } ss.

On this _____ day of _____, 2014, before me,
a Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared
_____, to me known to be the
_____ of _____, corporation,
who executed the foregoing instrument on behalf of the said
corporation, and acknowledged the said document to be the free
and voluntary act and deed of said corporation for the uses and
purposes therein mentioned, and on oath stated that s/he was
authorized to execute said document.

IN WITNESS WHEREOF I have given under my hand and official seal
this ____ day of _____, 2014.

Notary Public in and for the State
of Washington.

Print Name _____

Residing at _____

My commission expires _____

EXHIBIT A

LEGAL DESCRIPTION

LOT #1 OF SPENCER68 BINDING SITE PLAN RECORDED UNDER
RECORDING NO. 20140520000886 IN KING COUNTY, WA.

EXHIBIT B**DESIGNATION OF AFFORDABLE UNITS**

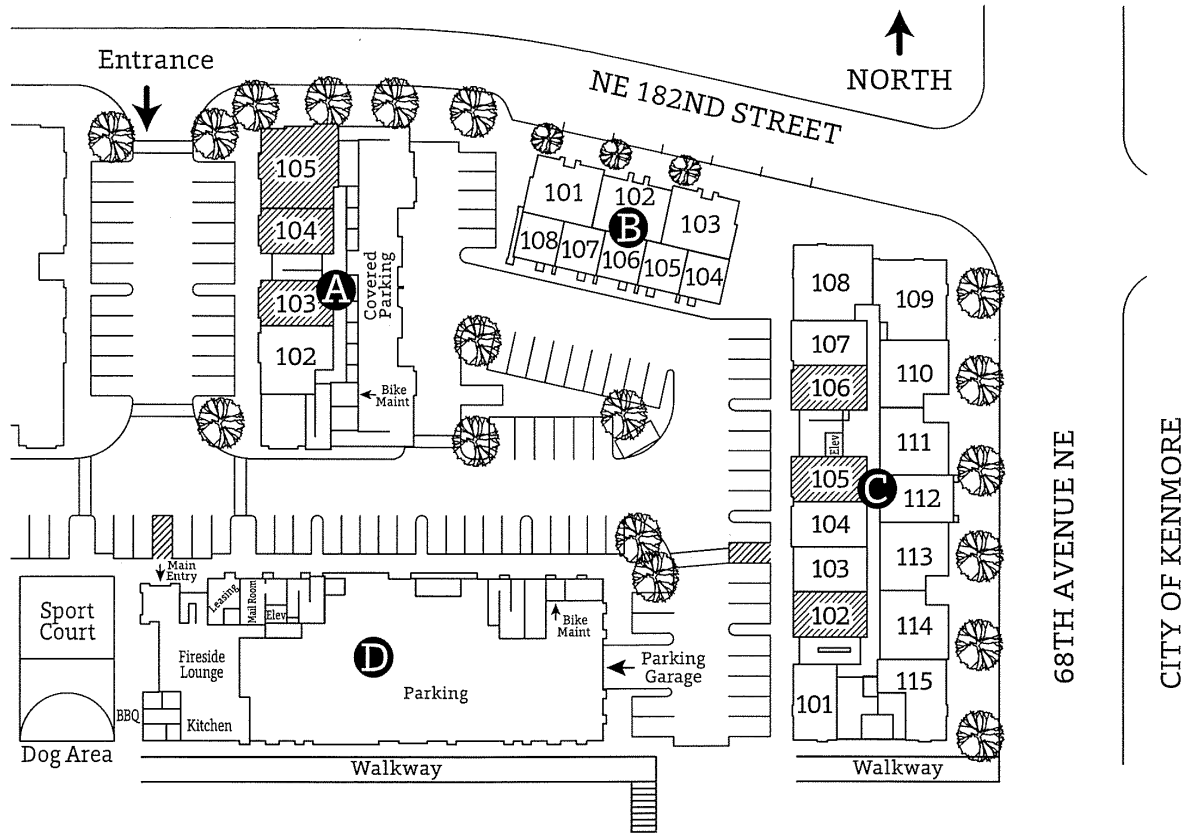
Unit Number	Unit Type	Affordability
A-103	Open 1-bedroom (0015-A1)	85%
A-104	Open 1-bedroom (0015-A2)	50%
A-105	2-bedroom (2012-A1)	85%
A-202	Open 1-bedroom (0015-A4)	85%
A-203	Open 1-bedroom (0015-A5)	50%
A-207	1-bedroom (1025-A1)	85%
A-208	1-bedroom (1025-A1)	85%
A-209	2-bedroom (2012-A4)	85%
C-102	Open 1-bedroom (0015-A5)	85%
C-105	Open 1-bedroom (0015-A5)	85%
C-106	Open 1-bedroom (0015-A5)	85%
C-201	2-bedroom (2046-C1)	50%
C-203	Open 1-bedroom (0015-A5)	85%
C-204	Open 1-bedroom (0015-A5)	85%
C-207	Open 1-bedroom (0015-A5)	85%
C-208	2-bedroom (2012-C7)	85%
C-209	2-bedroom (2012-C8)	85%
C-210	1-bedroom+tech (1043-C3)	85%
C-211	1-bedroom+tech (1043-C3)	85%
C-212	Open 1-bedroom (0015-A5)	85%
C-213	1-bedroom+tech (1043-C3)	85%
C-214	1-bedroom (1043-C4)	85%
C-215	2-bedroom (2012-C5)	85%
C-301	2-bedroom (2046-C2)	85%
C-304	Open 1-bedroom (0015-C9)	85%
C-306	Open 1-bedroom (0015-C8)	85%
C-312	Open 1-bedroom (0015-C6)	85%
C-313	1-bedroom+tech (1043-C1)	85%
D-202	Open 1-bedroom (0015-A5)	85%
D-301	2-bedroom (2046-D1)	85%
D-302	Open 1-bedroom (0015-A5)	85%
D-303	Open 1-bedroom (0015-A5)	85%
D-304	Open 1-bedroom (0015-A5)	85%
D-305	Open 1-bedroom (0015-A5)	85%

See attached diagram.

THE SPENCER 68

APARTMENTS + LOFTS @ KENMORE VILLAGE

- A** The Trailhead
- B** The Burke
- C** The Propeller
- D** The Lake House



Connection to the Future Spencer Square Retail Area



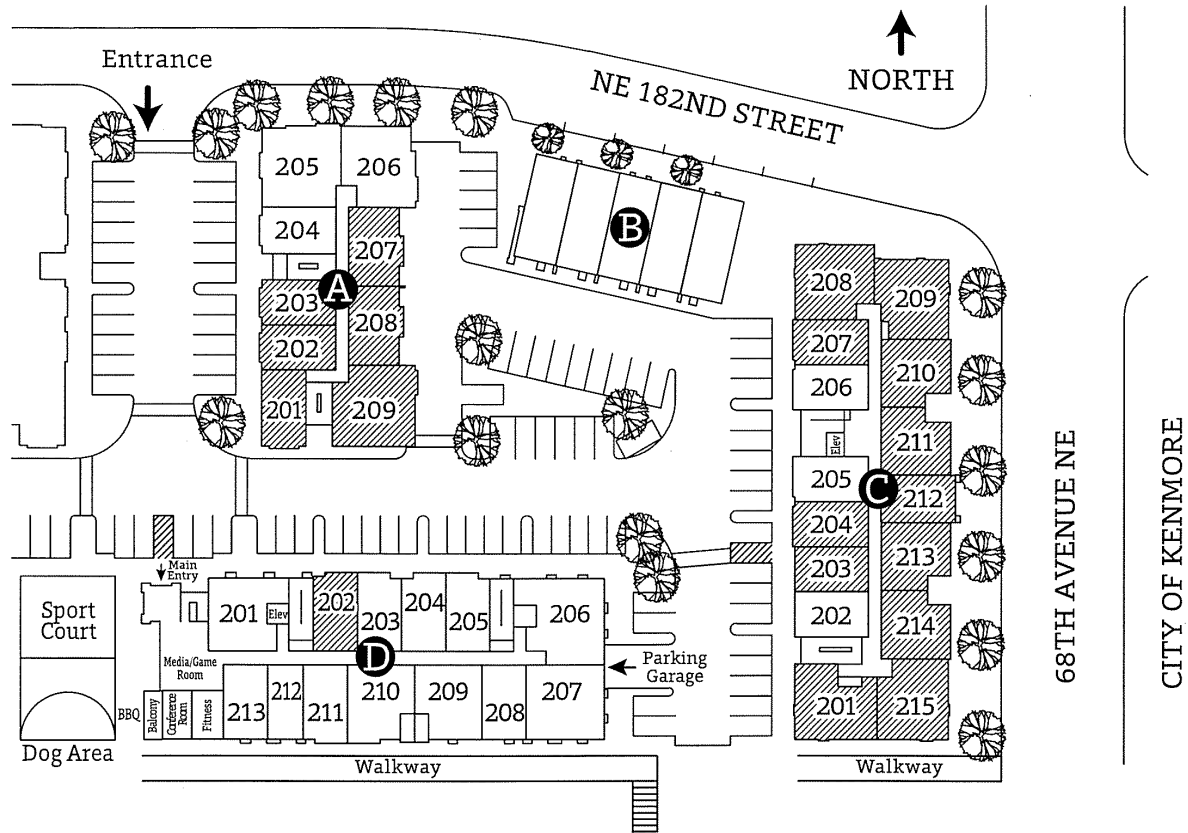
www.liveatspencer68.com | 6711 NE 182nd Street, Kenmore | hello@liveatspencer68.com

425-408-0481

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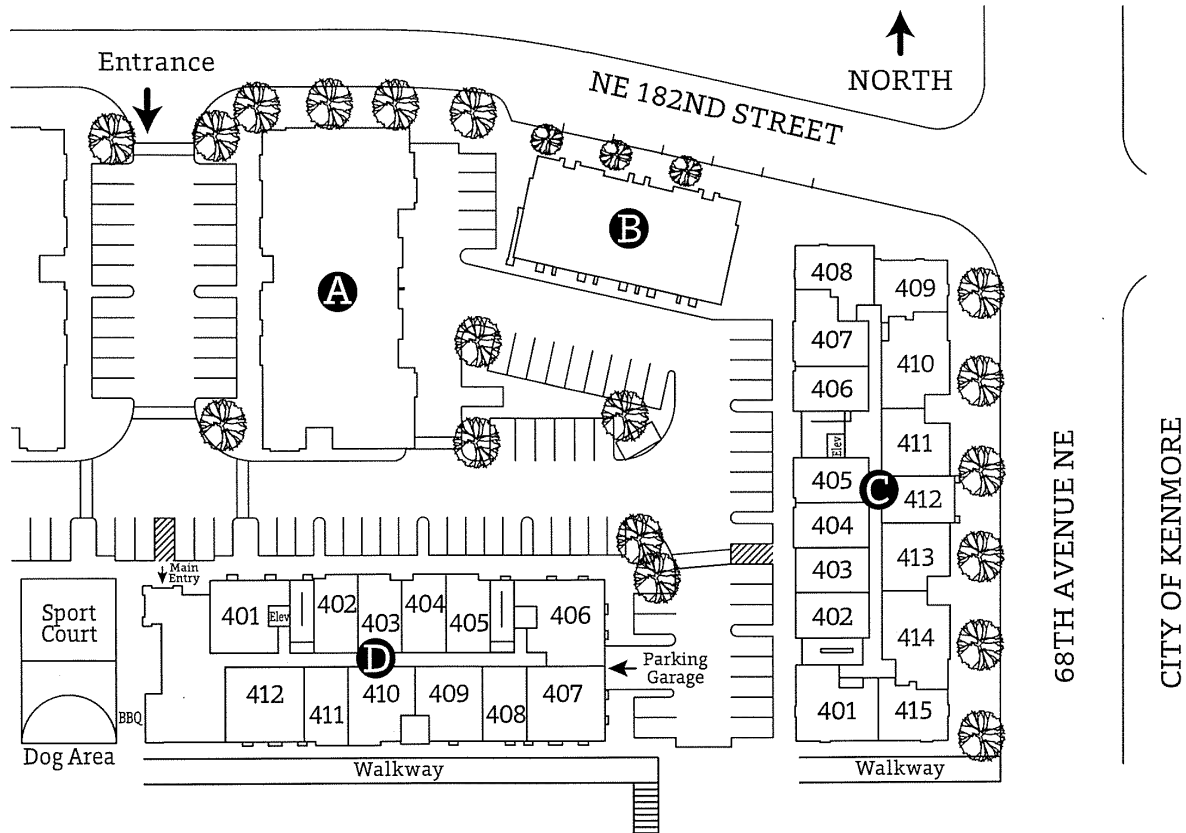
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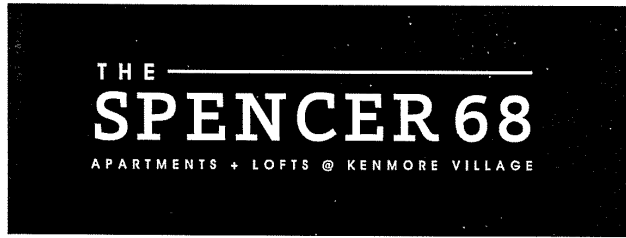


Connection to the Future Spencer Square Retail Area

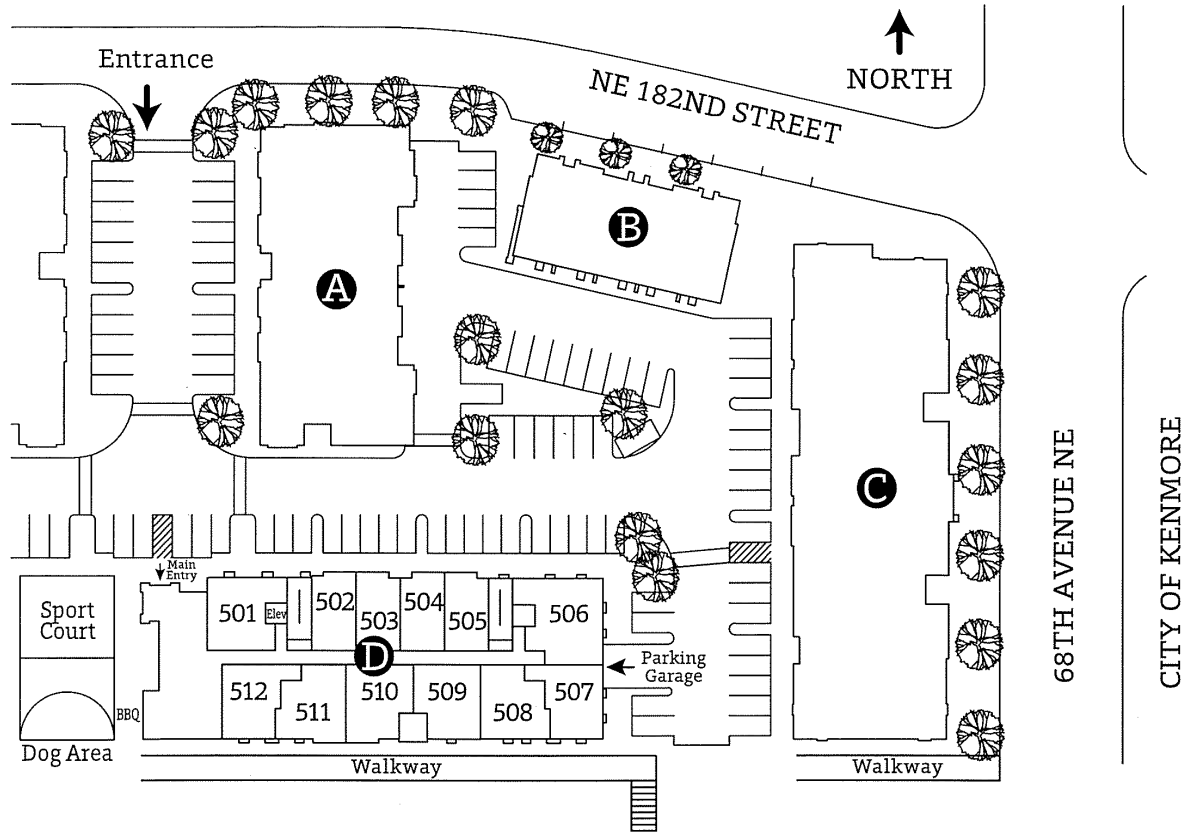


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EXHIBIT C

FORM OF CERTIFICATE OF HOUSEHOLD ELIGIBILITY

See attachment.



Together Center Campus
16225 NE 87th Street, Suite A-3 ♦ Redmond, WA 98052
(425) 861-3677 ♦ Fax: (425) 861-4553
WEBSITE: www.archhousing.org

CERTIFICATION OF HOUSEHOLD ELIGIBILITY

I, _____, and I, _____, as applicants for rental of the following Affordable unit, do hereby represent and warrant that my/our adjusted annual income is \$ _____

Project: _____ Project Address: _____

Unit # _____ No. of Bedrooms: _____ Household size *: _____ Disabled: Yes / No

Household Members:

_____, Age _____	_____, Age _____
_____, Age _____	_____, Age _____
_____, Age _____	_____, Age _____

The attached computation is \$ _____, and includes all income I/we received for the date I/we execute a rental agreement for an affordable unit, or the date on which I/we will initially occupy such unit, whichever is earlier.

