

City of Kenmore



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, July 28, 2014

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. PROCLAMATION

- A. National Recovery Month Proclamation - September 2014
[Proclamation](#)

VI. 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.

VII. CONSENT AGENDA

- A. Adopt Minutes for the July 14, 2014 City Council Meeting
[Draft Minutes](#)
- B. Approve Check Nos. 30304 - 30398 in the Amount of \$638,523.41 and Payroll Check No. 211521 in the Amount of \$874.00 and Electronically Transferred Payroll Funds Totaling \$74,106.90 and Electronically Transferred Property Purchase Funds in the Amount of \$645,798.51 for the Period Ending July 18, 2014.
[Checks for Approval](#)

- C. Cancel City Council Regular Meetings for August 11, 18 and 25, 2014

VIII. PUBLIC HEARING

- A. Public Hearing to Receive Public Testimony on Options for Regulating Marijuana Businesses - Debbie Bent, Community Development Director, and Lauri Anderson, Senior Planner

IX. BUSINESS AGENDA

- A. Adopt Ordinance No. 14-384 for Regulating Marijuana Businesses in the City **OR** Adopt Ordinance No. 14-0385 to Prohibit Marijuana Businesses in the City - Debbie Bent, Community Development Director, and Lauri Anderson, Senior Planner
[Agenda Bill & Attachments](#)
- B. Presentation and Discussion of Sno-King Watershed Council's Application for Grant Funding to the Salmon Recovery Funding Board for Squires Landing Park Restoration - Debbie Bent, Community Development Director; Eric Adman, President of the Sno-King Watershed Council; and Cleve Steward, Executive Director of the Sustainable Fisheries Foundation
[Agenda Bill & Attachments](#)
- C. Adopt Ordinance No. 14-0386 Amending the Capital Improvement Program (CIP) to Allocate Funds for the SR 522 West A 61st to 65th Avenue Project - Kris Overleese, Engineering & Environmental Services Director
[Agenda Bill & Attachments](#)
- D. Adopt Resolution No. 14-243, Memorial Signage Policy - Ryan Miller, Graduate Student Intern
[Agenda Bill & Attachments](#)
- E. Approve Contract No. 14-C1298 with Northshore Canoe & Kayak Club for Hand-Powered Watercraft Programming Services at Squires Landing Park - Rob Karlinsey, City Manager
[Agenda Bill & Attachments](#)
- F. June 2014 Financial Report - Joanne Gregory, Finance & Administration Director
[Financial Report](#)

X. STAFF REPORTS

- A. St. Edward Seminary Building Update - Nancy Ousley, Assistant City Manager
- B. Kenmore Village Update - Rob Karlinsey, City Manager

XI. COUNCILMEMBER REPORTS & COMMENTS

XII. COUNCILMEMBER INITIATIVES

XIII. ADJOURNMENT

Upcoming Meetings:

Tuesday, July 29, 2014	Planning Commission Regular Meeting 7:00 p.m.
Tuesday, August 5, 2014	Planning Commission Regular Meeting 7:00 p.m.
August 11, 18 & 25, 2013	City Council Regular Meetings CANCELED
Monday, September 8, 2014	City Council Regular Meeting 7:00 p.m.

**City of Kenmore, Washington
Proclamation**

2014 National Recovery Month

“Join the Voices for Recovery: Speak Up, Reach Out”

WHEREAS, behavioral health is an essential part of health and one’s overall wellness; and

WHEREAS, prevention of mental and/or substance use disorders works, treatment is effective, and people recover in our area and around the nation; and

WHEREAS, preventing and overcoming mental and/or substance use disorders is essential to achieving healthy lifestyles, both physically and emotionally; and

WHEREAS, we must encourage relatives and friends of people with mental and/or substance use disorders to implement preventive measures, recognize the signs of a problem, and guide those in need to appropriate treatment and recovery support services; and

WHEREAS, in 2012, 2.5 million people aged 12 or older received specialty treatment for a substance use disorder and 34.1 million adults aged 18 or older received mental health services, according to the 2012 *National Survey on Drug Use and Health*. Given the serious nature of this public health problem, we must continue to reach the millions more who need help; and

WHEREAS, as part of the efforts to celebrate **Recovery Month** in September, King County Mental Health, Chemical Abuse and Dependency Services Division (MHCADSD) is sponsoring the fourth Annual Recovery and Resiliency Conference; and

WHEREAS, to help more people achieve and sustain long-term recovery, the U.S. Department of Health and Human Services (HHS), the Substance Abuse and Mental Health Services Administration (SAMHSA), the White House Office of National Drug Control Policy (ONDCP), and the City of Kenmore, Washington, invite all residents of Kenmore to participate in *National Recovery Month*,

NOW, THEREFORE, I, David Baker, Mayor of the City of Kenmore in the State of Washington, on behalf of the City Council, do hereby proclaim the month of September 2014 as

National Recovery Month

in the City of Kenmore and call upon the citizens to observe this month with appropriate programs, activities, and ceremonies to support the 25th year of ***National Recovery Month***.

IN WITNESS WHEREOF, signed this 28nd day of July, 2014.

Signed: _____
David Baker, Mayor

Attested: _____
Patty Safrin, City Clerk

**City of Kenmore, Washington
City Council Regular Meeting
Minutes
July 14, 2014**

CALL TO ORDER – The regular meeting of the Kenmore City Council was called to order by Mayor David Baker at 7:01 p.m.

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

Staff present: Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Kris Overleese, Engineering & Environmental Services Director; Debbie Bent, Community Development Director; Jennifer Gordon, Public Works Operations Manager; Leslie Harris, Management Analyst; Andrew Calkins, Graduate Student Intern; Melodi Yanik, Graduate Student Intern; Cliff Sether, Police Chief; 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

John Hendrickson, 5919 NE 202nd Lane, Kenmore, was present to state his concerns about the City budget and money for road improvements. He submitted a handout to Council.

Mayor Baker thanked him for his comments.

CONSENT AGENDA

Councilmember Sperry moved to approve the consent agenda as submitted. Mayor Baker seconded the motion to Adopt the Minutes of the June 9, 2014 and June 16, 2014 City Council Meetings; Adopt Amended Minutes for the May 19, 2014 City Council Meeting*; Approve Check Nos. 30133 - 30208 in the Amount of \$240,780.17 and Payroll Check Nos. 211428 and 211429 in the Amounts of \$82.72 and \$276.79 and Electronically Transferred Payroll Funds Totaling \$72,770.12 for the Period Ending June 20, 2014; Receive and File May 2014 Financial Report for the City of Kenmore, Washington; Adopt Resolution No. 14-242 Authorizing Investment of City of Kenmore Monies in the State Treasurer Local Government Investment Pool (LGIP); Approve the June 2, 2014 City Council Retreat Report, including City Council Goals; and Approve Contract No. 14-C1296 with Welwest Construction for Dredging of Swamp Creek Park Sediment Pond. The motion passed unanimously.

[* The amendment to the May 19, 2014 minutes was to add Council's action to adopt Ordinance No. 14-0383.]

BUSINESS AGENDA

Pedestrian and Bicycle Safety Discussion – City Manager Karlinsey was present to give a brief introduction to the discussion. Kris Overleese, Engineering and Environmental Services Director, with Rob Karlinsey, City Manager; Jennifer Gordon, Public Works Operations Manager; Cliff Sether, Police Chief; Leslie Harris, Management Analyst; and Keith Brown, King County Traffic Engineer, were present to provide updates on the implementation of safety improvements in the City. They were also available to answer any questions.

The topics covered in the discussion included updates of Rectangular Rapid Flashing Beacon (RRFB) installation, police enforcement efforts, rechannelization plans, the activities of the Pedestrian and Bicycle Safety Ad Hoc Citizen Committee, the community safety education plan, arterial speed studies done in the City, the status of sidewalk grants, and SR 522 West A design and construction.

It was Council direction to have the bike lane northbound and westbound on the North side of Simonds Road run from Inglemoor High School to Munro's Nursery at approximately 79th Avenue NE, and then sharrows from there to 68th Avenue NE.