This affidavit is made with the knowledge that it will be relied upon by the City to determine maximum income for eligibility. I/We warrant that all information set forth in this Certification of Household Eligibility is true, correct and complete based upon information I/We deem reliable, and that the estimate contained in the preceding paragraph is reasonable and based upon such investigation as the undersigned deemed necessary. I/we will assist the Owner in obtaining any information or documents required to verify the statements made in this Certification.

I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of this unit by institution of an action for eviction or other appropriate proceedings.

I/We do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Applicant _____ *Applicant* _____

Date: _____ *Date:* _____

Mailing Address _____ *Phone* _____

BEAUX ARTS VILLAGE ♦ BELLEVUE ♦ BOTHELL ♦ CLYDE HILL ♦ HUNTS POINT ♦ ISSAQUAH ♦ KENMORE ♦ KIRKLAND
MEDINA ♦ MERCER ISLAND ♦ NEWCASTLE ♦ REDMOND ♦ SAMMAMISHWOODINVILLE ♦ YARROW POINT ♦ KING COUNTY

INCOME COMPUTATION

"Household income" includes all items listed below, from all household members over the age of 18. Income of dependents over 18, who reside in the unit for less than four (4) months of the year will not be counted toward household income.

For the previous 12 month period, indicate income received from the following sources:

- a) The full amount, before any payroll deductions, of wages, salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services, and payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay and any earned income tax credit to the extent that it exceeds tax liability; a) _____
 - b) Net income from operations of a business or profession or net income of any kind from real or personal property; b) _____
 - c) Interest and dividends; c) _____
 - d) The full amount of periodic payments received from Social Security, pensions, retirement funds, annuities, insurance policies, disability or death benefits, alimony, child support, or any similar type of periodical payments, and any regular contributions or gifts from persons not residing in the unit; d) _____
 - e) Public assistance payments; e) _____
 - f) Regular and special allowances and pay of a member of the Armed Forces who is a spouse or head of the family. f) _____
- TOTAL \$ _____

(NOTE: The following are not considered income: occasional, infrequent gifts of money; one-time payments from insurance policies or an inheritance settlement; scholarships or student loans for tuition, fees or books; foster child care payments; the value of Food Stamp coupons; hazardous duty pay to a member of the Armed Forces; relocation payments; assistance received under the Low Income Home Energy Assistance Program or any similar program).

EXHIBIT D

FORM OF ANNUAL PROJECT CERTIFICATION

See attachment.

ANNUAL PROJECT CERTIFICATION

Project: _____

Address: _____

The undersigned hereby certifies that during the annual Reporting Period ending _____, _____ units or _____ percent of the residences in the Project were utilized as Affordable housing, as required in the Regulatory Agreement, in the following manner:

- a) _____ units or _____ percent of units in the Project were rented to Tenants who did not exceed the applicable income limits of _____% or _____% of area median income;
- b) _____ units or _____ percent of units in the Project were rented to Tenants who exceeded _____% or _____% of area median income but were below _____% or _____% of area median income;
- c) _____ units or _____ percent of units in the Project were rented to Tenants who now exceed _____% or _____% of area median income, and therefore can no longer be considered eligible for Affordable units;
- d) _____ units or _____ percent of units in the Project are being held vacant for eligible Tenants.

The above information and that on the attached sheet(s) has been verified as required by the Regulatory Agreement between the City of _____ and
Owner Organization Name: _____

Name of Owner

Signature of Owner

Date: _____, 20____

TENANT QUALIFICATION CODES

A. Low Income: Tenants whose household income does not exceed _____% of the area median income, adjusted for Household Size.

1. Previously qualified;
2. Qualified during the Reporting Period;
3. Income change, but still qualify (household income does not exceed _____% of area median income);
4. Overqualified (household income exceeds _____% of area median income), and,
 - a. vacated the Affordable unit.
 - b. Tenant remaining in unit, now paying Low-Moderate or Moderate Income rent if qualified (indicate which unit has been substituted as a Low Income unit).

B. Low-Moderate Income: Tenants whose household income does not exceed _____% of the area median income, adjusted for Household Size.

1. Previously qualified;
2. Qualified during the Reporting Period;
3. Income change, but still qualify (household income does not exceed _____% of area median income);
4. Overqualified (household income exceeds _____% of area median income), and,
 - a. Vacated the Affordable unit.
 - b. Tenant remaining in unit, now paying Moderate Income rent if qualified (indicate which unit has been substituted as a Low-Moderate Income unit).

C. Moderate Income Household: Tenants whose household income does not exceed _____% of the area median income, adjusted for Household Size.

1. Previously qualified;
2. Qualified during the Reporting Period;
3. Income change, but still qualify (household income does not exceed _____% of area median income);
4. Overqualified (household income exceeds _____% of area median income), and vacating unit

ANNUAL PROJECT CERTIFICATION

PROJECT NAME _____

REPORTING PERIOD: _____ through _____

Unit Number	Unit Type	Tenant Name	Household Income	Family Size	Number of Bedrooms	Current Rent	Move-In Date	Tenant Qualification Codes

Vacancy Status: The following units are vacant as of _____ and are being held vacant for eligible Tenants.

City of Kenmore Contract No. 13-C1198

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF KENMORE
AND MSPT VI LLC, FOR THE
KENMORE VILLAGE RESIDENTIAL DEVELOPMENT**

THIS DEVELOPMENT AGREEMENT ("**Agreement**") is made and entered into this 9th day of December, 2013, by and between the CITY OF KENMORE, a Washington municipal corporation, hereinafter the "**City**," and MSPT VI LLC, a limited liability company organized under the laws of the State of Washington, hereinafter the "**Developer**."

RECITALS

WHEREAS, RCW 36.70B.170 authorizes the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction; and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to, govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement; and

WHEREAS, this Agreement relates to the residential development referred to in this Agreement for identification purposes as Kenmore Village Residential (the "**Project**") to be constructed by Developer on the Property described in Section 2 of this Agreement; and

WHEREAS, the Project is further described in Site Plan Application No. CSP2013-073 filed by the Developer with the City (the "**Application**"); and

WHEREAS, the Developer and the City envision the Project as being an integral part of the overall "Kenmore Village" development of real property formerly owned by the City, with the Project forming the multi-family residential component consisting of a mix of high quality residential units which may (but shall not be required to) include a mix of townhome, apartment-style, senior citizen assisted living or independent retirement housing units, further including affordable housing consistent with the City's affordable housing policies; and

WHEREAS, it is anticipated that the Project will be developed in accordance with certain timelines established in the purchase and sale agreement between the City and the Developer pursuant to which the Real Property has been sold by the City to the Developer; and

WHEREAS, the following events have occurred as of the date of this Agreement with respect to the processing of the Application:

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a) City Manager final decision dated November 25, 2013 approving the Site Plan (Project Number: CSP2013-073) has been issued, and, if the City Council passes the ordinance for this Agreement, on the date such ordinance passes: (i) the City Manager final decision shall become effective, and (ii) the period for appeal of such City Manager final decision shall commence; and

b) SEPA decision issued December 9, 2013; and

c) After a public hearing, by Ordinance No. 13-0371, the City Council authorized the City Manager to sign this Agreement with the Developer;

NOW, THEREFORE, the City and the Developer hereby agree as follows:

GENERAL PROVISIONS

Section 1. The Project. "The Project" is the development and use of the Property contemplated in this Agreement and the Site Plan. The Site Plan, consistent with Addendum No. 1 to the Agreement for Purchase, Sale and Development of Property for Residential Purposes dated July 13, 2013, between the City, as seller, and Developer, as buyer (Contract No. 13-C-1170) (the "**Purchase and Sale Agreement**"), describes the Project as a residential project comprised of high quality residential units (e.g., multifamily, townhome, senior citizen assisted living or independent retirement center) units not less than 25% of which are dedicated to affordable housing as set forth in KMC Chapter 18.77.

Section 2. The Property. The Property consists of approximately 4.7 acres of real property located at 18149 68th Ave NE, Kenmore, Washington, legally described on Exhibit A hereto (the "**Real Property**").

Section 3. Definitions. In addition to such other terms as are defined throughout this Agreement, as used in this Agreement, the following terms, phrases and words shall have the following meanings:

3.1 "Adopting Ordinance" means the ordinance which approves this Agreement as required by RCW 36.70B.200.

3.2 "Certificate of Occupancy" means either a certificate issued after inspections by the City authorizing a person(s) in possession of property to dwell or otherwise use a specified building or dwelling unit, or the final inspection if a formal certificate is not issued. Temporary or phased occupancy of the Project may be authorized before the completion of the entire work covered by the Project pursuant to KMC 15.30.510. "Certificate of Occupancy" as used herein does not include a temporary or phased certificate of occupancy.

3.3 "Certificate of Satisfaction" has the meaning stated in Section 8.3 of this Agreement.

3.4 "City Manager" means the City Manager or, to the extent within the City Manager's authority, his or her designee.

3.5 "Development Requirements" has the meaning stated in Section 8.1 hereof.

3.6 "Development Standards" includes, but is not limited to, all of the standards listed in RCW 36.70B.170(3) and, except as specifically deviated from as shown on the Approved Site Plan and Phasing Plan, Exhibit B hereto, all applicable standards in KMC Chapters 12 through Chapter 21, the terms and conditions of which, as in effect on the Effective Date, are hereby incorporated into and made a part of the terms and conditions of this Agreement.

3.7 "Effective Date" means the effective date of the Adopting Ordinance.

3.8 "Existing Land Use Regulations" means the ordinances adopted by the City Council of Kenmore in effect on the Effective Date, the terms and conditions of which are hereby incorporated into and made a part of this Agreement, and which include the adopting ordinances that govern the permitted uses of land, the density and intensity of use, and the design, improvement, construction standards and specifications applicable to the development of the Property, including, but not limited to: the Comprehensive Plan; the City's Official Zoning Map; applicable standards in KMC Chapters 12 through 21 including development standards, street standards, surface water and utility requirements; SEPA; and all ordinances, KMCs, rules and regulations of the City establishing subdivision and other development standards. Existing Land Use Regulation does not include taxes or permit review fees or any fees or other amounts required by or payable to any governmental entity other than the City.

3.9 "Force Majeure" means "acts of God" or the public enemy; civil war; insurrection or riots; fires; explosions or serious accidents; strikes or labor disputes; inability to obtain necessary materials, accessories, equipment, or parts from the manufacturers thereof not caused or contributed to by the party claiming delay for such reason; abnormal weather or unforeseen, abnormal soils conditions which necessitate delays; or other abnormal and unforeseen event or condition not caused by or contributed to and beyond the reasonable control of the party claiming excused delay for such reason.

3.10 "Impact Fee" has the meaning stated in KMC 20.47.020(0), hereby incorporated into and made a part of this Agreement.

3.11 "Kenmore Village" means the integrated development of real property formerly owned by the City, comprised of commercial, retail and residential components.

3.12 "Kenmore Village Commercial Property" means the commercial development proposed to occur on the property adjoining the Real Property to the south of the Property, and that will constitute the commercial and retail component of Kenmore Village.

3.13 "Kenmore Village Residential Property" means the residential development that is the subject of this Agreement. The Project will constitute the residential component of Kenmore Village.

3.14 "KMC" means the Kenmore Municipal Code.

3.15 "Landowner" is the party who has acquired any portion of the Property from the Developer who, unless otherwise released as provided in this Agreement, shall be subject to the applicable provisions of this Agreement including, without limitation, the terms, provisions and requirements of Section 8.3 (Phase 2 Requirements).

3.16 "Post-Termination Obligations" means the respective obligations of either or both of the parties hereto expressly stated in Section 16 hereof.

3.17 "SEPA" means the Washington State Environmental Policy Act of 1971, RCW Ch. 43.21C.

3.18 "Temporary or Phased Certificate of Occupancy" means a certificate of occupancy authorizing occupancy of a portion of the Project issued pursuant to KMC 15.30.510.

Section 4. Exhibits. The following Exhibits to this Agreement (the "**Exhibits**") are attached hereto and by this reference incorporated into and made a part of this Agreement:

- Exhibit A – Legal description of the Property
- Exhibit B – Approved Site Plan and Phasing Plan
- Exhibit C – Expedited Permit Review and Submittal Time Periods
- Exhibit D – Certificate of Satisfaction Form
- Exhibit E – Notice of Termination
- Exhibit F – Project Renderings
- Exhibit G – Declaration of Covenants
- Exhibit H – City Letter re Affordable Housing Property Tax Exemption

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Section 5. Project is a Private Undertaking. It is agreed between the parties that the Project is a private development and that the City has no interest therein except as authorized in the exercise of its governmental functions.

Section 6. Term of Agreement. This Agreement shall commence on the Effective Date and, subject to Section 16.1 hereof, shall continue in force for a period of ten (10) years from the Effective Date unless sooner terminated or extended for a period of up to five (5) years as provided herein. Any extension must be request by Developer at least 90 days prior to the expiration of the term of this Agreement. Because this Agreement is associated with land use decisions, the City Manager may grant such an extension of up to five years if, at the end of the 10-year period referred to above, those actions described in this Agreement to be completed by Developer during those first 10 years have been completed and the Developer demonstrates to the reasonable satisfaction of the City Manager that the residential units to be constructed under Phase 1 of the Project, as shown on the Approved Site Plan and Phasing Plan and any approved amendments thereto, comprise at least fifty percent (50%) of the Project's total residential units and have been constructed. All other requests for extensions shall be reviewed by the city council. Following the termination hereof, this Agreement shall have no force and effect, subject to the Post-Termination Obligations of the parties. Phasing and approval of the Site Plan are valid for the term of this Agreement. Any modification to the terms of KMC 18.110.060(C)(3) after the Effective Date shall not alter the terms of this Section.

Section 7. Vested Rights of Developer. Except as otherwise expressly stated in this Agreement, during the term of this Agreement, in developing the Property consistent with Development Standards and Existing Land Use Regulations specified in this Agreement, the development rights, obligations, terms and conditions expressly stated in this Agreement are fully vested in the Developer and may not be changed or modified by the City, except (1) by mutual consent of all the parties hereto and in accordance with the process established by law for the adoption of a development agreement; or (2) to the extent required by a serious threat to public health and safety. For avoidance of doubt, the City hereby reserves, and shall at all times have, authority to impose new or different regulations, conditions or requirements for development of the Property (including regulations, conditions or requirements that may be inconsistent with the Development Standards and Existing Land Use Regulations specified in this Agreement) to the extent required by a serious threat to public health and safety. Building permits and other permits subject to KMC Titles 15 (Buildings and Construction) and 20 (Development Permits) (excluding 20.47 and 20.50, which are covered by this Agreement) shall be considered under the provisions of KMC Titles 15 and 20 (excluding 20.47 and 20.50) in effect at the time of submittal of a valid and fully complete application, which requirements shall apply in place of, and not be subject to, Section 7 (Vesting) of this Agreement. Notwithstanding the foregoing, no changes to either of the International Building Code or International Fire Code or state adoption

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thereof, taking effect after the date of this Agreement, shall require redesign or modification of any Project utilities, facilities or other infrastructure permitted, approved (including any of the foregoing approved in the Approved Site Plan and Phasing Plan) or installed previous to or in accordance with this Agreement unless, and except to the extent redesign or modification is required to avoid a serious threat to the public health or safety.

Section 8. Development Standards.

8.1 Permitted Uses and Code Deviations. The permitted uses, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation and dedication of land or payment of fees in lieu of dedication for public purposes, the construction, installation and extension of public improvements, development guidelines and standards for development of the Property shall be, to the extent expressly stated herein or therein, those set forth in this Agreement, the permits and approvals identified herein, and all exhibits incorporated herein (collectively, the "**Development Requirements**"), including, but not limited to, Exhibit B – Approved Site Plan and Phasing Plan, and the Development Standards and Existing Land Use Regulations. The Development Requirements set forth in this Agreement are hereby adopted and, to the fullest extent allowed by applicable law and, subject to the qualifications and provisions stated in Sections 7 and 8.3 hereof, shall govern and control all development in the Project. For purposes of construction and interpretation, the City and Developer acknowledge and agree that the Development Requirements are intended to be compatible with the Kenmore Downtown Plan, dated April 2003, which provides the City's vision for the Downtown area in which this development is located.

8.2 Land Use Fees, Impact Fees, and Offsets.

(a) **Development Agreement Application Fee.** In consideration of the covenants and agreements of Developer in this Agreement and in the Purchase and Sale Agreement, the Development Agreement application fee is waived.

(b) **Land Use Permit Review Fees.** Notwithstanding the terms of Section 7 hereof, land use permit review fees adopted by the City by ordinance as of the Effective Date are not waived and may be increased by the City from time to time and are applicable to permits and approvals for the Property as long as such fees apply to similar applications and projects in the City.

(c) **Road Impact Fees.** Road Impact Fees shall be collected and paid according to the timing and process provisions set forth in KMC Chapter 20.47 as in effect at the time the complete application for a building permit or occupancy permit is submitted

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for each unit in the Project. For the Project, Road Impact Fees shall be assessed and charged at a rate not greater than the maximum of the Road Impact Fee rate for multi-family residential developments in effect as of the Effective Date, which is \$5,462.31 per unit. All Road Impact Fees shall be subject to the following credits, as to which City and Developer hereby agree the requirements of KMC 20.47.050 have been satisfied:

- (i) Credit in the amount of \$7,667.29 per trip for the existing 24 PM peak trips as calculated by Developer's Transportation Engineer with the concurrence of the City's Transportation Engineer.
- (ii) For each 50% Unit (as defined in Section 12 hereof) to be constructed pursuant to the building permit for which application is then being submitted (or, if applicable, for which an occupancy permit is then being applied for), a credit equal to the full amount of the per-unit Road Impact Fee then in effect.

(d) **Park Impact Fees.** Park Impact Fees shall be collected and paid according to the timing and process provisions set forth in KMC Chapter 20.47 as in effect at the time the complete application for a building permit or occupancy permit is submitted for each unit in the Project. For the Project, Park Impact Fees shall be assessed and charged at a rate not greater than the maximum of the Park Impact Fee rate for multi-family residential developments in effect as of the Effective Date, which is \$1,658.82 per unit. The amount shall be offset by the value of the following developer contributions (which offsets, however, may not in total exceed the total of Park Impact Fees, i.e., Developer shall not have a "credit" to be applied against any other amount payable by Developer):

- (i) The amount of any and all funds contributed by Developer for purposes of the Town Green project in the Project vicinity;
- (ii) For each 50% Unit (as defined in Section 12) to be constructed pursuant to the building permit for which application is then being submitted (or, if applicable, for which an occupancy permit is then being applied for), a credit equal to the full amount of the per-unit Park Impact Fee then in effect.

(e) **School Impact Fees.** School Impact Fees collected by the City for the benefit of Northshore School District No. 407 (the "School District") shall be assessed collected, and paid on a per-

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unit basis in accordance with KMC Chapter 20.50. For the Project, school Impact Fees shall be charged at no greater than the maximum of the rate in effect as of the Effective Date for multi-family residential units within the boundaries of Northshore School District No. 407. The Project may include units that are also wholly or partially exempt from school impact fees as low-income or age-restricted housing.

8.3 Phasing of Project Development and Permitting.

(a) **Completion in Phases.** Subject to the terms and conditions of this Agreement, in consideration of various factors which may impact the ability to develop the Project in the most efficient and economically feasible manner, the Project may be developed in phases, as partially shown on Exhibit B (Approved Site Plan and Phasing Plan) with Temporary Certificate of Occupancy available at the completion of each phase (subject to all other requirements then in effect for issuance of a certificate of occupancy under the KMC and other governing requirements, further subject to the vesting provisions of this Agreement). All phases shall be similar in design, materials and appearance and when completed shall function as a single, integrated project, as described more specifically in Subsection 8.3(b) below. Upon issuance of a certificate of occupancy for any phase of the Project, the City shall issue and Developer shall record a Certificate of Satisfaction, in a form substantially similar to that notice attached as Exhibit D for that phase.

(b) **Site Plan Approval for Phase 2.** Consistent with the foregoing, City and Developer acknowledge the Approved Site Plan and Phasing Plan attached as Exhibit B hereto does not include details for development of the improvements to be included in Phase 2 of the Project (the "Phase 2 Elements"). Developer acknowledges, as a condition to permits to be issued for construction or installation of buildings and improvements in Phase 2 of the Project, the proposed Phase 2 Elements are subject to Site Plan and design review processes as described in KMC 18.105. Developer further acknowledges the City's willingness to enter into this Development Agreement is based in part on the expectation that the entire Project will be developed per this Section 8.3(b). Consequently, as a condition to any Site Plan approval for Phase 2, Phase 2 must be developed as a high quality multifamily residential project of not less than fifty (50) residential units and shall be similar in design, materials and appearance to Phase 1 and when completed shall function together with the buildings and improvements in Phase 1 as a single, integrated project. The City

hereby agrees that the criteria used for such review shall be consistent with the criteria used for review of the Site Plan for Phase 1 set forth on Exhibit B hereto, subject only to any changes as may be necessitated for purposes of public health and safety, and the provisions of this Agreement pertaining to traffic capacity, parking ratios, stormwater discharge (Section 11.2 hereof), impact fees (Section 8.2), permitting standards (Section 8.4), minor modifications (Section 9), and discretionary decisions (Section 10) shall be deemed vested and applicable to Phase 2. If Phase 2 should be divided into additional separate phases (i.e., "Phase 2," "Phase 3," etc., or other similar designation), all references in this Agreement to "Phase 2" shall mean and be applicable to all such additional phases.

(c) **Subdivision or Boundary Line Adjustment Applications.** The City shall be the permitting agency to review all subdivision or boundary line adjustment applications, as applicable, which will be subject to requirements in effect at the time of any such applications (and are not subject to Section 7 of this Agreement). However, in the event of a subdivision or boundary line adjustment affecting the Property, the terms and conditions of this Development Agreement shall continue to apply to all properties of which any portion of the Property is a part, and the provisions of Section 2 of the Declaration of Covenants in the form of Exhibit G hereto shall continue to apply to and run with the Property and all parcels of which any portion of the Property is a part.

(d) The Project phasing shall be consistent with Developer's obligation under the Declaration of Covenants, which will be recorded in connection with the closing of the Purchase and Sale Agreement, to commence construction of the first phase of the Project not later than twenty-four (24) months after closing of the Purchase and Sale Agreement, unless commencement of construction is delayed by reason of Force Majeure.

8.4 Permitting Standards. Applications for permits and/or approvals made pursuant to this Agreement shall be made on such terms and under such conditions as are consistent with Development Requirements. Developer acknowledges, pursuant to KMC Section 18.110.020.C, any material deviation from applicable permitting requirements (except to the extent already provided for in this Agreement) must be matched with a provision of a benefit to the City or to the public of equal or greater value relative to the deviation requested, as determined by the City Manager.

Section 9. Minor Modifications. Minor modifications from the approved permits or the Exhibits may be approved in accordance with the provisions of the KMC as in effect at the time of any such minor modification and shall not require an amendment to Approved Site Plan and Phasing Plan or this Agreement. For the purposes of this Agreement, "minor modifications" means any change which does not deviate materially from the scope or intention of the Approved Site Plan and Phasing Plan such as changes to paint color, substitution of landscaping materials with comparable materials, and "field changes" necessitated by site inspections and further includes any of the following: (i) rearrangement of existing lot lines or creation of lots (e.g., through short plat or boundary line adjustment) consistent with the Approved Site Plan; or (ii) changes involving the location or dimensions of buildings or landscaping, provided no such rearrangement or changes: (a) decrease the amount of perimeter landscaping, (b) decrease residential parking ratios; (c) locate structures closer to any boundary line of the Real Property; or (d) change the locations of any points of ingress and egress to the Real Property. For avoidance of doubt, and without limitation, modifications that will cause any of the following results are not considered minor: (a) an increase in traffic circulation problems (i.e., reduction in LOS for applicable roads or intersections); or (b) a reduction in the amount of total approved landscaping, off-street parking, loading zones, right-of-way or pavement width. Any modification to a permit or Exhibit that is not a minor modification shall require express consent of the City Manager and Developer, and any modification to an Exhibit that is deemed a modification to this Agreement shall require approval in the same manner as approval of any amendment to this Agreement (presently KMC 18.110.060 and any amendment or successor to that Section).

Section 10. Further Discretionary Actions (Including SEPA Review). Developer acknowledges the Development Requirements contemplate the exercise of further discretionary powers by the City. These powers include, but are not limited to, SEPA review of additional permit applications. Nothing in this Agreement shall be construed to limit the authority or the obligation of the City to hold legally required public hearings, or to limit the discretion of the City and any of its officers or officials in complying with or applying Existing Land Use Regulations. The parties agree SEPA applies to permits that will be issued during the term of this Agreement. Development conditions recommended in the City's Determination of Nonsignificance or, as applicable, Mitigated Determination of Nonsignificance issued in connection with the City's action to review and approve this Agreement are incorporated in the approval of the Approved Site Plan. The City shall not exercise its substantive SEPA authority to impose conditions on Project approvals issued during the Agreement term in a manner that is inconsistent with this Agreement and the Existing Land Use Regulations.

Section 11. Improvements Required for Issuance of Certificates of Occupancy. Notwithstanding the phased approach to development of the Project, Developer acknowledges and agrees, to the extent that certain amenities

associated with the Project are required by the KMC to be available to all phases of the Project for reasons including health, safety and welfare of residents, occupants and others using or visiting the Project, such amenities shall be constructed and completed prior to issuance of any certificate of occupancy for any phase of the Project. To the extent that certain amenities associated with the Project are not required by the KMC to be available to all phases of the Project, such amenities shall be constructed and completed for each phase individually prior to issuance of any certificate of occupancy for such phase. The fact that any such amenity has not been provided shall not preclude the issuance of a Temporary Certificate of Occupancy so long as all amenities required for the phase for which a Temporary Certificate of Occupancy is sought have been completed in accordance with the Development Requirements. In accordance with KMC Section 21.20.050, no temporary certificate of occupancy for a completed phase may be issued until: (i) drainage facility improvements are functional and (ii) required parking for such phase is provided, and (iii) safe access for such phase is provided. The following amenities, as shown on the Site Plan and Phasing Plan, shall be constructed in accordance with the following schedule:

11.1 Enhanced Landscaping and Increased Setbacks. In exchange for flexibility to increase setbacks along 68th Avenue N.E., Developer shall provide enhanced landscaping along such street frontage. Design of sidewalks and other street frontage improvements on that portion of the Real Property adjoining 68th Ave. N.E., shall be consistent with the design of sidewalks and other street frontage improvements along that portion of 68th Ave. N.E. adjoining the Kenmore Village Commercial Property.

11.2 Drainage Standards; Surface Water Runoff Policies; Surface Water Drainage Facilities. In accordance with KMC Section 21.20.050, no temporary certificate of occupancy for a completed phase may be issued until: (i) drainage facility improvements are functional and (ii) required parking is provided, and (iii) safe access to the finished portions of the Project is provided to all residents, occupants, emergency responders and others requiring access. KMC Section 13.35.025 as written and in effect as of the Effective Date; *provided*, the City will permit a reduction in flow control standards to "Reduced Basic Flow Control Standards" as permitted in KCSWDM 1.2.3.B and 1.2.3.A, in lieu of the standard stated in KMC 13.35.025.B.4, provided Developer shows, to City's satisfaction, that flooding as a result of the Project will not be worsened along the downstream corridor and that the Project can meet all conditions of the exception allowed by KCSWDM 1.2.3.B and 1.2.3.A. Allowed discharge rates from the Project will be established based on the discharge rates from the existing onsite detention facility. King County Runoff Time Series hydrologic model will be used to calculate the flows. The existing ground cover conditions as existing today will be used to

generate the flows tributary to the existing detention facility. The flow control BMP (LID) requirement per KCSWDM 1.2.3.3 (and Section 5.2) will still be applicable for the Project.

Section 12. Affordable Housing.

12.1 Standards. Not less than twenty-five percent (25%) of the residential units in the Project shall be dedicated to Affordable Housing use (the "Affordable Units"), meaning those Affordable Units so dedicated shall meet the City's Affordable Housing Criteria for the Property as set forth in KMC Chapter 18.77 and as required by the conditions of the Deed from King County, Washington, to Seller dated January 6, 2005, recorded January 1, 2005, under King County Recording No. 20050110001850, and shall be offered exclusively to residential applicants, for owner-occupied units, whose total household income, adjusted for family size, is not greater than eighty-five percent (85%) of the King County median household income as published by King County, Washington, from time to time and, for renter-occupied units, (i) whose total household income, adjusted for family size is not greater than eighty-five percent (85%) of the King County median household income and (ii) whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent (30%) of the households monthly income (the "85% Units"). As part of the foregoing, at least five (5) of the Affordable Units shall be offered and rented exclusively to residents whose total household income does not exceed fifty percent (50%) of the King County median household income, adjusted for family size as published by King County, Washington, from time to time and whose monthly housing costs including utilities other than telephone do not exceed thirty percent (30%) of the households monthly income (the "50% Units"). Developer shall adopt and follow reasonable measures to verify the household income of the occupants of the Affordable Units prior to the initial occupancy of such units.

12.2 Design and Covenants. The requirements under KMC 18.77.030.B as to unit size mix shall be deemed satisfied if the Affordable Units are spread throughout the Project, located in not less than three (3) of the Project buildings, and are of not less than three (3) unit types (i.e., numbers of bedrooms). At least one of the five, 50% Units shall be a two-bedroom unit and at least two shall be one-bedroom units. At least three (3) of the five, 50% Units shall be provided in Phase 1 of the Project. Subject to the foregoing, the location, building, phase of the Project, and unit type of the Affordable Units shall be selected by Developer at Developer's sole discretion. Covenants which establish the tenure and affordability obligations and other criteria of the Affordable Units as stated in this Section 12 shall be in the form of Exhibit G hereto and recorded on the title to the Property prior to (and as a condition to) issuance of the a

certificate of occupancy for any Project Phase in which Affordable Units are constructed.

Section 13. Multi-Family Housing Property Tax Exemption. Upon completion of and receipt of Certificates of Occupancy for all of the Affordable Units, subject to compliance with the procedural (application) and tenant income requirements under KMC Chapter 3.65, the Project shall qualify for the Multi-Family Housing Property Tax Exemption under KMC Chapter 3.65, and the City shall issue and submit to Developer a letter in the form of Exhibit H hereto stating the Project complies with requirements of and is eligible for the Multi-Family Housing Property Tax Exemption, subject to the requirements of KMC Chapter 3.65. Such determination of eligibility applies to the Project in developing residential units for rent. If any of the units within the Project are converted to owner-occupied units, eligibility for and certification of the tax exemption for such owner-occupied units shall be subject to KMC 3.65.110.E. If Developer causes the Property to be subdivided into separate tax parcels, the exemption shall apply for each tax parcel, subject to each parcel satisfying the requirements of KMC Chapter 3.65.

Section 14. Coordination with Adjacent Property Owners. Developer acknowledges the Project is part of the "Kenmore Village" properties and that the real property adjoining the Property to the south is planned to be developed as a commercial and retail center ("**Kenmore Village Commercial Property**") on an essentially contemporaneous basis with the Project; *provided*, neither the foregoing nor any other statement in this Section is intended as a representation, warranty or guarantee, express or implied, of any particular development and is stated solely for background purposes. City acknowledges the Project is also located adjacent to City-owned properties, including City Hall and a proposed relocated Skate Park. Developer, City and the owner of the Kenmore Village Commercial Property have agreed to work cooperatively in the development of their respective properties. Such coordination shall include (i) consistent development and common area standards; and (ii) site plan designs which take into account and seek to minimize adverse impacts of improvements (e.g., loading docks) on their respective adjacent properties.

Section 15. Conditions for "Fast Track" or "Expedited" Permit Review and Approval. The City agrees to the SEPA and permit review times for each phased submittal as described attached Exhibit C. Review time will be calculated from the date of Developer submittal (provided that all submissions by Developer are substantially complete and in accordance with applicable submittal requirements). The City's failure to comply with the permit review and approval schedule set forth herein shall be deemed to constitute an event of Force Majeure (provided that all submissions by Developer are substantially complete and in accordance with applicable submittal requirements).

Section 16. Termination.

16.1 This Agreement shall expire and be of no further force and effect if the development contemplated in this Agreement and all of the permits and/or approvals issued by the City for such development are not substantially underway prior to expiration of such permits and/or approvals.

16.2 Nothing in this Agreement shall extend the expiration date of any permit or approval issued by the City for the Project or any portion thereof. The Site Plan approval and phasing plan shall be in full force and effect during the term of this Agreement, provided that Developer meets the conditions and time schedules specified in the approved phasing plan, as such time schedules may be extended in accordance with KMC section 18.105.060.

16.3 Covenants of each of City and Developer expressed in this Agreement shall run with the land and shall be binding on each of Developer and City and their respective successors and assigns. Any covenant expressed in this Agreement which, by its terms states that it shall survive termination of this Agreement shall remain in effect beyond and shall not be deemed terminated by termination of this Agreement. This Agreement shall terminate upon the expiration of the term identified in Section 6 or upon issuance of the certificate of occupancy for the final phase of the Project, whichever first occurs. Upon the occurrence of either event identified in the immediately preceding sentence, the City shall record a notice of termination in a form substantially similar to that notice attached as Exhibit E.

Section 17. Effect of Termination on Developer Covenants and Obligations. Termination of this Agreement shall not affect, cancel or result in termination of (i) any of the Developer's obligations under applicable law to comply with the City Comprehensive Plan and the terms and conditions of any applicable zoning or land use regulation or other land use entitlements approved with respect to the Property, (ii) any other conditions or covenants of Developer in this Agreement stated in Section 8.3 (Phased Development), Section 12 (Affordable Housing) and the Declaration of Covenants set forth in Exhibit G, or (iii) obligations to pay assessments, liens, fees or taxes (all of the foregoing, collectively, "Post Termination Obligations"). The Post Termination Obligations shall continue to run with the land comprising the Property and shall be binding on Developer and successors and assignees of Developer and all others acquiring any interest in the Property or any portion thereof by or through Developer.