It was Council direction to follow staff's recommendation for the South side of Simonds Road going east, including doing away with the on-street parking in front of Inglemoor High School and making it part of the bike lane, except starting the bike lane at 72nd Avenue NE.

It was Council direction to leave all arterial speed limits at 35 miles per hour. For Juanita Drive, it was Council direction to wait until the pavement restriping is completed and then collect more speed data.

It was Council direction to lower the speed limit on 68th Avenue NE, northbound from NE 170th Street to SR 522, to 25 miles per hour, leaving the southbound speed at 35 miles per hour.

Capital Improvement Program (CIP) Status Update - Rob Karlinsey, City Manager, with Kris Overleese, Engineering and Environmental Services Director, and Debbie Bent, Community Development Director were present to give a brief report. They were also available to answer any questions.

City Manager Karlinsey stated that in the near future three things that will be changing the CIP include the Surface Water Master Plan update, the update of the Transportation Element by the Planning Commission, and updated costs for the SR 522 West A Project. He noted that unfunded parks projects have now been dropped down on the list as "Unfunded Park Needs." He summarized that, during their January Retreat, Council directed staff to take action on pursuing a turnkey property that the City could acquire now, which has been accomplished with the Twedt property purchase; continuing to pursue the dock permit at Rhododendron Park on the City side of the bridge; and continuing to pursue the boathouse at Rhododendron Park, but to get it funded with outside funding rather than City resources. He stated that he is pursuing all three of these and that he is likely to recommend that the City ask for money for the boathouse from the capital budget of the State Legislature next session and also seek other funding from outside sources, such as the rowing and crew communities.

STAFF REPORT

City Manager Karlinsey encouraged the Council to attend the Wednesday, July 23rd Town Green meeting at 6:00 p.m.

CITY COUNCILMEMBER REPORTS & COMMENTS

Councilmember Van Ness reported on the recent ETP retreat he and Mayor Baker attended. He will be gone all next week for vacation and the National League of Cities meeting, but may attend the July 21st meeting remotely for the Council video discussion.

Mayor Baker stated that Congresswoman Susan Del Bene was here last week. She has agreed to attend one or two Northend Mayors' meetings per year. On Monday she toured the Business Incubator and met with businesses there as well as the sign company. She also visited Kenmore Air and the Marina. Mayor Baker also stated that he recently spoke with other local mayors regarding boat races for next year.

CITY COUNCIL INITIATIVES

Mayor Baker stated that he received a call from Councilmember Dembowski, who is looking for support for his transit plan. The Mayor would like to support his efforts. He stated that the City is losing several bus routes, including peak Route 306 and another to Bellevue.

Councilmembers Herbig, Denuski and Van Ness stated that they did not have enough information.

It was Council consensus that Mayor Baker could give his personal support but not represent the Council as a whole at this time.

ADJOURNMENT

Mayor Baker adjourned the regular meeting at 10:49 p.m.

David Baker, Mayor

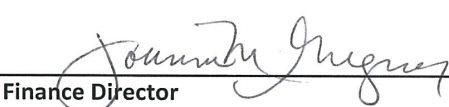
ATTEST:

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 30304 - 30398 which total \$638,523.41, and payroll check #211521 in the amount of \$874.00 and electronically transferred funds in the amount of \$74,106.90 and \$645,798.51, representing payroll and a property purchase, 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.

 18 July, 2014
City Manager Date

 7/18/14
Finance Director Date

Check #	Vendor Name	Description	Check Amount
30304	DEPARTMENT OF NATURAL RESOURCES	Consideration Fee	500.00
30305	US POSTAL SERVICE (HASLER)	Postage Machine Refill	3,140.79
30306	NATIONWIDE FINANCIAL 401a	Social Security Replacement Plan	10,326.42
30307	NATIONWIDE RETIREMENT SOLUTIONS 457	Deferred Comp Payroll Deduction	285.00
30308	ICMA RETIREMENT TRUST 457 - 304745	Deferred Comp Payroll Deduction	3,067.81
30309	DRS 457	Deferred Comp Payroll Deduction	875.00
30310	CITY OF KENMORE FS	Flexible Spending Medical Plans	232.15
30311	BANK OF AMERICA 941	Payroll Taxes	16,776.80
30312	DEPARTMENT OF RETIREMENT SYSTEMS	WA State Retirement	13,139.25
30313	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Deduction	275.00
30314	INTERNATIONAL CITY/CNTY MGMT ASSOC	Annual Membership Dues	1,273.71
30315	UNITED STATES POSTMASTER	Town Green Postcard Postage	1,437.13
30316	KING COUNTY RECORDER'S OFFICE	SR 522 West A Recording Fees	235.00
30317	BAKER, DAVID	7/8-7/11 Mileage Reimbursement	52.64
30318	CITY OF LAKE FOREST PARK	June Public Works Crew & Materials	74,343.36
30319	COASTWIDE LABORATORIES	Park Restroom Supplies	112.01
30320	DAILY JOURNAL OF COMMERCE	Legal Notices	558.60
30321	FRUHLING SAND & TOPSOIL	Vegetation & Brush Dumping	140.00
30322	CALPORTLAND COMPANY	80th Sinkhole Overlay Material	119.97
30323	HOME DEPOT CREDIT SERVICES	Shelving/Tools/Materials	1,286.87
30324	HOUGH BECK & BAIRD INC	RCO Grant Support Svcs 5/26-6/25/14	300.00
30325	JET CITY PRINTING	Overlay Notification Postcards/City Envelopes	537.05
30326	KING COUNTY FINANCE W.L.R.D.	Jan. - June SWM Debt Svc Payment	43,208.63
30327	KING COUNTY FINANCE W.L.R.D.	Jan-Jun SWM Charge Collection	5,401.27
30328	KING COUNTY FINANCE W.L.R.D.	WRIA 8 Fees/ 1st Trimester 2014	2,247.33
30329	KING COUNTY FINANCE	June Road Svcs/Overlay/Signs/Traffic/Ped	62,967.64
30330	KING COUNTY FINANCE	May Adult/Juv Detention-Booking Fees	3,854.68
30331	SOUND PUBLISHING, INC.	June Advertising	708.00