Section 18. Default

18.1 Subject to extensions of time by mutual consent in writing, failure or delay by either party or Landowner not released from this Agreement to perform any legal requirement of this Agreement shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party or Landowner not less than thirty (30) days' notice in writing, specifying the nature of the alleged default, the manner of cure, and a reasonable cure period in which said default may be cured. During this reasonable cure period, the party or Landowner charged shall not be considered in default for purposes of termination or institution of legal proceedings.

18.2 After notice and expiration of the reasonable cure period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other party or Landowner to this Agreement may, at its option, institute legal proceedings pursuant to this Agreement. In addition, the City may decide to file an action to enforce the KMC, and to obtain penalties and costs as provided in the KMC for violations of this Agreement and the KMC.

Section 19. Annual Review. The Developer shall provide a report to the City Manager regarding the status of the Project implemented under this Agreement at least every twelve (12) months during the term of this Agreement.

Section 20. Effects upon Termination on City. Upon any termination of this Agreement as to the Developer of the Property or any portion thereof, the entitlements, conditions of development, limitations on fees and all other terms and conditions of this Agreement shall no longer be vested hereby with respect to the property affected by such termination (provided that vesting of such entitlements, conditions or fees may then be established for such property pursuant to then existing planning and zoning laws).

Section 21. Assignment and Assumption. Developer shall not sell, assign, convey or otherwise transfer a controlling interest in any Phase of the Property (or controlling interest in Developer) to any person or entity other than Developer and Developer's principals as of the closing of the Purchase and Sale Agreement until all site development conditions of this Agreement as to such Phase have been satisfied, a certificate of occupancy has been issued for all residential units to be constructed as part of that Phase, and such Phase has been made a separate legal lot and separate tax parcel. As used herein, "Phase" means any of the following (i) Phase 1 of the Project as shown on the Approved Site Plan and Phasing Plan, or (ii) any other portion of the Project designated as a "phase" in any subsequent site plan of the Project submitted by Developer or Landowner as part of a future application for Site Plan Approval as referred to in Section 8.3(b) hereof. The restrictions and prohibitions stated in this

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Section shall not apply to (i) any residential lease of any unit in the Project (but shall apply to a ground lease of all or substantially all of the Property or any substantial portion thereof to any person or entity not a resident of the Property); (ii) any mortgage, deed of trust, security agreement or security instrument granted or entered by Developer to provide financing for Developer's purchase of the Property or performance of its obligations to the City with regards to the Project; or (iii) a Transfer, or series of Transfers which in the aggregate, does not or do not result in a change of control of the Developer's interests in the Property or in Developer. The foregoing is intended to allow the Developer to add debt-and/or equity-related investment partners to the ownership of the Property or a phase thereof, within the limits expressed in this Section 21. These provisions can be reasonably modified or waived by the City Manager from time to time upon request of the Developer.

Section 22. Covenants Running with the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits, including, but not limited to the Post-Termination Obligations, shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties, their respective heirs, successors and assigns. The Developer and its successors and assigns and every purchaser, assignee or transferee of an interest in the Property, or any portion thereof (whether such purchase, assignment or transfer is voluntary or involuntary, by foreclosure, judicial sale, operation of law or otherwise), shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of the Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned or transferred to it.

Section 23. Amendment to Agreement; Effect of Agreement on Future Actions. This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (see, RCW 36.70B.200). Nothing in this Agreement shall prevent the City Council from amending its Comprehensive Plan, Zoning KMC, Official Zoning Map or development regulations affecting the Property during the term of this Agreement, to the extent such amendment is required by a serious threat to public health and safety. Nothing in this Agreement shall prevent the City Council from making any amendments of any type to the Comprehensive Plan, Zoning KMC, Official Zoning Map or development regulations relating to the Property after termination of this Agreement.

Section 24. Notices. Notices, demands, correspondence to the City and Developer shall be sufficiently given if dispatched by pre-paid certified mail, commercial courier or package delivery service, or by hand delivery to the party being notified, at its address as follows:

If to the Developer: MSPT VI LLC Attn: Kelly Price 11415 Slater Ave. E #100 Kirkland, WA 98033	If to the City: City of Kenmore Attn: Rob Karlinsey, City Manager 18120 68th Ave. N.E. Kenmore, WA 98028
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Notice shall be deemed received on the date of delivery to the recipient's address stated in this Section or, if sent via certified mail, on the second business day after mailed; or if by commercial courier or package delivery service, on the first business day after placed therewith; or on the date of actual delivery if hand delivered. Notice to any successor of either party shall be required to be given to such successor only after such successor has provided notice to the other party of its name and address for notice. Either party may from time to time advise the other of a new address for such notices, demands or correspondence by giving notice of such new address in the same manner as providing other notice.

Section 25. Reimbursement for Agreement Expenses of the City. Developer agrees to reimburse the City for certain actual expenses incurred by City directly relating to this Agreement, including reasonable recording fees, publishing fees and any additional staffing employees and third-party consultant expenses necessary for expedited review. Such payment of all fees shall be made, at the latest, within thirty (30) days from the City's presentation of a written statement of charges to the Developer, which such statement (and supporting documentation) shall provide, in reasonable detail, an accounting of all actual expenses incurred by the City in the performance of its obligations within the above-noted cost categories.

Section 26. Relationship of Parties. Developer and the City shall not be construed as joint venturers or general partners, and neither shall have the power to bind or obligate the other party except as set forth in this Agreement. Developer shall have no right or authority, express or implied, to commit or otherwise obligate the City in any manner whatever except to the extent specifically provided herein or specifically authorized in writing by the City. The City shall have no right or authority, express or implied, to commit or otherwise obligate Developer in any manner whatever except to the extent specifically provided herein or specifically authorized in writing by Developer.

Section 27. No Third Party Rights. The provisions of this Agreement are intended for the benefit of, and may only be enforced by, the parties hereto

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and their respective successors and permitted assigns. None of the rights or obligations of the parties herein set forth (or implied) is intended to confer any claim, cause of action, remedy, defense, legal justification, indemnity, contribution claim, set-off, or other right, whatsoever upon or otherwise inure to the benefit of any contractor, architect, consultant, subcontractor, worker, supplier, mechanic, insurer, surety, guest, member of the public, or other third parties having dealing with either of the parties hereto or involved, in any manner, in the Property or the Project.

Section 28. Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated by any party to this Agreement to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in King County Superior Court or the U.S. District Court for the Western District of Washington. The parties hereto consent to the personal jurisdiction of each of such courts and waive the right to file suit elsewhere.

Section 29. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner to challenge this Agreement or any provision herein, each party shall be responsible for payment of legal fees of its counsel and related expenses to defend this Agreement or any provision hereof.

Section 30. Force Majeure.

30.1 Each party shall notify the other promptly of the occurrence of any Force Majeure event, occurrence or condition, as a condition to claiming such event, occurrence or condition constitutes Force Majeure and shall act promptly to proceed with its performance as soon as practicable after such cause for delay ceases or is terminated.

30.2 This Agreement relates to project permit applications and approvals, such as building permits, right-of-way construction, and encroachment permits. In the event of an appeal, if this Agreement is upheld by final judicial decision, the term established in this Agreement shall commence on the date of entry of a final order upholding this Agreement.

Section 31. Specific Performance. The parties specifically agree that damages are not an adequate remedy for breach of this Agreement, and that the parties are entitled to compel specific performance of this Agreement by any party in default hereof. All terms and provisions of this Development Agreement are material.

Section 32. Severability. If any phrase, provision or section of this Agreement is determined by a court of competent jurisdiction to be invalid or

unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the effective date of the Adopting Resolution, such invalidity shall not affect the validity of the remainder of this Agreement.

Section 33. Complete Agreement. This Agreement together with the exhibits annexed hereto or referred to herein is intended to be the entire agreement of the parties with regard to the subject matter hereof and may only be amended with the written consent of both parties.

Section 34. Exhibits. The Exhibits hereto are made a part of and incorporated into this Agreement.

Section 35. Captions and Headings. Captions and headings used in this Agreement are for convenience of reference only and are not part of the terms of this Agreement or to be used to construe, interpret, modify, qualify, vary or supplement any term, condition, covenant or provision of this Agreement.

Section 36. Counterparts. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. Facsimile or .pdf signatures on this Agreement shall constitute original signatures of the parties.

Section 37. Recording Required. This Agreement shall be recorded with King County at Landowner's expense. Upon termination of the Agreement, a notice of termination, in a form substantially similar to that notice attached as Exhibit E, shall also be executed by City in accordance with Section 16 above and provided to Landowner or recording at Landowner's expense.

[Signatures Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates set forth below:

DEVELOPER:
MSPT VI LLC

By: [Signature]
Name: Shelly Pace
Its: President of Main Street Projects
Date: 12-9-13
Group LLC, Manager

CITY:
CITY OF KENMORE

By: [Signature]
Name: [Signature]
Its: City Manager
Date: 12/9/13

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM:

✓
City Attorney

STATE OF WASHINGTON)
COUNTY OF King) ss.

I certify that I know or have satisfactory evidence that Kelly Price is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the President of Main Street Property Group, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 12/9/2013



Patty Safrin
Printed: Patty Safrin
NOTARY PUBLIC in and for
Washington
Residing at: Lake Forest Park
My appointment expires: 08-01-16

STATE OF WASHINGTON)
COUNTY OF King) ss.

I certify that I know or have satisfactory evidence that Rob Karlins 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 the instrument and acknowledged it as the City Manager of the City of Kenmore to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 12/9/2013



Patty Safrin
Printed: Patty Safrin
NOTARY PUBLIC in and for
Washington
Residing at: Lake Forest Park
My appointment expires: 08-01-16

Subject/Topic: Post Office/ 6700 NE 181st St Re-roofing Project Proposed Council Action/Motion: Authorize the City Manager Approval Authority for JSH Properties to Enter Into Contract With Wayne's Roofing for the Reroofing of the Post Office Building in the amount of \$72,554 plus 15% Contingency and WA State Sales Tax.	For Council Meeting Agenda of: <i>April 13, 2015</i> Department: Public Works Prepared by: Jennifer Gordon, Public Works Operations Manger  <table style="width: 100%;"><tr><td style="width: 80%;"></td><td style="width: 20%; text-align: center;"><u>Initial & Date</u></td></tr><tr><td>Approved by Department Head:</td><td>_____</td></tr><tr><td>Approved by City Attorney:</td><td>_____</td></tr><tr><td>Approved by Finance Director:</td><td>_____</td></tr><tr><td>Approved by City Manager:</td><td><u><i>RGK</i></u></td></tr></table> Exhibits/Attachments: Re-roofing Bids Aerial Diagram		<u>Initial & Date</u>	Approved by Department Head:	_____	Approved by City Attorney:	_____	Approved by Finance Director:	_____	Approved by City Manager:	<u><i>RGK</i></u>
	<u>Initial & Date</u>										
Approved by Department Head:	_____										
Approved by City Attorney:	_____										
Approved by Finance Director:	_____										
Approved by City Manager:	<u><i>RGK</i></u>										
<table style="width: 100%;"><tr><td style="width: 33%;">Expenditure Required \$</td><td style="width: 33%;">Amount Budgeted \$ 0</td><td style="width: 33%;">Appropriation Required \$ See</td></tr><tr><td>\$83,437.10 plus WA State Sales Tax</td><td></td><td>Fiscal Consideration below.</td></tr></table>		Expenditure Required \$	Amount Budgeted \$ 0	Appropriation Required \$ See	\$83,437.10 plus WA State Sales Tax		Fiscal Consideration below.				
Expenditure Required \$	Amount Budgeted \$ 0	Appropriation Required \$ See									
\$83,437.10 plus WA State Sales Tax		Fiscal Consideration below.									
<u>INFORMATION/BACKGROUND:</u> The Post Office building is in need of re-roofing. Since the Post Office occupied the building in 2010, they have experienced multiple leaks in many different areas. Although several small repairs have been made, we continue to experience ongoing leaks. The City has spent over \$4,500.00 for roof repairs during 2013 and 2014, continuing to incur costs in 2015. The small repairs will only continue and the replacement of the roof is inevitable. City staff directed JSH Properties (our property manager for the site) to obtain bids for the Post Office re-roofing project for sections A and E. <table border="1" style="width: 100%; border-collapse: collapse;"><tr><th style="width: 50%;">Contractor</th><th style="width: 50%;">Bid Amount</th></tr><tr><td>Wayne's Roofing</td><td>\$72,554.00</td></tr><tr><td>Nations Roof</td><td>\$77,637.00</td></tr><tr><td>Snyder Building</td><td>\$121,000.00</td></tr></table> The work consists of removing the existing roofing material and replacing it with a .060 mil PVC roof (the same roofing that was used to re-roof section C in 2011). Staff would like to recommend moving forward with the re-roofing of sections A and E (see attached aerial).		Contractor	Bid Amount	Wayne's Roofing	\$72,554.00	Nations Roof	\$77,637.00	Snyder Building	\$121,000.00		
Contractor	Bid Amount										
Wayne's Roofing	\$72,554.00										
Nations Roof	\$77,637.00										
Snyder Building	\$121,000.00										
<u>FISCAL CONSIDERATION:</u> The re-roofing repair work was not budgeted in the 2015-2016 biennial budget; the funds for this project will be taken from the Kenmore Village fund balance, bringing the 2016 projected ending fund balance from											

\$162,455 to \$71,000. At the next budget amendment, this change will be included.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Economic and Downtown Development

Section 7
Roofing Proposal

Wayne's Roofing, Inc.

13105 Houston Road
Sumner, WA 98390
www.waynesroofing.com



JOB	US Post Office Kenmore	DATE	Updated 03/19/15
LOCATION	6700 NE 181 st , Kenmore, WA.	FROM	Mike Trout
TO	JSH Properties	Office Phone	(253) 863-4455 ext. 230
CONTACT	Teri Rodenbeck	Cell Phone	(253) 405-8545
PH:	(425) 455-0500	EMAIL	mtrout@waynesroofing.com
EMAIL:	terir@jshproperties.com	ADDENDUM	

<u>Section</u>	<u>DESCRIPTION</u>	<u>Price</u>
Base Bid	R-38 .060 Mil PVC Re-Roof Roofs A & E	\$72,554.00
Alt. #1	.060 Mil TPO Re-Roof Deduct	-\$1,245.00

QUALIFICATIONS / EXCLUSIONS

☐ MBE / WBE Bid ☒ Union

Base Bid: .060 Mil PVC Roof System.

- Obtain local building permit as needed to perform re-roof application.
- Remove and dispose of the existing roof system, cover board and underlying roof system to expose underlying wood decking at Roof A only. Roof E to receive an overlay over existing BUR roof system due to height restrictions at window wall.
- Install 2 layers of 3.3" rigid insulation over wood deck to achieve an R-38 insulated roof system as requested to meet code requirements.
- Install wood nailers around perimeter parapet edge to accommodate added height of new rigid insulation at roof A only.
- Mechanically attach one layer of 1/4" Dens Deck over wood deck at roof A and over existing BUR roof system at Roof E to provide an adequate substrate for installation of new PVC roof system.
- Install new Induction welded .060 Mil PVC Roof system at field of roof and at all roof-top penetration in accordance with manufacturer's requirements to achieve a warrantable system.
- Install 24 ga. Prefinished (color to be selected from Cascadia Premium color chart) coping, roof to wall flashings, leader heads and cladded metal drop scuppers.

Alt. #2: .060 Mil TPO Roof System.

- Install .060 Mil TPO roofing membrane in lieu of .060 Mil PVC.

Exclusions:

1. Roof areas B, C & D as noted on provided roof plan.
2. Asbestos demo, handling and disposal if needed. Owner to confirm.
3. Decking replacement. If needed to be performed at an additional cost of \$4.50 sf.
4. Mechanical, Electrical, Plumbing and HVAC work.
5. Downspouts if needed. Bid above is based on tying into existing downspouts.
6. Temporary roof protection including protection from other trades.
7. Bonding, use and sales tax if needed.

Note:

1. Roof system comes with manufacturers 20yr guarantee and contractors 2yr guarantee applicable to materials and workmanship of work installed by Wayne's Roofing, Inc.
2. **This quote is void after 30 days.**
3. No overtime work is included in this bid and no special considerations have been made for weather provisions.
4. Work schedule and sequencing are subject to mutual agreement.





Nations Roof Northwest
25514 74th. Ave. S
Kent, WA. 98032
Phone: (253) 856-7663
Fax: (253) 856-1445
WA License #NATIORN877PJ
OR License #179976

PROJECT PROPOSAL FORM

From: Neil Nelson

To: JSH Properties
Attn: Teri Rodenbeck

Project: Post Office Building
6700 NE 181st, Kenmore WA.

Bid Description: We propose to furnish all labor, material, equipment, and supervision to install roofing on the aforementioned project as follows:

Specification Section: R-38 Poly ISO Insulation and 60 mil PVC Roof System. AREA A and E Only

Remove existing Built Up Roofing and Insulation.

- Inspect deck for damaged or deteriorated sheeting, sheeting replaced at \$6.00 per sq. ft.
- R-38 Poly ISO insulation.
- ¼ inch securock fire rated gypsum board.
- Mechanically attached 60 mil PVC roof membrane.
- Flash wall, curbs and penetrations as per manufacturer specifications.
- New insert drains at Area A.
- New PVC coated scuppers at Area E.
- Collector boxes and downspouts at Area E
- Prefinished coping metal at perimeter edges.
- New pitch pockets.
- Reglets and counter flashing.

Includes:

- Complete clean up and disposal of all roofing debris.
- Manufacturers 20 year labor and materials warranty.
- Contractors 2 year workmanship warranty.
- Roofing permit as required.

Total \$77,637.00 plus WA. State Sales Tax

Includes: King County Prevailing Wage Rates.

Alternate 60 mil TPO Roof System Total \$74,364.00 plus WA. State Sales Tax

Specific Exclusions: Off peak work hours, Asbestos Abatement and disposal, Lead Containment, Tennant concern of standard and practical roofing practices, Electrical, Mechanical and plumbing.

Exclusions: Demolition, payment and performance bonds, concrete/ plywood cleaning or prep, carpentry & wood nailers, prime & painting, sheet metal flashings unless specifically included, lead flashings (pipe sleeves (VTR), drain lead, etc.), deck or system drainage, ponding water, roof drains/overflow drains, protection of finished roof surface, temporary roofing, electrical, mechanical, all work in all other specification sections noted in the approved plans other than specified above.

Note "a": The construction industry is experiencing rapidly escalating and unpredictable prices for petroleum-based roofing products, steel and transportation costs. The pricing of many roofing products is currently subject to sudden and significant changes beyond the control of roofing contractors. Because of the difficulty in obtaining firm prices for petroleum-based or steel products from suppliers, Nations Roof Northwest cannot provide fixed, firm prices for these products for projects which will take delivery beyond the time stated below (see note "b"). If there is an increase in the price of petroleum-based or steel products charged to Nations Roof Northwest subsequent to making this proposal, the price set forth in this proposal shall be increased to reflect the additional cost to Nations Roof Northwest upon submittal of written documentation of the increase charges. Availability issues are critical on some materials. Orders should be placed as soon as possible to insure product availability. *This must be included in any contract or purchase order.*

Insurance: Our bid is based on general liability insurance limits of one million dollars.
Excludes Owners & Contractors Protective Liability Insurance coverage. Not a part of our standard insurance coverage.

Note "b": This bid price is good for 30 days from the date of submission. Any questions should be directed to the estimator identified below.


NEIL NELSON

25 Mar 2015
Date



Proposal

Prepared by:

Darrin Evans
Snyder
20203 Broadway Avenue
Snohomish, WA 98296

Submitted to:

Pam Dubose
JSH Properties
10655 NE 4th Street Suite 901
Bellevue, WA 98004
D: 425-732-4367
O: 425-455-0500

We've bid this work to do the job
correctly and safely.

If you have any questions, please
contact me at: (425) 686-0482 or
devans@snyder-builds.com.

USPS – KENMORE (REVISED #1)

SCOPE: PVC SINGLE PLY MEMBRANE ROOFING SYSTEM

- » Remove and legally dispose of roofing and roof related sheet metal flashings down to an acceptable substrate
- » 1-Layer vapor retarder / self-adhered
- » 2-Layers 3.3" rigid insulation (R-38) / adhered
- » 1-Layer ¼" cover board / adhered
- » 1-Layer 60 mil (white) PVC / adhered
- » Supply and install 24GA standard color (or pre-primed) coping and gravel stops, counter flashings, unit flashings, scuppers, drop and downspouts
- » Provide Owner with a 20-Year Manufacturer's No Dollar Limit Warranty

BID: \$121,000.00

(SEE ATTACHED CLARIFICATIONS)

ADD: ¼":12" TAPERED RIGID INSULATION (APPROXIMATELY 5,200 SF
ON ROOFS "A" & "E" PER DRAWING RECEIVED 3/24/15)

ADD: \$19,800.00

ADD: SUPPLY AND INSTALL 30" WIDE WALK PADS

ADD: \$21.50 / LF

(See page 2 of 2)

USPS – KENMORE (REVISED #1)

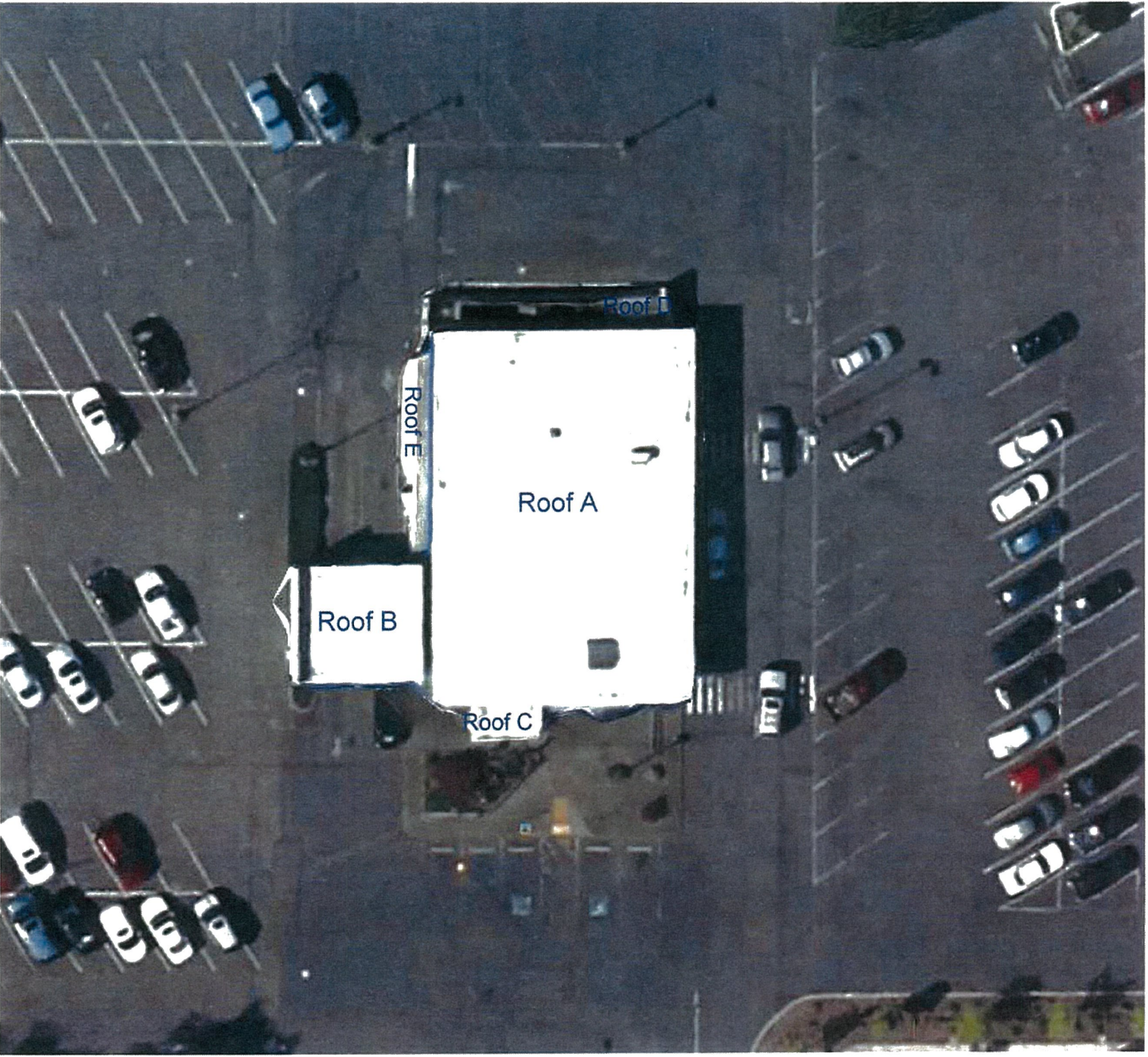
CLARIFICATIONS

- » Quotation is valid through 05/31/15. Due to potential price escalation, we require a subcontract that incorporates an escalation clause stating any material price increases beyond the date listed above will be compensated at cost plus 15% mark up. This quotation is conditioned upon receiving a mutually agreeable subcontract within 30 days of the bid.
- » Quotation does not comply with factory mutual requirements. If the building is FM insured, we will need to revise our quote.
- » If a payment and performance bond is required, it shall be limited to a maximum coverage of two years beyond the completion of the project.
- » We will require liberal access to the building's perimeter for loading and unloading
- » We will require 5 parking spaces for our staging area and drop box.
- » Specifications were not provided at the time of bid. We have provided a description of work to clarify our intent. Expressed or implied warranties, as well as design responsibility are specifically excluded.
- » We will require a good faith survey for asbestos containing roof material (ACRM) prior to our mobilization. Additional costs for testing or abatement may be provided upon request.
- » Quotation includes a 2-year installer's warranty
- » We were unable to perform a roof cut to determine the existing roof assembly. We have assumed the roof is structurally sloped with a wood deck, coverboard, insulation and membrane fully-adhered. If deck is not structurally sloped the add cost for ¼":12" tapered rigid insulation to be included.
- » Existing sheet metal color is a custom color and will need to be painted in the field by others if we are to match existing color. Painting of this metal is specifically excluded.
- » Scope of work includes roofs "A" & "E" only, approximately 5,200 square feet per drawing received 3/24/15.

EXCLUSIONS

Wood or wood work, installation over buried components on the deck's surface, all vertical insulation or gypsum board, sheet metal other than listed, protection of installed work, interior protection, custom or premium colors, bonds, permits, WSST, responsibility for consequential damages, design responsibility, odor control, fume mitigation, ventilation, traffic control, walk pads, any framing, lead and or pipe flashings, saw cutting, any interior work, any painting, asbestos testing or abatement, off hour work or overtime, correction of slope

This price quote is valid for 30 days and is subject to a mutually acceptable contract. This quotation is offered being fully compliant with all published state and federal OSHA requirements. Snyder Roofing of Washington LLC considers any contractor specific requirements above and beyond those required by OSHA additional to this quotation. In addition to the foregoing Snyder Roofing of Washington LLC cannot provide any insurance coverage, additional insured or otherwise, pertaining to mold, water intrusion, or Exterior Insulation Finish System (EIFS), Oriented Strand Board System (LP siding /Omni Wood), Hardiplank or other exterior building envelope system. Snyder Roofing of Washington LLC specifically disclaims any and all liability for product material defect or workmanship claims relating to the foregoing systems. To the degree Owner and/or Contractor require Snyder Roofing of Washington LLC to name them as additional insured, Owner and/or Contractor specifically agree that said coverage shall not and will not include any coverage for product material defect or workmanship claims relating to installation of, repair of, or building with EIFS or other exterior building envelope systems as set forth above.





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

Subject/Topic: SR 522 West A Project Agreement with Utility Proposed Council Action/Motion: Approve SR 522 West A Project Agreement with: • MCImetro Access Transmission Services, LLC (15-C1410)	For Council Meeting Agenda of: 04/13/2015 Department: <u>Engineering</u> Prepared by: <u>Kent Vaughan</u> To Be Presented By: <u>N/A</u> Approved by Department Head: <u>KMO 4/2/15</u> Approved by City Attorney: <u>via email</u> Approved by Finance Director: <u>✓</u> Approved by City Manager: <u>RJK</u> Exhibits/Attachments: Attachment A – MCImetro Access Transmission Services, LLC (15-C1410)	
Expenditure Required: \$151,000	Amount Budgeted 0	Appropriation Required 0
<u>INFORMATION/BACKGROUND:</u> In February 2015, MCImetro Access Transmission Services, LLC (MCImetro) notified the City that it has an aerial fiber optic cable in SR 522 right-of-way that extends from the west City limits to 65th Ave NE within the SR 522 West A project limits. The existence of this cable was previously unknown to the project team and subsequently was not included in the joint utility trench design. The City and MCImetro evaluated several alternatives to relocate the fiber optic cable and bypass the project (via NE 175th ST). Ultimately it was concluded that given the short timeframe before construction begins, the best course of action would be to incorporate MCImetro's utility undergrounding work into the City's SR522 project by change order with the City's contractor. This option gives the City control over schedule, and avoids the possibility of another contractor working in the same area and potentially delaying our contractor. MCImetro does not have a franchise agreement with the City. As such, MCImetro will be responsible for 100% of the project costs to underground their cable. Per the negotiated agreement, MCImetro will pay all costs associated with the design and installation of additional 4-inch conduit and vaults necessary to underground their cable, and will also pay proportionate shares of traffic control, erosion control and utility coordinator bid items, construction management services, and any change order costs that may apply. Total pre-construction estimate of MCImetro project cost: <u>\$151,000</u>; City project cost: <u>\$0</u> <u>Staff Recommendation:</u> Staff has negotiated the terms of the MCImetro project agreement and the project agreement has been reviewed by the City Attorney. Staff recommends that Council approve the project agreement at this time. Once the project agreement is approved by Council, the project team will negotiate a change order with the City's contractor, Marshbank Construction Inc. to incorporate the additional work in the SR522 construction contract.		

S:_T-6-SR 522 West A\Council\2015-04-13-SR 522 West Project Utility Agreement\2015-04-13-Agenda Bill.docx

FISCAL CONSIDERATION:

The additional MCImetro work will not increase the overall SR 522 West A project budget since MCImetro will pay 100% of the associated project costs. The City will make the payments to the contractor as the work progresses. MCImetro will reimburse the City within 45 calendar days of receipt of each billing.

Final costs and reimbursement will be “trued up” once construction is complete and actual costs are known.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Council goal 1: To focus and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle and other means of travel.

15-C1410

AGREEMENT
BETWEEN MCIMETRO ACCESS TRANSMISSION SERVICES LLC
AND THE CITY OF KENMORE
SR522 WEST A (61st AVE NE – 65th AVE NE)
CIP PROJECT T-6

THIS AGREEMENT is made and entered into this _____ day of _____, 2015, by and between the City of Kenmore, a political subdivision of the State of Washington (hereafter "City") and MCImetro Access Transmission Services, LLC, a Delaware corporation (hereafter "MCImetro") do hereby agree as follows:

WHEREAS, the City desires to construct road improvements (including aerial to underground utility conversion) to SR 522 from approximately 250 west of 61st Avenue NE to 65th Ave NE; and

WHEREAS, in connection with the CITY'S road improvements, MCImetro will construct and install certain utilities; and

WHEREAS, MCImetro finds that it is in the best interest of the public for MCImetro to work jointly with the CITY on the CITY'S road improvements and to include MCImetro's necessary items of work in the CITY'S construction contract for the road improvements; and

WHEREAS, the CITY finds that it is in the best interest of the public for the CITY to work jointly with MCImetro to accomplish its road improvement project;

NOW, THEREFORE, it is mutually agreed as follows:

1. PURPOSE

The City is requiring the undergrounding of all overhead utilities as part of the SR 522 West A (61st Ave NE to 65th Ave NE, including 61st Ave NE Approaches) project (hereinafter the "Improvement Project"). The purpose of this Agreement is to allow the City to construct the facilities necessary to underground MCImetro's existing overhead utilities as part of the City's Improvement Projects, and for payment to the City by MCImetro for the costs incurred by the City for constructing said facilities within the project areas. MCImetro's facilities will be incorporated into the City approved construction drawings for the Improvement Projects. The parties have determined that it is in their mutual best interest to coordinate the relocation of MCImetro's facilities in conjunction with the City's construction of the Improvement Project.

2. THE PROJECT

The parties hereby agree that MCImetro's plans for relocating its facilities will be incorporated in the City's plans for the Improvement Projects. The construction of MCImetro's facilities will be performed in accordance with the design performed by the

City's professional engineering representative. The City's right-of-way improvements and construction of MCImetro's facilities within the Improvement Project are hereinafter referred to as "the Project."

3. THE CONSTRUCTION PROCEDURE

a. Engineering and Design.

MCImetro shall be responsible for and pay the engineering and design costs associated with the construction of MCImetro's facilities within the Project. MCImetro's plans, specifications, and standard details schedule shall be submitted to the City for incorporation into the Improvement Project plans in such a manner as to allow the identification of costs for the Project.

b. City as Contracting Agency

The City shall serve as the contracting agency for the construction of the Project and shall generally manage and oversee the construction of the Improvement Projects, including the construction of MCImetro's facilities.

c. Construction of the Project.

i. City Work: The Project work, as identified in the Scope of Work, attached as Exhibit A and incorporated by reference, will be performed by the City's Contractor, under contract by the City.

ii. MCImetro Work:

a) MCImetro shall use commercially reasonable efforts to furnish all conduits for the installation of the system required by the City's Contractor for that week, not less than seven (7) working days after City's notice to MCImetro's representative listed below. Conduit shall be provided in 20-foot length sections. The City's Contractor shall provide a location to MCImetro of where the materials shall be delivered, off loaded by the City's contractor and placed in a secure area. MCImetro will have a representative present when materials are delivered to the site to verify materials are not damaged and are appropriate for the work.

b) MCImetro shall for each scope of work, within twelve (12) working days after receipt of written notification of the City's completion of installation of MCImetro's facilities, issue written notification of any deficiencies or issue written notification of acceptance. The City's contractor will correct the deficiencies upon approval by the City of the requested work. If, after the twelve (12) working-day period, notification has not been received by City,

then MCImetro's facilities shall be considered complete and accepted by MCImetro.