VII. B. Approve Check Nos. 30304 - 30398 in the Amount of \$...

30332	KING COUNTY SHERIFF	June Police Services	256,517.42
30333	FEDEX OFFICE	AWC Award Poster	120.72
30334	PENDLETON, MICHAEL	City Council Retreat Professional Services	1,860.80
30335	MORGAN SOUND INC	Fireworks Show Sound/Equipment	1,381.89
30336	NORTHSHORE UTILITY DIST	June Vehicle Fuel & Maintenance	2,987.27
30337	NORTHSHORE UTILITY DIST	June Hydrant Rent for Vactor Water	50.66
30338	OFFICE DEPOT	Office Supplies/ Paper	369.99
30339	PACIFIC TOPSOILS	5/29-6/12 Material Disposal Chgs	411.70
30340	PUGET SOUND ENERGY	5/31-6/30 Gas/Electricity/Signals/Street Lights	2,799.94
30341	CEMEX	Asphalt for Overlay	55.02
30342	SEATTLE TIMES	7/2 & 7/3 Legal Ads	673.46
30343	STEWART MACNICHOLS HARMELL, INC.	June Public Defender Services	5,500.00
30344	W.S.S.O. Advanced Training	7/21-7/24 Police Training/Gary Zornes	250.00
30345	WA STATE CONSOLIDATED TECH SVCS	June ListServ	175.00
30346	DANSOUND INC	7/31 Summer Concert Sound	1,118.00
30347	DANSOUND INC	7/24 Summer Concert Sound	1,227.50
30348	AURORA RENTS	Equipment Rental / Sinkhole Repair	123.19
30349	AA ASPHALTING, INC	182nd/68th Curb & Sidewalk Repair	17,426.93
30350	MAIL FINANCE	Postage Machine Lease	494.03
30351	BEARCOM	Radio Rentals for Fireworks Show	170.82
30352	KONICA MINOLTA BUSINESS SOLUTIONS	June Bus. Incubator Copies & Copier Lease	213.40
30353	AA PARTY RENTALS	Canopy & Chairs for Fireworks Show	550.24
30354	BANNER BANK LD	Canopies/Tarps/Supplies/Soc.Media	2,057.62
30355	BANNER BANK DB	Survey Service	26.00
30356	TACOMA SCREW PRODUCTS, INC.	Tools for Playground Equipment Repairs	29.52
30357	BANNER BANK NO	NBIA Membership/Mtg Expenses	61.79
30358	BANNER BANK JG	Computers/Supplies/Background Checks	1,162.18
30359	TOPIA TECHNOLOGY/ BIS	June Web Hosting	200.00
30360	BANNER BANK KENMORE	Patio Umbrellas/Supplies/Web Services	1,032.92
30361	BANNER BANK KENMORE	Membership Dues/ Meeting Expenses	505.03
30362	BANNER BANK JGORDON	Hanging Flower Baskets/ Rain Gear	1,508.90
30363	COMCAST	7/14-8/13 City Hall Internet	130.80
30364	CLARITY SIGNS	Kenmore Business Alliance Banner	91.65
30365	GORDON THOMAS HONEYWELL	June Gov't. Affairs Consulting	3,726.62
30366	TOWNE CENTRE HARDWARE	June Purchases/ Materials/Supplies	244.20
30367	EMERALD FIRE LLC	Log Boom Park Standpipe Repair	111.69
30368	SARAH ROBERTS	June Prosecution Services	10,302.00
30369	INTEGRA TELECOM	7/8-8/7 City Hall Phone Svc	789.12
30370	BAUER, ANDREW	Lodging/ AWC Conference Spokane	341.86
30371	PAWS	June Animal Sheltering Services	660.00
30372	INDEPENDENT STATIONERS	Office Supplies	70.62
30373	WELLS FARGO FINANCIAL	6/21-7/20 1st & 2nd Floor Xerox Leases	1,041.25
30374	MILLER STEPHENS, MARY	May Public Defense Svc @ SCORE Facility	1,250.00
30375	MCALLISTER, TERESA	Mileage Reimbursement	63.28
30376	CONTECH ENGINEERED SOLUTIONS, INC	StormFilter Vault Cartridges	2,999.42
30377	BADGLEY'S LANDSCAPE LLC	NS Summitt Park Irrigation Work	3,941.75
30378	TRANE U.S. INC.	City Hall HVAC Preventative Maintenance	2,098.62
30379	PERTEET INC.	3/31-4/27/14 Consulting Svcs	44,437.04
30380	AAA FLAG & BANNER MFG. CO., INC.	Street Banners	1,920.25

30381	BANNER BANK PS	Frame for Document	16.41
30382	OVERLEESE, KRISTEN	Exp. Reimbursement/Cell Data Pkg/Feb-Jun	120.00
30383	UTILITIES UNDERGROUND LOCATION CTR	June Locate Services	192.21
30384	BUENA VISTA SERVICES, INC.	June Incubator Bldg. Janitorial Service	495.00
30385	G & H PRINTING	Concert Posters	44.89
30386	NORTHWEST LANDSCAPE SERVICES	July Maint. Svc SR522 Landscaping/Irr. Repair	1,692.56
30387	HP'S SMOKEHOUSE BBQ	Concert Volunteer Meals	35.00
30388	FASTSIGNS	Concert Event Signage	238.71
30389	CLOWNS UNLIMITED, INC.	Fireworks Show Castle/Generator	711.75
30390	CITY OF KENT	Share1app Services by Westaf	500.00
30391	WIESE ENTERPRISES, INC.	Fence Repairs	1,220.34
30392	MEDELES, JOSE	7/24 Summer Concert Performance	600.00
30393	NORTH CREEK DESIGN	Kenmore Business Alliance Logo	60.00
30394	SPOT HOT DOG & BRATS	Food for Volunteers/Fireworks Show	30.00
30395	WEST, ELI	7/31 Summer Concert Performance	1,750.00
30396	SATO, EDWIN	Refund Re-Roof Permit Fee Not Needed	101.32
30397	GOVDELIVERY	Digital Comm. Tool for New Web Site	6,150.00
30398	PACIFICA LAW GROUP LLP	June Special Attorney Services	1,881.00
211521	ELLIOTT FITZGERALD	Payroll Check	874.00
6/27/2014	PAYROLL	Direct Deposit	74,106.90
6/30/2014	CHICAGO TITLE	Property Purchase - Twedt	645,798.51
			<u>\$1,359,302.82</u>

2014	PRIOR VENDOR ACTIVITY	TOTAL	FOR 2014
	6270 BOTHELL WAY LLC		10,000.00
	A+ CONFERENCING		51.42
	AA PARTY RENTALS		190.53
	ACADEMI TRAINING CENTER, LLC		800.00
	ACF WEST INC		469.79
	ACTION ENTERTAINMENT		395.00
	ADVANCE TESTING & SERVICE INC		540.00
	AFLAC		3,073.62
	ALCALDE & FAY		30,579.99
	ALPHAGRAPHICS US718		491.41
	AMERICAN GENERAL		2,610.36
	AMERICAN PLANNING ASSOCIATION		1,990.00
	AMERICAN PUBLIC WORKS ASSOCIATION		780.00
	ANDERSON, LAURI		142.38
	ARTS OF KENMORE		200.00
	ASP, DANIEL		210.00
	ASSOCIATION OF WA CITIES		17,456.62
	AURORA RENTS		1,023.38
	AV CAPTURE ALL, INC.		2,176.87
	AWC EMPLOYEE BENEFITS		235,036.93
	BAKER, DAVID		1,716.62
	BANK OF AMERICA 941		175,950.00
	BANNER BANK BAKER		9,764.67
	BANNER BANK BH		2,194.86
	BANNER BANK CS		2,233.32
	BANNER BANK DB		972.95
	BANNER BANK JG		5,576.35
	BANNER BANK JGORDON		8,075.00
	BANNER BANK KENMORE		12,438.93
	BANNER BANK LD		3,301.58
	BANNER BANK NO		6,542.01
	BANNER BANK PS		1,299.41
	BANNER BANK ROGERS		2,536.68
	BANNER BANK VAN NESS		4,815.71
	BASTYR UNIVERSITY		50,200.00
	BAYE ENTERPRISES, INC.		833.30
	BEEGEE TOLPA		700.00
	BETHANY BIBLE CHURCH		35,850.00
	BINW		1,138.63
	BIOBAG AMERICAS INC.		710.83
	BRIEN, GAYLYNN		250.00
	BUENA VISTA SERVICES, INC.		2,475.00
	BUILDERS EXCHANGE OF WASHINGTON INC		45.70
	BULGER SAFE & LOCK, INC.		356.48
	CALPORTLAND COMPANY		702.98
	CAMPOS APPRAISALS, INC.		3,200.00
	CANTEEN REFRESHMENT SERVICES		2,020.00