- c) Once construction of MCImetro facilities is completed for all scopes of work by the City and accepted by MCImetro, the City will issue a Notice to Proceed to MCImetro to commence installation of the entire length of cable and innerducts into the conduit at one time ("MCImetro's Work"). MCImetro, or its contractor, shall use commercially reasonable efforts to complete installation of MCImetro's Work within twenty (20) working days after receipt of the Notice to Proceed is received by MCImetro after all conduit installation is completed (provided that reasonable access to the Project is made available from the City's contractor or subcontractor or other utilities performing work and provided traffic control plans are approved by the City according to the time frames set out in Section 3.c.ii.e. below). MCImetro shall cutover the fibers from the overhead cable to the underground cable as soon as possible after installation. MCImetro shall notify the City in writing when the new underground system is operational. MCImetro shall coordinate its cable and innerduct installation such that MCImetro, or its contractor, will install as much of the cable and innerduct as possible prior to completion of the entire vault and conduit system by the City's Contractor.
- d) MCImetro or its contractor shall use commercially reasonable efforts to remove the existing overhead cable within 10 working days from MCImetro's notice to the City that the new underground system is operational (provided that reasonable access to the Project is made available from the City's contractor or subcontractor or other utilities performing work and provided traffic control plans are approved by the City according to the time frames set out in Section 3.c.ii.e. below).
- e) MCImetro or its contractor will provide traffic control and flaggers for installation of new underground cable and innerducts along with overhead construction and removal when required. MCImetro will coordinate its traffic control with other utilities, the City's contractor and the City. In the event that lane closures are necessary for performance of work, MCImetro shall be limited to working between the hours of 9AM to 3PM and must maintain four lanes (two lanes in either direction) of traffic on SR522. MCImetro must submit proposed traffic control plans to the City for review and approval. The initial traffic control plan will be reviewed in 15 working days and subsequent reviews will be completed in 10 working days. Driveway access to properties shall remain open during MCImetro's work. Traffic control plans must be approved 10 working days in advance by the City before implementation by MCImetro. If it is discovered that traffic control plans are needed while MCImetro's Work is being performed, the time frames allowed for MCImetro's Work shall be extended until such traffic control plans are approved by the City.

d. Change Orders

The City may approve changes in those parts of the construction contract relating to the Project, provided that if any change order would change the nature of the work or would cause that portion of the contract price attributable to MCImetro's facilities to increase by more than \$1,000.00 or cumulatively more than two percent (2%) of the original contract amount attributable to the work, then MCImetro's prior consent to the change orders shall be obtained, which consent shall not be unreasonably withheld. In the event that consent is unreasonably withheld, MCImetro shall be held responsible for all claims and liability incurred by the City resulting from such withholding of consent. The City shall immediately provide MCImetro with copies of all requests for change orders and executed change orders associated with the construction of MCImetro's facilities regardless of the dollar amount of the change order.

e. Payment and Payment Procedure

MCImetro shall pay the City's actual costs of constructing MCImetro's facilities within the Improvement Project, as set forth on Exhibit B - Cost Estimate, attached hereto and incorporated herein. The City shall provide MCImetro with periodic progress billings for the design, construction administration and construction of that portion of the Improvement Projects attributable to the construction of MCImetro's facilities. The City will review progress and proposed disbursements to the Project contractors. The parties acknowledge that the Cost Estimate provided in Exhibit B, is only an estimate of the potential costs. Notwithstanding Exhibit B, MCImetro shall pay the City's actual cost, to be determined by contract bid amounts if available or the contractor's determination of cost, for constructing MCImetro's facilities within the Improvement Project. MCImetro shall pay said costs within forty five (45) calendar days of receipt of each billing. MCImetro shall be responsible and pay all costs associated with MCImetro's Work.

f. Payments to Contractor

The City shall make all disbursements to the Improvement Projects contractors.

g. Final Acceptance

That portion of the contractor's work consisting of constructing MCImetro's facilities shall not be given final acceptance until it is approved in writing by the City and MCImetro. Neither party shall unreasonably withhold approval for final acceptance hereto. The conduit, handholes, junction boxes and other items installed for MCImetro shall become the property of MCImetro upon final acceptance.

h. Staff Time, Costs, and Incidental Expenses

At all times material hereto, the parties shall separately bear their own staff time, engineering costs, and incidental expenses except as specifically provided elsewhere in this Agreement.

Should any claims arise related to construction of MCImetro's facilities within the Improvement Project, installation of MCImetro's cable and innerducts, or removal of MCImetro's existing facilities, the City shall handle and administer such claims in the same manner as it would handle any other claims on the Improvement Projects. The City shall immediately notify MCImetro and keep it informed as to the progress of the claim. MCImetro will provide guidance to the City regarding proposed terms of settlement. Any decision regarding the settlement or prosecution of a claim shall be approved by MCImetro prior to being finalized. If MCImetro and the City cannot agree as to the prosecution or settlement of a claim, MCImetro may prosecute or defend the claim and the City will assign such claims to MCImetro. MCImetro agrees to pay all costs of prosecution or defense if assigned such claims.

i. MCImetro Inspections

The City will allow MCImetro to inspect the construction work at reasonable times before any work is covered. To accomplish this, the City will provide MCImetro with copies of the Contractor's project schedules and any revisions thereto, and advise MCImetro 24 hours prior to the need for such inspection. MCImetro agrees to provide such inspection in a timely manner to minimize delay to the Contractor and City.

j. Force Majeure

Neither Party shall be in default under this Agreement if its failure to perform is caused by any of the following conditions: act of God; fire; flood; power outages;; national emergency, malicious activity, terrorist activity, insurrection, war or civil disorder; labor unrest or strike; failure of the City to grant a required right-of-way permit, traffic control plan or other required authorization for use of the intended right-of-way or construction of the MCImetro Work; or any other cause beyond the commercially reasonable control of the affected Party. Any time frames for performance herein shall be extended for such time of the Force Majeure event.

4. INDEMNIFICATION AND INSURANCE

- a. MCImetro shall hold harmless, indemnify and defend the City, its officers, appointed and elected officials, employees and agents, from and against any and all claims, actions, suits, liability, loss, expenses, damages and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, for injury, sickness, liability or death to persons or damage to property or business, caused by or

arising out of MCImetro's negligent or intentional acts, errors or omissions in the performance of this Agreement and arising by reason of MCImetro's participation in the City's Improvement Project. PROVIDED FURTHER, that in the event of the concurrent negligence of the parties, MCImetro's obligations hereunder shall apply only to the percentage of fault attributable to MCImetro, its officers, officials, employees or agents.

- b. MCImetro shall hold harmless, indemnify and defend the City, its officers, appointed and elected officials, employees and agents from and against any and all claims, costs, expenses, actions, suits, liability, loss, damages and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, caused by or relating to MCImetro's or its contractor's failure to timely complete its work as identified in this Agreement. Notwithstanding this Section 4.b., MCImetro's total liability under this Section 4.b. shall not be greater than \$300,000. City shall hold harmless, indemnify and defend MCImetro, its officers, employees and agents from and against any and all claims, costs, expenses, actions, suits, liability, loss, damages and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, caused by or relating to City's or its contractor's failure to timely complete its work as identified in this Agreement. Notwithstanding this Section 4.b., City's total liability under this Section 4.b. shall not be greater than \$300,000.

- c. The City shall hold harmless, indemnify and defend MCImetro, its officers, appointed and elected officials, employees and agents, from and against any and all claims, actions, suits, liability, loss, expenses, damages and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, for injury, sickness, liability or death to persons or damage to property or business, caused by or arising out of the City's negligent or intentional acts, errors or omissions in the performance of this Agreement and arising by reason of the City participation in the City's project. PROVIDED FURTHER, that in the event of the concurrent negligence of the parties, the City's obligations hereunder shall apply only to the percentage of fault attributable to the City, its officers, officials, employees or agents.

- d. The foregoing indemnity provisions are specifically and expressly intended to constitute a waiver of each party's immunity under Washington Industrial Insurance Act, Title 51, as respects the other party only, and only to the extent necessary to provide each party with a full and complete indemnity of claims made by the other party's employees. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

- e. The provisions of this Section shall survive the expiration or earlier termination of the Agreement with regard to any event that occurred prior to or on the date of such expiration or earlier termination.

- f. The City shall require the Contractor building the Project to be responsible for safety and safety conditions on the job site, including the safety of all persons and property during performance of the work. Contractor shall comply with all applicable City, County, and State regulations, ordinances, orders, and codes regarding safety. The Contractor's attention will be directed to the requirements of the Washington Industrial Safety and Health Act, WISHA, RCW 49.17.
- g. The City shall, if possible, require the Contractor building the Project to have MCImetro, its Commissioners, officials, agents and employees named as additional insureds on all policies of insurance to be maintained by contractor(s) under the terms of any Project contract(s) with the City. The Contractor building the Project shall be required to maintain Public Liability Insurance.
- h. The City shall, if possible, require Contractor building the Project to indemnify, defend, and save harmless MCImetro and its Commissioners, officers, agents, or employees from any claim, real or imaginary, filed against MCImetro or its officers, agents, or employees alleging damage or injury arising out of the contractor's participation in the Project.

5. NOTICES AND OTHER COMMUNICATIONS

All notices and other formal communications to be delivered under this Agreement shall be mailed or delivered to the following:

City of Kenmore
LLC
Kristen Overleese, City Engineer
or her designee
P.O. Box 82607
Kenmore, Washington 98028 - 0607
koverleese@kenmorewa.gov

MCImetro Access Transmission Services
LLC
Brad Landis, Network Engineer
or his designee
11311 NE 120th St, Kirkland, WA 98034
brad.landis@verizon.com

Provided, however, the parties may change their respective designation of representatives by written notification to one another.

6. This Agreement may be signed in counterparts, and, if so signed, shall be deemed one integrated document.

The date of this Agreement is _____, 2015.

CITY OF KENMORE

MCImetro Access Transmission Services
LLC

City Manager

Approved as to form:

City Attorney

EXHIBIT A
SCOPE OF WORK

The parties intend the following scope of work to be incorporated into the SR 522 West A (61st Ave NE to 65th Ave NE, including 61st Ave NE Approaches) project, as set forth in the City of Kenmore – MCImetro Agreement for Construction of MCImetro Facilities and per the SR 522 Utility Conversion Plan and Profile, Addendum # 2 drawing numbers UC4 to UC9, provided to MCImetro on 2/15/2015. As Part of the City of Kenmore's SR 522 West A Project:

The City shall install one - 4-inch conduit (furnished by MCImetro) on the south side of SR 522 from the west project limits (approximately 300 feet west of the SR 522 and 61st Ave NE intersection) (conduit shall be swept and stubbed at riser pole Sta 82+39) across SR 522, along the north side of SR 522 to Station 97+50, across SR 522, along the south side of SR 522 approximately 700 feet to the old 65th Ave NE right-of-way and the nearest MCImetro junction box. The total length of conduit being installed is roughly 2,300 feet. The City shall also furnish and install three handhole/junction box (25-TA) within the conversion area for MCImetro access to their facilities. All 4" conduit bends shall be minimum 36" radius. After conduit is installed end to end conduit shall be proofed with hard mandrel 1/8" smaller than the I.D of the conduit being proofed. Minimum 1,500 lb tensile strength pull string shall be equipped within the conduit.

EXHIBIT B
COST ESTIMATE

Design / Administration			Subtotal	\$15,000
Estimated Costs to Furnish and Install Conduits / Vaults				
CONDUIT 4 IN. DIAM. - INSTALL	L.F.	\$3.50	2300	\$8,050
CONDUIT RISER, 4 IN. DIAM. - INSTALL	EACH	\$900.00	1	\$900
25-TA PRECAST VAULT	EACH	\$6,300.00	3.0	\$18,900
			Subtotal	\$27,850
Estimated Costs for Trenching			Subtotal	\$66,700
Change Order Mark Up (10%)			Subtotal	\$9,500
Estimated Proportional Share of Other Project Costs	Totals		Proportional Share	
			%	Cost
Mobilization Bid Item	\$750,000		1.00%	\$7,500
Traffic Control Bid Items	\$647,750		1.00%	\$6,478
Erosion Control Bid Items	\$283,980		1.00%	\$2,840
Utility Coordinator Bid Item	\$50,000		1.00%	\$500
Construction Management Services (Consultants)	\$1,463,000		1.00%	\$14,630
				\$31,947
TOTAL COST ASSIGNMENT TO MCImetro:			Rounded	\$151,000



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

Subject/Topic: Approve Contract No. 15-C1409 with Johnson, Lavey and Bell dba Gallatin Public Affairs for Media Relations and Marketing Consulting Services	For Council Meeting Agenda of: 13 April 2015 Department: Executive Prepared by: Nancy Ousley <u>Initial & Date</u> Approved by Department Head: <u>NKO 3 APR 2015</u> Approved by City Attorney: _____ Approved by Finance Director: _____ Approved by City Manager: <u>POK 4/13/2015</u>			
Proposed Council Action/Motion: Approve Contract No. 15-C1409 with Johnson, Lavey and Bell dba Gallatin Public Affairs for Media Relations and Marketing Consulting Services	Exhibits/Attachments: 1) Proposed Contract No. 15-C1409 2) Gallatin Proposal Submitted February 2015			
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;">Expenditure Required \$86,000 maximum through Dec 2016</td> <td style="width: 33%; border: none;">Amount Budgeted \$116,000 for 2015-2016 (media relations/marketing)</td> <td style="width: 33%; border: none;">Appropriation Required \$0</td> </tr> </table>		Expenditure Required \$86,000 maximum through Dec 2016	Amount Budgeted \$116,000 for 2015-2016 (media relations/marketing)	Appropriation Required \$0
Expenditure Required \$86,000 maximum through Dec 2016	Amount Budgeted \$116,000 for 2015-2016 (media relations/marketing)	Appropriation Required \$0		
<u>INFORMATION/BACKGROUND:</u> The proposed contract with Gallatin Public Affairs provides for media relations, strategic marketing and digital communications consulting services. Gallatin was selected following a Request for Proposal process and brings solid resources and experience in promoting public and private sector clients. Promoting Kenmore's image is a key goal in Kenmore's Economic Development Strategy (2009) and the City has invested in marketing and media relations services since 2012. Working with Gallatin will be particularly effective in connecting with business audiences, including investors and site selectors. The contract term runs through December 2016, with the standard contract provision that the City can terminate the contract with seven days advance notice. The contract features ongoing media relations, strategic communications, audience positioning and website/ digital communications consulting on a monthly retainer basis of \$3500 per month for a total of \$71,750 for the contract period, plus additional services such as preparing promotional products if requested by the client. The total cost of the optional/ additional services is \$14,250. The Consultant will provide written monthly reports on activities and deliverables, and will have biweekly meetings/conference calls with City staff to for updates and status reports.				
<u>FISCAL CONSIDERATION:</u> The 2015-2016 Budget has sufficient funds identified for this work.				
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> Continue to Implement the Economic Development Strategy with an emphasis on four key points: Promote the Image of Kenmore; Create a vibrant, walkable Downtown; Support existing businesses; and Advance the City's connection to the waterfront.				

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. 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.

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 seven (7) 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 fourteen (14) 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:

Gallatin Public Affairs
240 2nd Ave. S.
Suite 400
Seattle, WA 98104

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

CONSULTANT

By: _____
Rob Karlinsey
Title: City Manager
Date: _____

By: _____
Dan Lavey
Title: President
Date: _____

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:

Media Relations and Communications

- Work with the City to identify communication priorities and target audiences to ensure communications are focused and effective, and recommend strategies for effective messaging
- Audience development through contacts with targeted media organizations and communication recommendations to reach desired audiences
- Prepare or review media releases and feature stories at the local/regional/national/international level and engage targeted media organizations to promote story placement
- Advise the City on effective responses to the media on emerging issues and events
- Proactive media outreach including introducing issues and promoting coverage
- Website and digital media consultation as requested
- Interface with Public Information Officers or consultants from other organizations on media strategy and media releases on high profile projects
- Provide regular status reports and updates to City staff on media opportunities and identify compelling issues that can be promoted through targeted media. This includes bi-weekly meetings or conference calls with City staff.
- Prepare a monthly written activity report that details services delivered, including all media and target audience contacts, media releases and products prepared, digital media work and other activities and services provided in the prior month.

Positioning

- Identify events and coordinate speaking opportunities or other avenues for City of Kenmore officials to reach key audiences

Products

- Key messaging document
 - Serves as foundation for all external communications
- General brochure
- Business community fact sheet
- Business profiles/success stories
- Update existing assets
 - General fact sheet
 - Tourism fact sheet
 - Kenmore Business Incubator fact sheet

EXHIBIT B

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

\$3,500/month retainer:

- Media Relations and Communications
- Positioning

Products:

- Key messaging document (\$5,000)
- General brochure (\$1,750)
- Business community fact sheet (\$1,000)
- Business profiles/success stories (\$3,500)
- Update existing assets
 - General fact sheet (\$1,000)
 - Tourism fact sheet (\$1,000)
 - Kenmore Business Incubator fact sheet (\$1,000)

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.: _____

Social Security No.: _____

Print Name: _____

Title: _____

Business Name: _____

Business Address: _____

Business Phone: _____

Date

Authorized Signature (Required)



PROPOSAL

City of Kenmore

MEDIA RELATIONS AND MARKETING SERVICES

February 17, 2015

Prepared by Bruce Gryniowski - *Office Managing Partner*, Gallatin Public Affairs
For the City of Kenmore



Introduction

Thank you for the opportunity to present this scope of work to provide consulting services to the City of Kenmore for media relations and support for the City's marketing efforts.