CASCADE PEST CONTROL	1,281.15
CEMEX	1,366.50
CENTER FOR HUMAN SERVICES	6,250.00
CHARLENE COLLINS FREEMAN	50.00
CHICAGO TITLE	10,000.00
CITY OF BELLEVUE	56,694.20
CITY OF KENMORE	988,899.41
CITY OF KENMORE FS	2,785.80
CITY OF LAKE FOREST PARK	356,678.60
CITY OF SHORELINE	974.15
CITYWORKS/ AZTECA SYSTEMS INC.	9,995.00
CLARITY SIGNS	558.45
CLK CONSTRUCTION LLC	3,171.48
COASTAL WEAR PRODUCTS INC	1,356.71
COASTWIDE LABORATORIES	3,398.71
CODE PUBLISHING COMPANY	350.00
COLUMBIA BANK	13,725.10
COLUMBIA RIDGE LANDFILL	2,096.74
COMCAST	1,908.75
COMPUCOM	7,207.85
CONSOLIDATED PRESS	5,954.24
CONTOUR FENCE CO. INC.	2,318.12
CPS CONSTRUCTION LLC	4,000.00
CROWN PRODUCTS LLC	811.32
CULLEY, AMBERLY	4,000.00
CUNNINGHAM, ED	250.00
CURTIS, DR. MILTON	67.76
DAILY JOURNAL OF COMMERCE	1,608.40
DANSOUND INC	2,236.00
DAY WIRELESS SYSTEMS	229.32
DEPARTMENT OF ECOLOGY	20,012.74
DEPARTMENT OF LABOR AND INDUSTRIES	13,780.13
DEPARTMENT OF RETIREMENT SYSTEMS	151,703.08
DEVELOPMENTAL RESOURCES, INC.	350.00
DEVRIES, DENIS	22.96
DIGITAL REPROGRAPHICS SERVICES INC.	192.05
DRS 457	9,625.00
DURRANT, JEFF	167.75
EMERALD FIRE LLC	191.63
EMERGENCY SERVICE COORDINATING AGCY	48,964.00
ENTERTAINMENT FIREWORKS INC	17,000.00
ENVIRONMENTAL SYSTEMS RESEARCH INST	7,675.95
EVERGREEN PRINT SOLUTIONS	741.14
EVERGREEN SAFETY COUNCIL	199.00
FABULOUS CLEANERS	16.42
FASTSIGNS	142.35
FAZZARI MARKETING	2,071.48
FERGUSON ENTERPRISES INC #1539	2,287.82
FIRE PROTECTION, INC	5,278.18

FIRST AMERICAN TITLE	5,297.10
FITZGERALD, ELLIOTT	150.00
FRAUSE	7,218.75
FRONTIER	5,885.69
FRUHLING SAND & TOPSOIL	2,208.46
G & H PRINTING	292.95
GEOENGINEERS INC	10,287.50
GIPSON FOOD COMPANY, LLC	360.00
GLOCK PROFESSIONAL, INC	390.00
GOODSELL POWER EQUIPMENT #2 INC.	26.21
GORDON THOMAS HONEYWELL	18,292.77
GOVERNMENT FINANCE OFFICERS ASSOC	190.00
GOVERNMENTAL ACCT STANDARDS BOARD	225.00
GRAINGER	135.11
GRAY & OSBORNE, INC	7,094.23
GREATER BOTHELL CHAMBER OF COMMERCE	725.00
GREGORY, JOANNE	358.11
GSC PRODUCTION	300.00
HAPA WORLD MUSIC, LLC	2,250.00
HARRIS COMPUTER SYSTEMS	7,105.83
HARRIS, LESLIE	2,759.60
HDR	502,068.18
HERBIG, NIGEL	149.79
HERO HOUSE	350.00
HESTON VISUAL ARTS	700.80
HIGHWIRE	5,439.96
HOFFMAN, GAYLE	1,500.00
HOME DEPOT CREDIT SERVICES	289.29
HOPELINK	11,437.50
HOPKINS, CRAIG	29.12
HORIZON DISTRIBUTORS INC	56.11
HOUGH BECK & BAIRD INC	8,513.75
HWA GEOSCIENCES INC.	900.00
ICMA RETIREMENT TRUST 457 - 304745	34,713.72
INDEPENDENT STATIONERS	1,368.29
INGALLINAS BOX LUNCH	60.63
INGLEMOOR HIGH SCHOOL MUSIC BOOSTER	100.00
INNOVAC	14,235.88
INSLEE, BEST, DOEZIE & RYDER, P.S.	68,712.05
INTEGRA TELECOM	4,750.73
INTERNATIONAL INST OF MUNI CLERKS	210.00
iWORQ SYSTEMS	1,000.00
JACOBS ENGINEERING GROUP	106,757.33
JET CITY PRINTING	505.89
JOHN E. REID & ASSOCIATES	420.00
JOYCE ZIKER PARKINSON	15,520.00
KARLINSEY, ROB	719.80
KCDA PURCHASING COOP	95,358.31
KENMORE COMMERCIAL LLC	19,686.00

KENMORE ELEMENTARY PTA	4,000.00
KING COUNTY ANIMAL SVCS	2,460.00
KING COUNTY FINANCE	345,110.27
KING COUNTY FINANCE W.L.R.D.	2,182.00
KING COUNTY MUNICIPAL CLERKS ASSOC	25.00
KING COUNTY OFFICE OF FINANCE	4,443.47
KING COUNTY RADIO COMM SERVICES	543.90
KING COUNTY RECORDER'S OFFICE	549.00
KING COUNTY SHERIFF	1,304,558.29
KING COUNTY TREASURY	33,246.11
KING CTY EASTSIDE TRANSP PARTNERSH	200.00
KOMPAN, INC	605.93
KONICA MINOLTA BUSINESS SOLUTIONS	1,049.05
KUSTOM SIGNALS, INC.	9,260.26
LANGUAGE LINE SERVICES, INC.	182.22
LIGHTHOUSE CONSULTING INC	21,292.63
MACDONALD MILLER FACILITY SOLUTIONS	7,000.04
MAIL FINANCE	1,504.56
MARINE FLOATS CORPORATION	68,748.76
MICRONET, INC.	450.00
MILLER STEPHENS, MARY	5,000.00
MILLER'S EQUIPMENT & RENT ALL INC.	46.81
MINZGHOR, NICHOLAS	343.75
MOBILE MINI, INC.	1,260.90
MR. T'S TROPHIES	633.18
MULVIHILL, MARJORIE	250.00
NATIONAL BARRICADE CO	191.41
NATIONAL BUSINESS INCUBATION ASSOC.	525.00
NATIONAL LIFE OF VERMONT	1,409.34
NATIONWIDE FINANCIAL 401a	120,571.65
NATIONWIDE RETIREMENT SOLUTIONS 457	3,280.00
NEW PIG	3,440.64
NEWELL, HEATHER	1,519.05
NORTH COAST ELECTRIC	1,154.78
NORTHSHORE FIRE DEPT	4,053.00
NORTHSHORE PARK & REC SERVICE AREA	1,360.00
NORTHSHORE PAVING INC	6,099.11
NORTHSHORE ROTARY CLUB	202.00
NORTHSHORE SENIOR CENTER	10,450.00
NORTHSHORE UTILITY DIST	184,423.96
NORTHSHORE YOUTH & FAMILY SERVICES	6,250.00
NORTHWEST LANDSCAPE SERVICES	27,149.76
NORTHWEST PLAYGROUND EQUIPMENT INC.	1,053.94
NORTHWEST VENTURES, LLC	9,500.00
OFFICE DEPOT	3,835.25
OFFICE TEAM	643.95
OLSON, ROBERT & KRISTIN	3,800.00
OLYMPIC ENVIRONMENTAL RESOURCES INC	21,816.24
OLYMPUS PURSUITS/ SHAWN JOHNSON	600.00

OSBORN CONSULTING INC.	100,389.55
OUSLEY, NANCY	907.43
OVERLEESE, KRISTEN	103.86
PACIFIC TOPSOILS	5,249.54
PART WORKS INC	810.73
PASSPORT TRAVEL AND TOURS	540.00
PAWS	2,640.00
PENDLETON, MICHAEL	3,253.14
PEOPLES STORAGE	1,104.00
PERTEET INC.	97,041.06
PETTY CASH CUSTODIAN	857.13
PHAM, NY THI	500.00
PHSI PURE WATER FINANCE	905.64
POLYRHYTHMICS, LLC	1,750.00
PUBLIC HEALTH DEPT. OF KING COUNTY	100.00
PUGET SOUND BUSINESS JOURNAL	97.00
PUGET SOUND CLEAN AIR AGENCY	11,500.00
PUGET SOUND ENERGY	81,571.07
PUGET SOUND FINANCE OFFICERS ASSOC	50.00
PURE WATER TECHNOLOGY OF PUGET SOUND	224.26
QUALITY BUSINESS SYSTEMS	4,835.41
RAZZ CONSTRUCTION	23,077.53
REPUBLIC SERVICES	5,106.71
RICHARDSON, ZACK	656.88
RNR CONSULTING	15,532.00
ROAD CONSTRUCTION NW, INC.	286,854.55
ROD STEVENS	950.00
RODGERS, DEUTSCH & TURNER PLLC	750.00
ROGERS, GLENN	64.96
RONGERUDE, JOHN	300.00
SAFRIN, PATTY	58.80
SAMYN, DR. JEFFREY	250.00
SARAH ROBERTS	51,510.00
SCHINDLER ELEVATOR CORPORATION	950.94
SCHUMACHER, JAMIE	2,710.25
SCHWARZWALTER, MARK	180.00
SCORE	31,020.00
SEATTLE TIMES	7,199.89
SEES TREES AND EXCAVATION INC	1,434.45
SESAC	343.00
SHARAM FAMILY	3,484.30
SHELTON, CINDY	34.72
SHRED-IT	315.32
SIGN UP, SIGN CO, INC	295.65
SIMPSON, ARTHUR	150.00
SKAGIT GARDENS	1,318.20
SMITH, BRENT	68.32
SNOHOMISH COUNTY	4,388.00
SNOHOMISH COUNTY SHERIFF'S OFFICE	9,761.31