Situation

The City of Kenmore enjoys a number of qualities that make it unique to our region. Its position as a regional education hub, housing Bastyr University and with nearby University of Washington Bothell and Cascade College, set it apart from other cities of its size. Kenmore also has valuable recreational opportunities – most notably Kenmore Air, the largest air harbor in the state, as well as outdoor recreation infrastructure such as the Burke Gilman Regional Trail, its location on Lake Washington and the Sammamish River and its local parks.

As Kenmore continues to implement its Economic Development Strategy to increase its profile in the business community and among site selectors, it will be critical for the City to establish itself as “open for business” and competitive in our regional economy. Kenmore's recent investments, including downtown redevelopment, transportation and streetscape improvements, and its proactive efforts to grow business through the Kenmore Business Incubator, are huge opportunities and should be highlighted.

By expanding the reach and audience through proactive communications, the City of Kenmore can position itself as a conveniently-located, affordable and business-friendly option for businesses looking to locate in the greater Seattle region.

Scope of Work

Our goal is to generate positive media coverage, highlighting the opportunities for recreation and business in the City of Kenmore, through the following activities:

- Gallatin will work with the City of Kenmore to identify target audiences to ensure that communications are focused and effective
- Gallatin will develop recommended strategies for messaging and targeted media organizations to reach desired audiences
- Gallatin will prepare or review staff-generated media releases and feature stories at the local/regional/national/international levels and engage targeted publications and media organizations to promote story placement
- Gallatin will advise City on effective responses to the media on emerging issues and events
- Gallatin will interface with Public Information Officers or consultants from other organizations on media strategy and media releases on high profile projects
- Gallatin will provide regular status reports and updates to City staff on media opportunities and identify compelling issue that can be promoted through targeted media
- Gallatin will create and/or update marketing or media kit material as needed
- Gallatin will update key messages as needed
- Gallatin will advise on website and social media content and graphics as requested



Your Gallatin Team

Anna Boone, *Principal* *Project Manager*

An experienced project manager, Anna effectively tracks timelines, budgets, team members and deliverables to meet clients' goals. Anna leads local government relations for Uber Technologies, Inc., working directly with cities throughout Washington on policy and implementation as they update taxi codes to accommodate new market entrants.

In addition to her work in government affairs, Anna helps clients draft statements, talking points and collateral materials around a variety of issues. She has also designed and implemented a successful social media strategy for Puget Sound Pilots, integrating digital advertising to reach an expanded audience with targeted messages.

Bruce Gryniewski, *Office Managing Partner*

Bruce Gryniewski has been active in political campaigns and issues in Washington for nearly 20 years. He enjoys high level political relationships with the Governor's office and legislative leaders on both sides of the aisle in both the House and the Senate, as well as strong agency executive relationships. He specializes in bridging ideological divides to advance both sustainability and economic development.

Bruce combines high-level strategy counsel with practical relationships and public policy knowledge to help business interests navigate the often-challenging political and regulatory environment in the Pacific Northwest. Bruce will provide strategic counsel, helping the City of Kenmore achieve their goals and grow its profile in the Washington business community.

Aaron Toso, *Principal*

When it comes to strengthening media relationships, developing key messages and executing successful communications strategies in Washington, clients turn to Aaron Toso. Aaron has extensive experience working with local and regional media of all mediums. He has crafted strategic communications plans for numerous clients in multiple industry sectors throughout the Northwest.

Prior to joining Gallatin, Aaron served as Communications and Outreach Director at the Washington State Department of Natural Resources, where he was also part of Commissioner Goldmark's transition team in 2008. During his time at DNR, he integrated the use of digital and social media communications to better connect constituents with their government, mentored and developed communication staff skills and served as spokesperson for multiple issues related to the agency's work.



Jay Natoli, Director of Digital & Social Media

Jay Natoli has more than 12 years' experience in the use of digital communications and marketing strategies, and served as New Media Director for United States Senator Claire McCaskill before joining Gallatin Public Affairs. By creating, optimizing and modernizing websites, harnessing the power of email for fundraising and advocacy and pioneering the use of social media for strategic purposes, Jay has helped a diverse range of candidates, causes and organizations plan and execute successful online strategies.

Bob Royer, Of Counsel

As a journalist, public servant and public affairs professional, Bob has been at the center of major policy debates in Seattle, Washington State and the Northwest throughout his career.

Prior to joining Gallatin, Bob helped develop public safety software for fire and police departments and was Director of Communications and Public Affairs at Seattle City Light, one of the largest publicly owned utilities in the United States. He helped the utility through the 2000-2001 west coast energy crisis and its aftermath and the Nisqually Earthquake. He helped elect his brother Charles Royer as Mayor of Seattle, where he served from 1978 to 1990. Bob served as Deputy Mayor for the first five years of the Mayor's time in office and was instrumental in the resolution of one of North America's longest environmental conflicts – High Ross Dam.

Jamie Clegg, Associate

Jamie Clegg brings a valuable set of research, tracking and outreach skills to the Gallatin team. Jamie has spent the past three years researching issues, tracking and monitoring local legislation, providing social media and news analysis and building support for issues that affect Gallatin clients and impact the economy throughout the Pacific Northwest.

Jamie will analyze and track local issues, social media and traditional news to highlight opportunities and mitigate potential issues the City of Kenmore might face. In addition, Jamie will provide research and general project support for the City of Kenmore throughout the duration of the contract.

Experience

For 25 years, Gallatin Public Affairs has represented clients at the often complex intersection of government, business, politics and the media. We help clients seize opportunities, overcome challenges and grow. We are strategists, lobbyists, communicators, policy experts, researchers and organizers – experienced bipartisan professionals who can help your organization succeed.

Gallatin's Seattle Office is located at 240 2nd Avenue S., Suite 400, Seattle, WA 98104 and is managed by Bruce Gryniewski, who can be reached at bruceg@gallatinpa.com or (206) 443-8846.



Marysville School District | Gallatin led crisis communications response and served as media contact and spokesperson for the Marysville School District in the aftermath of the Marysville-Pilchuck tragic school shooting in October 2014. Gallatin managed the strategic messaging for stakeholders and the District, coached Superintendent and district staff on interview skills, and worked with local, regional and national media outlets from print, radio, and television.

Uber Technologies, Inc. | When Uber sought to enter local markets in Washington state, they engaged Gallatin to help position themselves and open doors. Our team developed strategic messaging for Uber's entrance into markets throughout Western Washington, served as media contact and strategist, and successfully lobbied local governments to change the regulatory environment to allow for ridesharing.

Puget Sound Pilots | Gallatin employed several strategies to help Puget Sound Pilots raise their profile and establish their brand. By creating and implementing a comprehensive public affairs campaign for Puget Sound Pilots, the organization has successfully broadened community and political relationships. Gallatin has also created a new website for Puget Sound Pilots, and manages active social media accounts on Facebook and Twitter - exponentially growing audiences and increasing engagement.

Haven Energy | Created and implemented a strategic communications plan and public affairs strategy to launch Haven Energy, a proposed propane and butane export terminal. The project is located at the Port of Longview and the launch strategy, including community engagement, was created in coordination with the Port. Gallatin created the communication and outreach tools (website, leave-behind, press release, presentation deck, key stakeholder map), facilitated briefings with key stakeholders, and managed media relations. Since launch Gallatin has organized public meetings, managed media relations and conducted local outreach to build support for the project.

Consulting Fees

Idaho

350 N 9th St, Suite 550
Boise, ID 83702
208.336.1986

Gallatin will charge a monthly retainer of \$4,000 to execute the above scope of work.

Washington

103 E Indiana Ave, Suite B
Spokane, WA 99207
509.624.7655

240 2nd Ave S, Suite 400
Seattle, WA 98104
206.443.8846

Oregon

920 SW 6th Ave, Suite 250
Portland, OR 97204
503.220.0780

333 NE High St, Suite 202
Salem, OR 97301
503.351.6699

References

1. **Becky Berg**, *Superintendent*, Marysville School District
(360) 653-0800; becky_berg@msvl.k12.wa.us
2. **Brooke Steger**, *General Manager*, Uber Technologies, Inc.
(206) 518- 3388; brooke@uber.com
3. **Walt Tabler**, *Executive Director*, Puget Sound Pilots
(206) 728-6400; wtabler@pspilots.org
4. **Greg Bowles**, *President*, Sage Midstream LLC and Haven Energy
(713) 333- 0905; greg.bowles@sagemidstream.com

Marysville School District



25
YEARS



Seahawks' Family Grows After Tragedy

Publish Date: Feb. 1, 2015, 10:29 AM ET Duration: 05:47



A small Washington State community was forever changed on Oct. 24, 2014, after a student opened fire at Marysville-Pilchuck High School. Amidst the devastation in the aftermath, local communities, including the Seahawks, stepped in to offer support.

Tags: Seahawks, Seattle Seahawks, NFL, Ricardo Lockette, Bobby Wagner

<http://espn.go.com/video/clip?id=12262387>



IN OUR VIEW / HIGH SCHOOL SHOOTING

We are Marysville Pilchuck

We are Columbine. We are Virginia Tech. We are Fort Hood. We are Aurora. We are Sandy Hook. We are the Washington Navy Yard. We are Seattle Pacific University. We are Ottawa.

Now, we are Marysville Pilchuck High School.

Those simple words are meant as sincere statements of solidarity with communities left reeling by mass shootings. But contained in those few words is



Mark Mullen / The Herald
Marysville Pilchuck student Tyanna Davis (left) places flowers with her mother (center) and another student (right) on the fence bordering the high school along 108th Street NE Saturday morning.



Photo gallery:
Marysville Pilchuck shooting

www.heraldnet.com/article/20141024/OPINION01/141029368

Marysville School District



Gallatin launched the Marysville School District Facebook page immediately following the tragedy, leveraging the social media platform to provide timely and accurate information directly from the District. In the weeks following the events at Marysville-Pilchuck High School, Gallatin managed the sensitive transition of the page to a district-wide resource.



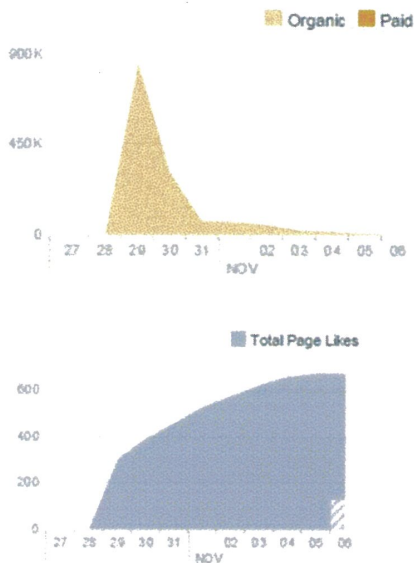
www.facebook.com/MarysvilleSD

Marysville School District



25
YEARS

The page saw immediate and substantial growth in audience and reach, with nearly 1 million page views within days of launching.



Marysville School District No. 25
Posted by Anna G. Boone (7) November 1, 2014 · 1h

Governor Jay Inslee issues official proclamation asking people throughout Washington to wear red and white on Monday in support of the Marysville community as MPHS students return to school.

66,528 people reached

Like · Comment · Share

391 · 22 · 1,050 Shares

Boost Post

Uber Technologies, Inc.



Originally published June 16, 2014 at 9:23 PM | Page modified June 16, 2014 at 10:39 PM

Mayor rides down the middle with ride-service accord

Ride-service providers Lyft, Sidecar and uberX won't be limited to 150 drivers on the street at a time under proposed regulations negotiated by the companies and Seattle Mayor Ed Murray. The taxi industry will gain new flexibility to compete against the new services.

By [Alexa Vaughn](#)
Seattle Times staff reporter

App-based ride services such as uberX, Lyft and Sidecar could put unlimited drivers on the road at a time under a deal Seattle Mayor Ed Murray announced Monday.

The city also would add 200 taxi licenses under the plan and loosen other industry restrictions to help cab drivers compete.

Murray hailed his proposal as a victory for popular technology and for an aging taxi industry burdened with too many rules.

"We have deregulated a highly regulated monopoly," Murray said at a news conference, flanked by representatives of Lyft, uberX wheelchair-accessible taxis, and for-hire companies.



ELLEN M. BANNER / THE SEATTLE TIMES

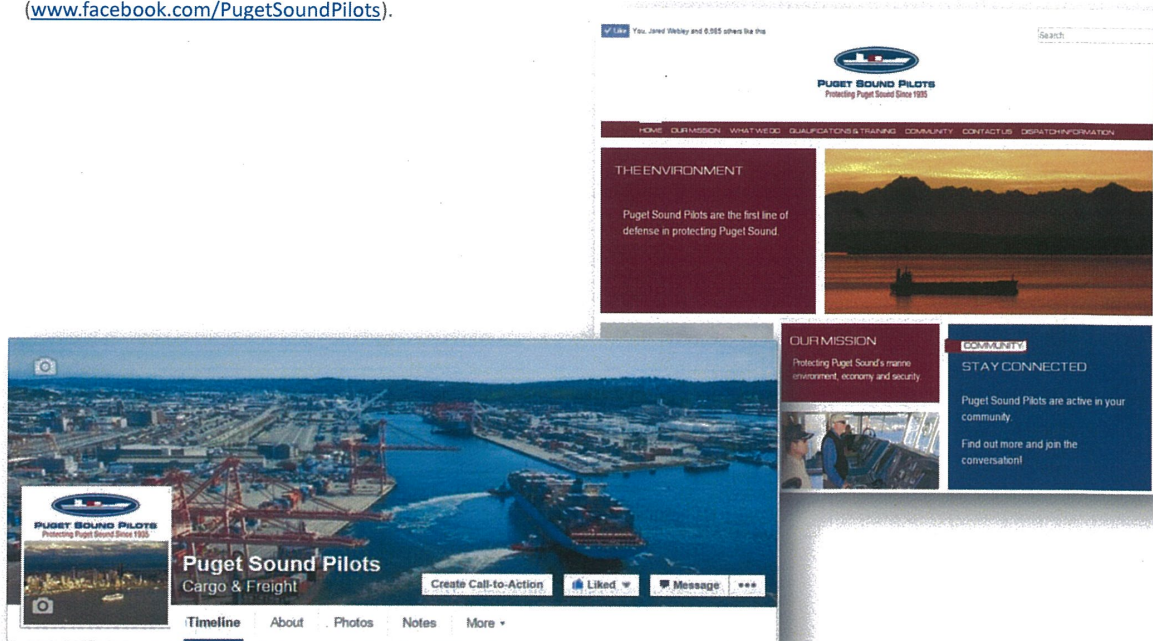
Seattle Mayor Ed Murray on Monday announces proposed ride-service regulations reached after long negotiations with taxi, for-hire and app-based ride-service industries. Behind him are representatives of the industries.

Share:
f t in e +
Recommend 7
Comments (23)
Print

Puget Sound Pilots



Built the online presence for Puget Sound Pilots, including a website (www.pspilots.org) and Facebook page (www.facebook.com/PugetSoundPilots).

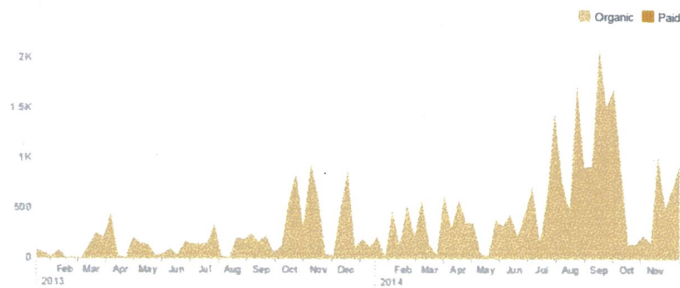


Puget Sound Pilots

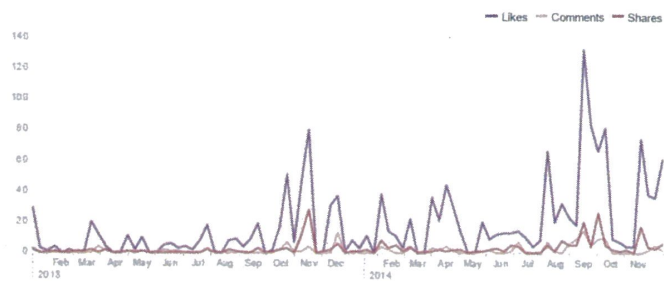


Built Facebook audience and increased reach and engagement of content through digital advertising and regularly posting interesting and relevant content.

Increased reach of posts:



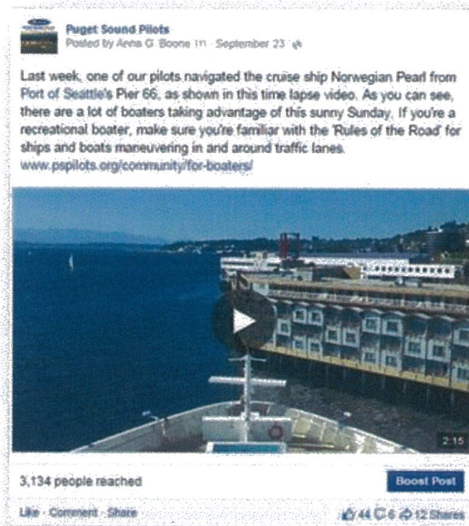
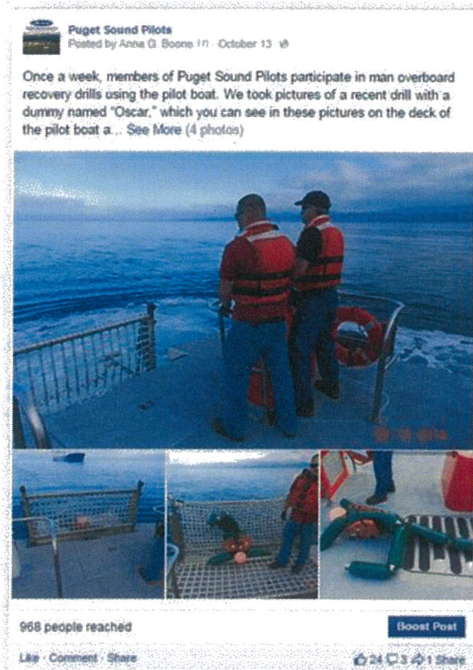
Increased interaction with posts:



Puget Sound Pilots



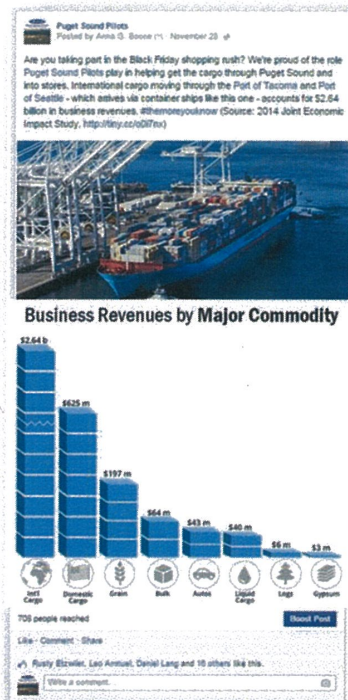
25
YEARS



Puget Sound Pilots



25
YEARS



June 'Pilot of the Month': Captain Peter Giese
April 2, 2014 at 9:50am

Our pilots all have one thing in common: a profound love for Puget Sound. Captain Peter Giese, our June pilot of the month, can easily name the origin of his love for our waterways: the Odo.

The Odo

As he tells it, Peter was on boats before he was born. He and his five siblings all grew up sailing on the family sailboat, the Odo, which is in the International 6-Ahmet Class of classic racing yachts. The Odo has been in the Giese family since 1937 and Peter still sails on it today!

Growing up, Peter and his family would participate in 6-Ahmet regattas from Tacoma to Vancouver, B.C., where they competed against both American and Canadian sailboats. He made the "glory years" in the 1950s and early 1960s, when the Odo became the first 6-Ahmet to win the prestigious Lapin-Cole four times.

Sailing continued to be a major part of Peter's life growing up. His family spent time enjoying Puget Sound, the San Juan Islands and the Olympics on camping trips around the coast and, as Peter got older, he found himself on Lake Washington every Wednesday evening for races, and competing in regattas during the summer months.

Puget Sound Pilots
Posted by Anna Q. Boone on December 2

This video was taken during a recent simulator training at Pacific Maritime Institute. Our pilots regularly undergo simulator training to prepare for difficult transits, such as this scenario navigating a large ship into Port of Tacoma's Blair Waterway.

3,616 people reached

Like · Comment · Share

15 Shares

Andy Cox, Michael Anthony, K. Chennaray (Shree) and 55 others like this.

View 3 more comments

Ed Elzevir Good one Andy. We do the transit of a channel similar to this all the time too with mostly box ships and tankers...also with a breezy cross wind. Always fun, especially at night with large ships on both sides of channel. Side width is about 300'. Tips of container cranes boomed down make it a little less.

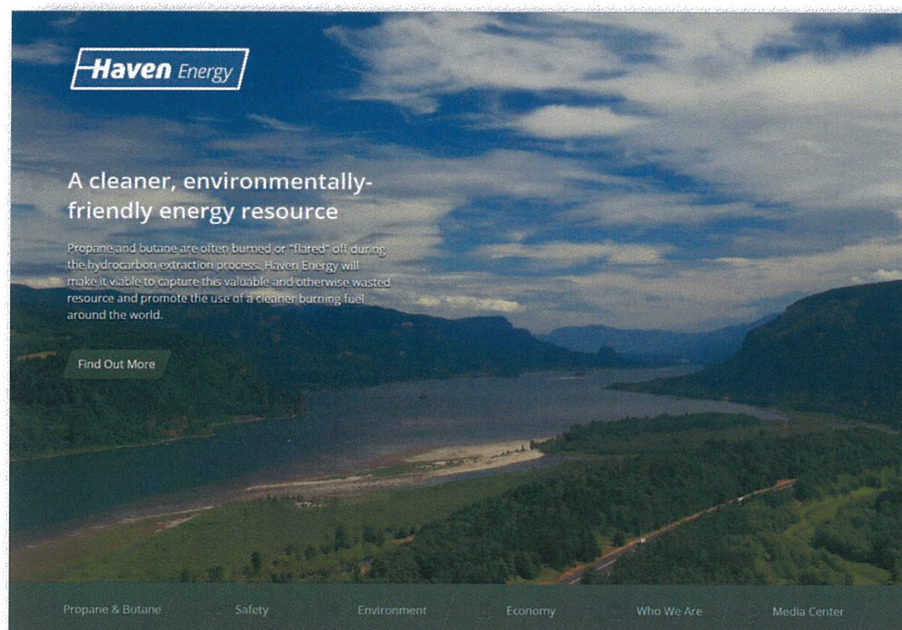
Like · Reply · December 3 at 4:54pm

Diana Brooks ding...why did I not know bout this job in 1999!

Like · Reply · December 4 at 10:21pm

Write a comment

Haven Energy



www.havenenergyterminal.com

Haven Energy



Partnering with the Port of Longview to create jobs, invest in safety and provide a cleaner and environmentally-friendly energy resource.

Project Overview

Haven Energy is committed to bringing cleaner burning fuels to market safely while supporting Longview and Washington State with new jobs and increased tax revenue. The company plans to invest approximately \$275 million to build and operate a safe and environmentally-friendly export terminal at the Port of Longview.

Haven Energy will receive propane and butane which are currently being wasted through a process called "flaring" at oil and gas wells in North Dakota and elsewhere. The propane and butane will be transported via rail, refrigerated, stored and exported via ship through a state-of-the-art terminal that will include the most comprehensive safety features of any propane and butane export terminal in the nation.

Economic Benefits
to Cowlitz County & Washington State

The Haven Energy export terminal will have a positive impact that extends beyond the Port of Longview, bringing new jobs, tax revenues and increased demand for local goods and labor. An independent analysis by ECONorthwest, a professional economic consulting company, finds that the Haven Energy export terminal will generate more than 2,000 family-wage jobs during its 21 month construction period and between 110 and 125 permanent direct and indirect jobs once operational.

Haven Energy will generate approximately \$17 million in local and state tax revenue during the construction period, and pay total salary and benefits of over \$135 million. Over the next 20 years of operation, Haven Energy is expected to generate more than \$80 million in local and state tax revenue.

The company anticipates sourcing a significant amount of its labor and construction materials from the local community. Haven Energy will also work closely with local labor unions and the Port of Longview to staff the facility.



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

Subject/Topic: West Sammamish River Bridge design and right-of-way acquisition Proposed Council Action/Motion: Authorize the City Manager to execute a contract with Jacobs Engineering in the amount of \$2,460,054 for West Sammamish Bridge design and right-of-way services (this includes a 10% contingency).	For Council Meeting Agenda of: 04/13/2015 Department: <u>Engineering</u> Prepared by: <u>John Vicente & Kris Overleese</u> <table style="width: 100%;"> <tr> <td style="width: 70%;">Approved by Department Head:</td> <td style="width: 30%; text-align: center;"><u>Initial & Date</u> <u>KNO 4/3/15</u></td> </tr> <tr> <td>Approved by City Attorney:</td> <td style="text-align: center;"><u>NA</u></td> </tr> <tr> <td>Approved by Finance Director:</td> <td></td> </tr> <tr> <td>Approved by City Manager:</td> <td style="text-align: center;"><u>OK 4/3/15</u></td> </tr> </table> Exhibits/Attachments: NA	Approved by Department Head:	<u>Initial & Date</u> <u>KNO 4/3/15</u>	Approved by City Attorney:	<u>NA</u>	Approved by Finance Director:		Approved by City Manager:	<u>OK 4/3/15</u>
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Approved by City Attorney:	<u>NA</u>								
Approved by Finance Director:									
Approved by City Manager:	<u>OK 4/3/15</u>								
Expenditure Required \$2,460,054 Amount Budgeted 2,570,000 Appropriation Required NA									
<u>INFORMATION/BACKGROUND:</u> <u>Consultant:</u> On June 25, 2013, Statements of Qualifications were requested for Consultants to provide preliminary analysis, design, and right of way services in relation to the West Sammamish River Bridge Replacement Project (Project). Jacobs Engineering (Jacobs) was selected and has completed Phase 1 (Initial Investigation and Scour Repair) and Phase 2 (Bridge Rehabilitation vs Replacement Evaluation). Phase 3 (Plans, Specifications and Engineer's Estimates) and Phase 4 (Engineering Services During Construction) are the remaining phases for Jacobs to complete. This contract will complete Phase 3 for the preferred alternative selected in Phase 2. This contract will also include funding for an artist and artwork to be incorporated into the Project. <u>Design Status:</u> In early November 2013, the City entered into a contract with Jacobs to review the City's options for either rehabilitating or replacing the existing bridge structure. Jacobs completed the preliminary analysis and a preferred alternative, replacement, was presented to Council on February 24, 2014. With funding secured for the design and right-of-way phases, design will begin on the preferred alternative. <u>Right-of-way Status:</u> Right of Way needs have not been determined at this time. During the design phase, Jacobs will determine how much, if any, Right-of-Way acquisition will be needed to construct the project. Once right of way needs are identified, the Jacobs agreement will be amended to provide these services.									
<u>FISCAL CONSIDERATION:</u> The total budget for the Project is \$20,000,000 over the period 2015 – 2020 (adopted CIP). The 2015-16 biennial budget for the Project is \$3,550,000 with \$1,270,000 scheduled for 2015. <u>Project Administration:</u> The 2015-16 line item budget for project administration is \$240,000. The total Project budget for the project administration is \$650,000 (administration of the Project through construction completion).									

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Design: The 2015-16 line item budget for the design of the Project is \$2,300,000. The total Project budget for the design is \$2,570,000.

Schedule Discussion: Design is expected to begin once the BRAC funds have been obligated with the Washington State Department of Transportation (WSDOT). Below is a table outlining the current schedule for the Project.

Table 1. West Sammamish River Bridge Schedule

Phase	Estimated Start	Estimated Completion
Design/Permitting	May 2015	December 2017
Right of Way	December 2015	July 2017
Construction	Spring 2018	Spring 2020

Recommendation: Staff recommends approval of the Jacobs contract in the amount of \$2,460,054 which includes a 10% contingency.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Goal #1: To focus on and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel.

West Sammamish River Bridge Design and ROW Acquisition

April 13, 2015

Kris Overleese, Public Works Director
John Vicente, Capital Projects Manager

Progress Update

- July 2013: Jacobs Engineering selected to provide consultant services for the W. Sammamish River Bridge
- Phase 1 and Phase 2 of bridge analysis completed
 - Initial Investigation, scour repair, alternatives analysis
- February 2014, preferred alternative (bridge replacement) approved
- Phase 3: Permitting, Right of Way, PS&E
- Schedule:
 - Begin Design: May 2015
 - Construction Start: Spring 2018
 - Construction Complete: Spring 2020



City Of Kenmore, Washington

Memorandum

Date: April 10, 2015

To: Mayor & City Council

From: Rob Karlinsey, City Manager

Regarding: For the Love of Kenmore—Keeping the Love Alive

The “For the Love of Kenmore” events this past week with Peter Kageyama were inspiring to say the least. The residents who attended the event were energized and went away excited to go forth and do!

Peter’s concepts such as love notes, garden hose solutions, embrace temporary, civic experiments, competent failure, celebrating our successes, and more are powerful ideas and be implemented to increase citizen engagement and enthusiasm for our community.

The City can do its part in keeping the momentum going forward, and I recommend the following next steps and ideas:

1. Continue to implement city-created “love notes” through our various events (Summer Concert Series, Holiday Tree Lighting, Fourth of July, etc.) and through aesthetic and interactive amenities at our public parks and facilities.
2. Keep the energy and momentum alive through follow up social media posts, newsletter articles, newspaper columns, and more.
3. Bring more art to Kenmore.
4. Embrace Temporary and Conduct Civic Experiments. Peter’s ideas, including a temporary dog park at the south plaza at City Hall, are worth pursuing.
5. Enable and Support Our Co-Creators. Many of our city’s co-creators, or what Peter Kageyama calls “Geniuses in Our Own Backyards,” attended the For the Love of Kenmore events. Peter’s suggested steps to encourage our co-creators are as follows:
 - Identify your co-creators
 - Bring them together
 - Ask them for their help
 - Amplify what they naturally do (“hitch your wagon to their star”)
 - Provide resources (not necessarily dollars)

18120 68th Ave NE · PO Box 82607 · Kenmore, WA 98028

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- Ask them to identify other co-creators
- Expand the circle

In keeping with Peter's steps for supporting co-creators, I recommend the following:

- Reach out to the groups that attended the Tuesday workshop and encourage them to implement their "\$500 Grant" ideas. Suggest that they raise money through crowd source funding or other methods. In selected cases, the City may be able to provide limited resources.
 - Work with co-creators to hold a Kenmore t-shirt contest. Encourage the schools to participate. Citizens would pick the winners and would put the t-shirts into production.
 - Bring co-creators together (both online and in-person) and conduct a community brainstorm session and identify 25-50 things, both big and small, that citizens could do to create "love notes" for Kenmore, and encourage citizens to implement those love notes.
6. The City should continue to avoid being a "fun squelcher" and should have a yes orientation when co-creators come to the city with love note ideas ("permit for pillow fights in the park, please")
 7. Hold a "good news only" City Council meeting where citizens report on progress and implementation of the 25-50 love notes.
 8. Continue and magnify our rituals and traditions. Let co-creators create new ones.
 9. Celebrate our successes, including a "Send Off" event for the Kenmore Village building demolition.

The public's reaction to the For the Love of Kenmore events was nothing but positive. The above next steps are intended to keep us moving forward to a more civically engaged and lovable Kenmore. I look forward to a follow up discussion on Monday and hearing your ideas on next steps.



City Of Kenmore, Washington

Memorandum

Date: April 10, 2015

To: Mayor & City Council

From: Rob Karlinsey, City Manager

Regarding: Proposed Wood Sculpture at Rhododendron Park

In the adopted 2015-2016 Biennial Budget, one of the objectives under Public Art is to “assess the feasibility of commissioning an artist for a wood sculpture in Rhododendron Park.” A strong candidate for the sculpture would be the trunk of a Cedrus Atlantica tree along the east side of 68th Avenue NE in Rhododendron Park, as shown in the following photo:



A recent example of a wood sculpture on a tree trunk is the Jeff Samudosky Wood Sculpture at Crescent Creek Park in Gig Harbor. This sculpture was completed in June of 2014. Several

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photos of this sculpture are included below. We have contacted Mr. Samudosky, and he has visited and inspected the Cedrus Atlantica tree trunk at Rhododendron Park. Mr. Samudosky believes the trunk is in good condition and is well suited for a wood sculpture.

If we were to proceed forward, we would conduct a Call for Artists process that would lead to commissioning an artist to sculpt this trunk. In the Call for Artists, we would request a similar theme (nature and wildlife indigenous to Kenmore) as the Samudosky piece in Gig Harbor.

The estimated cost to sculpt the trunk would be \$30,000 (Mr. Samudosky provided an estimate of \$27,000). Funding could come from the Public Art Fund which currently has an unobligated balance of about \$67,000.

Another funding option would be to use General Fund dollars—we are currently seeing salary savings from vacant and yet-to-be-filled positions, and the General Fund can likely cover the cost of the wood sculpture without increasing the overall appropriation of the General Fund.

Funding could potentially come from donations and grants. Interested citizens would need to lead the charge in order raise the funds.

In the context of our recent conversations and workshops on “For the Love of Kenmore,” I recommend that we move forward with a Call for Artists for this wood sculpture at Rhododendron Park. Though the sculpture will have a financial cost, it will also have, in Peter Kageyama’s words, “a value beyond the purely financial.”

Please see the Samudosky Wood Sculpture pictures that follow.



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