SNOHOMISH COUNTY TREASURER/ SHERIFF	44,513.99
SOUND CITIES ASSOC	11,850.97
SOUND EMPLOYMENT SOLUTIONS, INC.	4,539.60
SOUND LAW CENTER	4,102.00
SOUND PUBLISHING, INC.	3,178.67
SPERRY, LAURIE	63.84
ST OF WA DEPT OF FISH & WILDLIFE	66,100.00
STATE OF FLORIDA DISBURSEMENT UNIT	3,300.00
STATE OF WA DEPT. OF LICENSING	30.00
STEWART MACNICHOLS HARMELL, INC.	22,500.00
STRIPE RITE, INC.	34,000.00
SUSSMAN/PREJZA & CO, INC	2,455.75
TACOMA SCREW PRODUCTS, INC.	58.85
TELESYSTEMS WEST	1,773.91
THE KIPLINGER LETTER	99.00
TIMEMARK INCORPORATED	111.58
TITAN OUTDOOR, LLC	1,505.95
TOPIA TECHNOLOGY/ BIS	1,200.00
TOTAL LANDSCAPE CORP	33,037.86
TOWNE CENTRE HARDWARE	1,059.02
TRAILER BOSS	2,933.81
TRANE U.S. INC.	6,156.62
TRINITY CONTRACTORS, INC.	141,225.28
UNITED RENTALS NW, INC	5,045.80
UNITED STATES POSTMASTER	3,231.34
UNITED WAY OF KING COUNTY	2,964.00
UNIVERSAL FIELD SERVICES	12,087.52
UPS STORE	551.42
URBAN LAND INSTITUTE	215.00
US POSTAL SERVICE (HASLER)	5,118.83
UTILITIES UNDERGROUND LOCATION CTR	637.26
VALUE DRIVEN LLC	7,200.00
VAN NESS, ALLAN	1,648.85
VERIZON WIRELESS	5,650.31
VERTICAL VISUAL SOLUTIONS INC.	15,795.37
WA ASSOC OF BUILDING OFFICIALS	600.00
WA ASSOC OF PUBLIC RECORDS OFFICERS	140.00
WA CITIES INSURANCE AUTHORITY	186,543.00
WA FINANCE OFFICERS ASSOCIATION	475.00
WA GUARANTEED EDUCATION TUITION	600.00
WA STATE CONSOLIDATED TECH SVCS	875.00
WA STATE DEPT OF LABOR & INDUSTRIES	125.30
WA STATE DEPT OF TRANSPORTATION	3,651.04
WA WILDLIFE & RECREATION COALITION	125.00
WAGE WORKS	300.00
WALL, JOHN	1,792.84
WANG, YU SHENG & HUI KUAN	8,850.00
WASHINGTON MUNICIPAL CLERKS ASSOC	75.00
WASHINGTON STATE DEPT OF REVENUE	1.56

WASHINGTON TOURISM ALLIANCE	500.00
WEIGEL, JON	83.85
WEISBAND, BARRY	15,258.74
WELLS FARGO FINANCIAL	6,751.09
WESTERBECK ARCHITECTURE LLC	704.47
WILDCLIFFE MANOR, LLC	7,956.00
WINDOW CLEANING & MORE	2,400.00
WONDERLAND DEVELOPMENT	4,500.00
ZONAR SYSTEMS	525.33
ZORNES, GARY	196.00
ZUMAR	1,736.09
	<u>\$7,064,048.71</u>



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

Subject/Topic: Public Hearing on and consideration of two ordinances: Ordinance 14-0384 to allow and regulate marijuana businesses in Kenmore and Ordinance 14-0385 to ban such businesses in the city. Proposed Council Action/Motion: Hold a public hearing on the proposed ordinances. After the public hearing, staff recommends adoption of Ordinance 14-0384 to authorize marijuana businesses, with standards, in the city. If this ordinance is approved, provide direction to staff to amend the fee resolution to add a \$500 application fee for a marijuana business license. Alternatively, the Council could ban marijuana businesses in Kenmore through adoption of Ordinance 14-0385.	For Council Meeting Agenda of: 7/28/14 Department: <u>Community Development</u> Prepared by: <u>Debbie Bent, Community Development Director and Lauri Anderson, Senior Planner</u> <u>Initial & Date</u> Approved by Department Head: <u>DS 7/28/14</u> Approved by City Attorney: <u>LA for RK</u> Approved by Finance Director: <u>me 7/18/14</u> Approved by City Manager: <u>RK 18 July 2014</u> Exhibits/Attachments: 1. Staff Memorandum with 5 attachments 2. Proposed Ordinance 14-0384 3. Proposed Ordinance 14-0385
Expenditure Required \$0 Amount Budgeted \$0 Appropriation Required \$0	
<u>INFORMATION/BACKGROUND:</u> The City presently has a moratorium and an interim zoning regulation in place that prohibit marijuana businesses under I-502 from locating in Kenmore. (Medical marijuana collective gardens have been determined illegal through state court of appeals action.) Staff has prepared two ordinances for Council consideration after a public hearing. Either option would terminate the moratorium and interim zoning regulation and replace them with new regulations. The options are (discussed in more depth in the attached staff memorandum): 1. Approve Ordinance 14-0384 to allow marijuana businesses to locate in Kenmore's Regional Business (RB) zone, with associated development standards. Ordinance 14-0384 also sets out regulatory business license requirements for these businesses. 2. Approve Ordinance 14-0385 to ban all marijuana businesses (producers, processors, and retailers) from locating anywhere in the City. If the Council chooses to allow marijuana businesses in Kenmore, staff recommends a \$500 business license application fee and asks that Council direct staff to amend the fee resolution.	

I:/City Clerk/Agenda Items/Templates

FISCAL CONSIDERATION:

None. Staff time will be required to implement new regulations. If marijuana businesses are allowed, a new marijuana business license fee could be charged to cover cost of review.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Comprehensive Plan Vision Statement: “We see Kenmore as a community that is attentive to, and seeks to provide for, the health, safety, and welfare of all its citizens.” “In 2020, we see Kenmore as a community that has preserved the character of its single family residential neighborhoods, which offers a range of housing types and prices to ensure an adequate choice of attractive living accommodations, and promotes compatible housing.”

Land Use Element Policy LU-1.1.2: “Through land use policies and development regulations that are consistent with state and federal laws, limit land uses and activities that may result in harmful secondary effects to the community, such as crime, vandalism, or neighborhood deterioration. Consider spacing requirements, buffers, landscaping, access, signage controls, business license and operating requirements, as well as other mechanisms to control secondary impacts.

Land Use Element Objective 1.3: The City shall “maintain and enhance the character of existing single-family neighborhoods by allowing compatible housing, improving infrastructure, and establishing appropriate site development standards.”

Land Use Element Policy LU-1.3.1: The City shall “ensure that zoning regulations emphasize single-family dwellings as the principal use in the City’s established single-family neighborhoods.”



The City of Kenmore

18120 68TH AVENUE NE PO BOX 82607
KENMORE, WASHINGTON 98028

MEMO

TO: City Council

FROM: Debbie Bent, Director of Planning & Community Development *DB*
Lauri Anderson, Senior Planner *wk*

DATE: July 11, 2014

SUBJECT: Marijuana Businesses

At your meeting on April 28, you asked staff to provide answers to four questions about marijuana and to return with a recommendation for action. As you recall, a recent court decision has resulted in the determination that medical marijuana collective gardens are illegal in the State and they are not, therefore, addressed in this memorandum.

Answers to your four questions are provided below.

Staff also has prepared two ordinances for your consideration:

1. Ordinance 14-0384--authorizing the location of marijuana businesses in the city, including development standards and business license requirements; and
2. Ordinance 14-0385--banning marijuana businesses in Kenmore.

A public hearing on the draft ordinances is scheduled for your July 28 meeting, and staff recommends that you adopt Ordinance 14-0384 allowing marijuana businesses in Kenmore after the hearing.

If the Council chooses to authorize marijuana businesses in Kenmore, staff also recommends that a \$500 marijuana business license application fee be imposed and requests direction from Council on amendment of the fee schedule.

Background on Initiative 502 Businesses

Initiative 502 which legalizes, taxes and regulates use of marijuana in Washington by persons 21 and older was approved on the November 2012 Washington State ballot. The law took effect on December 6, 2012. According to King County elections records, approximately 60% of Kenmore voters approved the Initiative.

Under I-502, the Liquor Control Board (LCB) had to establish procedures and criteria for licensing marijuana businesses by December 1, 2013. LCB issued their rules (Attachment 1) and the Washington State Business Licensing Service began accepting applications for marijuana businesses on November 18, 2013. The application window was open until December 20, 2013.

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Three new marijuana licenses are authorized: producer, processor, and retailer. The fee for each license is a \$250 application fee and \$1000 annual renewal fee. The marijuana producer license allows production of marijuana for sale at wholesale to marijuana processors and allows for production, possession, delivery, and distribution. The marijuana processor license allows for processing, packaging, and labeling of marijuana, marijuana-infused products and marijuana concentrates for sale at wholesale to marijuana retailers and allows for processing, packaging, possession, delivery, and distribution. The marijuana retailer license allows for sale of useable marijuana, marijuana-infused products and marijuana concentrates at retail outlets regulated by the LCB. No portion of the license fee goes to local government; no revenue sharing between the state and local governments is authorized by I-502.

Premises of marijuana businesses cannot be within 1000' of the perimeter of an elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library, or game arcade that admits persons under 21 years of age. The LCB rules specify that "public park" does not include trails such as the Burke-Gilman. Staff has prepared a map of potential locations for marijuana businesses (see Attachment 2). This map will change over time as businesses (child care facilities, for example) move into the City or relocate.

There are no limits on the number of producer and/or processor licenses that the LCB will issue (although the size of these businesses has been reduced given the large number of license applications). The LCB has determined the maximum number of retail outlets in each county, in order to provide adequate access to licensed products and to discourage purchases from the illegal market (Attachment 3). The LCB did not identify Kenmore as a retail outlet location, although applicants could apply to the LCB for a retailer license in the city as one of the 11 "at-large" locations in King County.

Applications for one producer and one processor license have been received by the LCB for a single location in Kenmore. The businesses are proposed to be located in the R6, Single Family Residential, zone, but staff believes that the location is in violation of the Liquor Control Board rules (the location is in a private residence). Staff anticipates that the licenses will not move forward once the LCB investigation concludes.

Ten applications for retailer licenses in Kenmore have been received--all are for the same address on the south side of SR-522 in the Regional Business zoning district. This location appears to be outside of the 1000' buffer from sensitive uses. In the King County "at-large" retailer license lottery held in April, this Kenmore location was awarded positions 12, 14, 15, 26, 28, 31, 36, and 38 (out of 44). Two of the license applications were not awarded lottery positions for an unknown reason. It is possible that one of the applicants holding the first 11 "at large" positions will not meet LCB requirements, moving positions 12, 14, etc., in Kenmore into an "at large" position. It is also possible that applicants holding one of the top 11 "at large" positions will choose to locate in Kenmore, if their original locations are no longer viable.

Prior to the issuance of any license for a new marijuana business, the LCB will send a 20-day notice to the city, providing an opportunity for the city to submit comments on the license application and proposed location.

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Although I-502 supports the production and use of recreational marijuana, the federal government continues to treat marijuana as a “Schedule 1” drug—illegal in all respects except for research studies. The U.S. Department of Justice has advised that as long as states adopting laws governing marijuana have “sufficiently robust” regulatory and enforcement systems” (on paper and in practice) to address the federal government’s eight identified enforcement priorities (such as preventing the distribution of marijuana to minors, preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels, and preventing the diversion of marijuana from states where it is legal under state law in some form to other states, regardless of state law), then “enforcement of state laws by state and local law enforcement and regulatory bodies should remain the primary means of addressing marijuana-related activity” (see Attachment 4). If the state enforcement efforts are not sufficiently robust, the federal government may seek to challenge the regulatory system itself.

On January 16, 2014, Washington State’s Attorney General issued AGO 2014 No. 2 (see Attachment 5), which concluded that I-502 does not preempt local governments from licensing and regulating marijuana businesses, and that local governments may establish regulations that make it impractical for marijuana businesses to locate within their boundaries, as long as the regulations are a reasonable exercise of the police power (that is, they promote public safety, health, or welfare and bear a reasonable and substantial relation to accomplishing the purpose pursued).

Responses to Council Questions

Responses to the four questions asked by Council at the April 28, 2014 meeting are provided below:

1. Would Washington Cities Insurance Authority (WCIA) defend councilmembers against federal prosecution if marijuana businesses were authorized in the City?

Response: This question arises from a concern voiced by Governor Gregoire in 2011 when she vetoed certain sections of ESSB 5073, relating to medical cannabis (marijuana). These sections directed employees of two state departments to authorize and license commercial businesses that produce, process or dispense medical marijuana. The Governor commented that these sections, if approved, “would open public employees to federal prosecution, and the United States Attorneys have made it clear that state law would not provide these individuals safe harbor from federal prosecution. No state employee should be required to violate federal criminal law in order to fulfill duties under state law.” It is possible to apply the same concern to councilmember passage of an ordinance that regulates the location and operation of marijuana businesses in the City, or that requires marijuana businesses to obtain a city business license. The City is a member of the WCIA insurance pool. The Errors or Omissions Liability Coverage under Section I(C) of WCIA’s Self-Insured Coverage Document (#CT-2014) states that such Coverage does not apply to “any dishonest, fraudulent, criminal or malicious act.” Any prosecution pursued by the United States Attorney against a councilmember would involve a “criminal act,” that is, a violation of the federal Controlled Substances Act, 21 U.S.C. §§ 801-971, which lists marijuana as an illegal controlled substance.

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Thus, WCIA would not provide coverage (defense) to a councilmember for such a prosecution.

2. What is the current status of the medical marijuana collective gardens court decision making these gardens illegal?

Response: On March 31, 2014, Division I of the state Court of Appeals issued a decision on a legal challenge filed against the City of Kent's prohibition of collective gardens (*Cannabis Action Coalition, et al v. City of Kent*, No. 70396-0-1 (consolidated with No. 69457-0-1)). The Court upheld the city's prohibition, ruling that collective gardens are illegal and that cities are authorized to enact zoning requirements to regulate, even exclude, collective gardens. The plaintiffs filed a motion for review with the state Supreme Court, which motion is pending before the Court.

3. Which cities have put marijuana business bans in place?

Response: According to the Municipal Research and Services Center (MRSC), marijuana business bans have been enacted in the following Washington cities: Fife, Grandview, Lakewood, Mossyrock, Oaksdale, Richland, SeaTac, and Yakima. Pierce County also has established a ban (businesses are regulated, but cannot commence operation until marijuana is unlisted as a controlled substance under federal law (CSA)). The first lawsuit challenging a city code section relating to marijuana businesses has been filed against the City of Wenatchee (*SMP Retail, LLC v. City of Wenatchee*, Chelan County Cause No. 14-2-00555-0). The plaintiff anticipates receiving a marijuana retailer license from the LCB. The Wenatchee code requires any kind of business to obtain a city business license; however, a condition precedent to receipt of a license is proof that the business is lawful under any applicable city, state or federal law. The plaintiff argues that RCW 69.50.608 (of the state Uniform Controlled Substances Act) preempts Wenatchee from applying the business license requirement to its marijuana business. Allison Holcomb of the ACLU, and principal author of I-502, has threatened to intervene in the lawsuit if Wenatchee responds by relying on the federal Controlled Substances Act to preclude the marijuana business. According to the Wenatchee City Attorney, the City will answer the complaint soon, and will not rely on federal preemption as a ground for defending the business license requirement. Instead, the City will rely upon the authorization of I-502 to regulate marijuana businesses, as interpreted by AGO 2014 No. 2 (discussed above). In other words, the City will argue that the requirement to comply with all applicable laws is merely a city regulation that is authorized by I-502.

4. How does medical marijuana relate to recreational marijuana? Can recreational marijuana outlets sell the right "strength" to address medical concerns?

Response: Medical marijuana has a higher "CBD" content and recreational marijuana has a higher "THC" content. According to The Seattle Times, THC is the "psychoactive" cannabinoid in marijuana and the "primary chemical in getting you high." CBD, on the other hand is a "non-psychoactive chemical compound found in cannabis that is believed to have analgesic, anti-inflammatory and anti-anxiety

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properties.” The maximum amount of THC is specified in the LCB rules and retail packaging must show the concentrations of both CBD and THC. Marijuana outlets are not prohibited from selling “medical marijuana.”

Recommended Ordinance 14-0384

At your meeting on April 28, staff identified pros and cons to the possible approaches to marijuana businesses. In summary:

1. Develop regulations to allow some or all marijuana businesses in Kenmore.

Pros:

- Would allow controlled location of marijuana businesses in the city.
- Would allow medical marijuana patients an opportunity to purchase retail marijuana in Kenmore.
- Would respond to I-502 authorization by voters.

Cons:

- Possible adverse impacts of those businesses allowed to locate in the city would remain.
- Would authorize an activity that is illegal under the federal Controlled Substances Act.
- May expose officials and employees that assist or facilitate in permitting or licensing businesses to the federal Controlled Substances Act, which prohibits the manufacture, distribution, dispensing or possession of marijuana to possible federal prosecutions.

2. Ban all marijuana businesses from locating anywhere in the City.

Pros:

- Would prevent possible adverse impacts of these businesses, including odor, hazardous waste, risk of fire, and increased crime.
- Avoids conflict with the federal Controlled Substances Act, which considers marijuana a Schedule 1 drug—illegal in all respects except for research studies.

Cons:

- Would not respond to I-502 authorization by voters (approximately 60% support in Kenmore).
- Would eliminate opportunities in Kenmore for those interested in purchasing marijuana (including medical marijuana patients), forcing purchasers and/or patients to obtain marijuana in surrounding jurisdictions, or through the illegal market.

After careful review, staff has concluded that the benefits to allowing and regulating marijuana in the city outweigh the potential negative effects. Now that medical marijuana collective gardens have been deemed illegal, retail marijuana stores could be a legal supplier to those needing medical marijuana. Too, allowing marijuana businesses in Kenmore responds to the majority of the city's voters who supported Initiative 502. Between the LCB regulations and the additional local standards recommended in the ordinance, the businesses would be tightly controlled and impacts

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should be minimized—satisfying the “sufficiently robust” regulatory system required by the U.S. Department of Justice, as mentioned above.

Ordinance 14-0384 was developed after reviewing the LCB rules, reviewing ordinances from the other jurisdictions that have authorized marijuana businesses (30+), and obtaining input from City departments—primarily Development Services and Police. Given the limited potential locations for marijuana businesses (see Attachment 2), staff recommends that marijuana businesses be allowed only in the City’s Regional Business (RB zone). Other zones that could be considered include Single Family Residential, Multifamily Residential, Golf Course, and Community Business (along NE 181st Street).

The proposed ordinance relies primarily on the LCB rules to address operational issues of concern. However, the ordinance includes some additional standards and controls:

- 1000’ separation from properties owned or under contract by a public entity such as a school district or the City where a future elementary or secondary school or public park is planned when such plans have been approved or adopted by the public entities’ governing authority;
- 1000’ separation from another marijuana business;
- 200’ separation from a residential zone;
- Producers/processors prohibited in buildings that include residential uses;
- Prohibition on outdoor marijuana production;
- Prohibition on drive-through marijuana retail sales;
- Waiver of liability for the City for any injuries, damages or liabilities resulting from arrest or prosecution for violation of federal, state or local laws and regulations; and
- Indemnification for the City resulting from claims or loss arising from injury, loss or damage connected with the operation of the marijuana business.

The proposed ordinance also contains a requirement that a business license be obtained for a marijuana business. The business license requirement results in:

- Provision of information on the business owner and premises;
- Opportunity for City departmental review of the license application and business premises;
- Annual review of the business operation;
- Ability to suspend or revoke a license;
- More restrictive hours of operation than are provided for in the State rules. Chief Sether recommends that the close of business for marijuana retailers be at 10 p.m. rather than at midnight as the State requires;
- The requirement that the licensee hold a liability insurance policy that covers the City; and
- Specified enforcement procedures.

Ordinance 14-0385, Banning Marijuana Businesses

Ordinance 14-0385 would ban all marijuana businesses in Kenmore. This ordinance was developed by the City Attorney and references and discusses conflicts with federal

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law (Controlled Substances Act), studies about marijuana use, potential secondary effects, and the opportunity for adequate access to marijuana in other jurisdictions, as justification for the ban. The ban, however, is based on the power of the City to regulate and even make impractical the location and operation of marijuana businesses in the City (see discussion of AGO 2014 No. 2 above), and is not based on preemption of I-502 and prohibition of marijuana manufacture, distribution, dispensing and possession by the Controlled Substances Act.

Attachments

Attachment 1: Liquor Control Board Rules
Attachment 2: Potential Locations Map
Attachment 3: Retail License Distribution
Attachment 4: Department of Justice Memorandum
Attachment 5: Attorney General Opinion



Inside the Legislature

- ★ Find Your Legislator
- ★ Visiting the Legislature
- ★ Agendas, Schedules and Calendars
- ★ Bill Information
- ★ Laws and Agency Rules
- ★ Legislative Committees
- ★ Legislative Agencies
- ★ Legislative Information Center
- ★ E-mail Notifications
- ★ Civic Education
- ★ History of the State Legislature

Outside the Legislature

- ★ Congress - the Other Washington
- ★ TVW
- ★ Washington Courts
- ★ OFM Fiscal Note Website



[WACs](#) > [Title 314](#) > [Chapter 314-55](#)

Chapter 314-55 WAC

MARIJUANA LICENSES, APPLICATION PROCESS, REQUIREMENTS, AND REPORTING

Last Update: 4/30/14

[Chapter Listing](#)

WAC Sections

- [314-55-005](#) What is the purpose of this chapter?
- [314-55-010](#) Definitions.
- [314-55-015](#) General information about marijuana licenses.
- [314-55-020](#) Marijuana license qualifications and application process.
- [314-55-035](#) What persons or entities have to qualify for a marijuana license?
- [314-55-040](#) What criminal history might prevent a marijuana license applicant from receiving or keeping a marijuana license?
- [314-55-045](#) What marijuana law or rule violation history might prevent an applicant from receiving a marijuana license?
- [314-55-050](#) Reasons the board may seek denial, suspension, or cancellation of a marijuana license application or license.
- [314-55-070](#) Process if the board denies a marijuana license application.
- [314-55-075](#) What is a marijuana producer license and what are the requirements and fees related to a marijuana producer license?
- [314-55-077](#) What is a marijuana processor license and what are the requirements and fees related to a marijuana processor license?
- [314-55-079](#) What is a marijuana retailer license and what are the requirements and fees related to a marijuana retailer license?
- [314-55-081](#) Who can apply for a marijuana retailer license?
- [314-55-082](#) Insurance requirements.
- [314-55-083](#) What are the security requirements for a marijuana licensee?
- [314-55-084](#) Production of marijuana.
- [314-55-085](#) What are the transportation requirements for a marijuana licensee?
- [314-55-086](#) What are the mandatory signs a marijuana licensee must post on a licensed premises?
- [314-55-087](#) What are the recordkeeping requirements for marijuana licensees?

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<u>314-55-089</u>	What are the tax and reporting requirements for marijuana licensees?
<u>314-55-092</u>	What if a marijuana licensee fails to report or pay, or reports or pays late?
<u>314-55-095</u>	Marijuana servings and transaction limitations.
<u>314-55-097</u>	Marijuana waste disposal—Liquids and solids.
<u>314-55-099</u>	Standardized scales.
<u>314-55-102</u>	Quality assurance testing.
<u>314-55-104</u>	Marijuana processor license extraction requirements.
<u>314-55-105</u>	Packaging and labeling requirements.
<u>314-55-120</u>	Ownership changes.
<u>314-55-125</u>	Change of location.
<u>314-55-130</u>	Change of business name.
<u>314-55-135</u>	Discontinue marijuana sales.
<u>314-55-140</u>	Death or incapacity of a marijuana licensee.
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<u>314-55-150</u>	What are the forms of acceptable identification?
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<u>314-55-200</u>	How will the liquor control board identify marijuana, usable marijuana, and marijuana-infused products during checks of licensed businesses?
<u>314-55-210</u>	Will the liquor control board seize or confiscate marijuana, usable marijuana, and marijuana-infused products?
<u>314-55-220</u>	What is the process once the board summarily orders marijuana, usable marijuana, or marijuana-infused products of a marijuana licensee to be destroyed?
<u>314-55-230</u>	What are the procedures the liquor control board will use to destroy or donate marijuana, usable marijuana, and marijuana-infused products to law enforcement?
<u>314-55-505</u>	What are the procedures for notifying a licensee of an alleged violation of a liquor control board statute or regulation?
<u>314-55-506</u>	What is the process once the board summarily suspends a marijuana license?
<u>314-55-507</u>	How may a licensee challenge the summary suspension of his or her marijuana license?
<u>314-55-508</u>	Review of orders on stay.
<u>314-55-510</u>	What options does a licensee have once he/she receives a notice of an administrative violation?
<u>314-55-515</u>	What are the penalties if a marijuana license holder violates a marijuana law or rule?
<u>314-55-520</u>	Group 1 violations against public safety.
<u>314-55-525</u>	Group 2 regulatory violations.
<u>314-55-530</u>	Group 3 license violations.
<u>314-55-535</u>	Group 4 marijuana producer violations.

314-55-540 Information about marijuana license suspensions.

314-55-005

What is the purpose of this chapter?

The purpose of this chapter is to outline the application process, qualifications and requirements to obtain and maintain a marijuana license and the reporting requirements for a marijuana licensee.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-005, filed 10/21/13, effective 11/21/13.]

314-55-010

Definitions.

Following are definitions for the purpose of this chapter. Other definitions are in RCW 69.50.101.

(1) "Applicant" or "marijuana license applicant" means any person or business entity who is considered by the board as a true party of interest in a marijuana license, as outlined in WAC 314-55-035.

(2) "Batch" means a quantity of marijuana-infused product containing material from one or more lots of marijuana.

(3) "Business name" or "trade name" means the name of a licensed business as used by the licensee on signs and advertising.

(4) "Child care center" means an entity that regularly provides child day care and early learning services for a group of children for periods of less than twenty-four hours licensed by the Washington state department of early learning under chapter 170-295 WAC.

(5) "Elementary school" means a school for early education that provides the first four to eight years of basic education and recognized by the Washington state superintendent of public instruction.

(6) "Financier" means any person or entity, other than a banking institution, that has made or will make an investment in the licensed business. A financier can be a person or entity that provides money as a gift, loans money to the applicant/business and expects to be paid back the amount of the loan with or without interest, or expects any percentage of the profits from the business in exchange for a loan or expertise.

(7) "Game arcade" means an entertainment venue featuring primarily video games, simulators, and/or other amusement devices where persons under twenty-one years of age are not restricted.

(8) "Library" means an organized collection of resources made accessible to the public for reference or borrowing supported with money derived from taxation.

(9) "Licensee" or "marijuana licensee" means any person or entity that holds a marijuana license, or any person or entity who is a true party of interest in a marijuana license, as outlined in WAC 314-55-035.

(10) "Lot" means either of the following:

(a) The flowers from one or more marijuana plants of the same strain. A single lot of flowers cannot weigh more than five pounds; or

(b) The trim, leaves, or other plant matter from one or more marijuana plants. A single lot of trim, leaves, or other plant matter cannot weigh more than fifteen pounds.

(11) "Marijuana strain" means a pure breed or hybrid variety of Cannabis reflecting similar or identical combinations of properties such as appearance, taste, color, smell, cannabinoid profile, and potency.

(12) "Member" means a principal or governing person of a given entity, including but not limited to: LLC member/manager, president, vice-president, secretary, treasurer, CEO, director, stockholder, partner, general partner, limited partner. This includes all spouses of all principals or governing persons named in this definition and referenced in WAC 314-55-035.

(13) "Pesticide" means, but is not limited to: (a) Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, and any other form of plant or animal life or virus, except virus on or in a living person or other animal which is normally considered to be a pest; (b) any substance or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant; and (c) any spray adjuvant. Pesticides include substances commonly referred to as herbicides, fungicides, and insecticides.

(14) "Perimeter" means a property line that encloses an area.

(15) "Plant canopy" means the square footage dedicated to live plant production, such as maintaining mother plants, propagating plants from seed to plant tissue, clones, vegetative or flowering area. Plant canopy does not include areas such as space used for the storage of fertilizers, pesticides, or other products, quarantine, office space, etc.

(16) "Playground" means a public outdoor recreation area for children, usually equipped with swings, slides, and other playground equipment, owned and/or managed by a city, county, state, or federal government.

(17) "Public park" means an area of land for the enjoyment of the public, having facilities for rest and/or recreation, such as a baseball diamond or basketball court, owned and/or managed by a city, county, state, federal government, or metropolitan park district. Public park does not include trails.

(18) "Public transit center" means a facility located outside of the public right of way that is owned and managed by a transit agency or city, county, state, or federal government for the express purpose of staging people and vehicles where several bus or other transit routes converge. They serve as efficient hubs to allow bus riders from various locations to assemble at a central point to take advantage of express trips or other route to route transfers.

(19) "Recreation center or facility" means a supervised center that provides a broad range of activities and events intended primarily for use by persons under twenty-one years of age, owned and/or managed by a charitable nonprofit organization, city, county, state, or federal government.

(20) "Residence" means a person's address where he or she physically resides and maintains his or her abode.

(21) "Secondary school" means a high and/or middle school: A school for students who have completed their primary education, usually attended by children in grades seven to twelve and recognized by the Washington state superintendent of public instruction.

(22) "Unit" means an individually packaged marijuana-infused solid or liquid product meant to be eaten or swallowed, not to exceed ten servings or one hundred milligrams of active tetrahydrocannabinol (THC), or Delta 9.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-010, filed 10/21/13, effective 11/21/13.]

314-55-015

General information about marijuana licenses.

(1) A person or entity must meet certain qualifications to receive a marijuana license, which are continuing qualifications in order to maintain the license.

(2) All applicants and employees working in each licensed establishment must be at least twenty-one years of age.

(3) Minors restricted signs must be posted at all marijuana licensed premises.

(4) A marijuana license applicant may not exercise any of the privileges of a marijuana license until the board approves the license application.

(5) The board will not approve any marijuana license for a location where law enforcement access, without notice or cause, is limited. This includes a personal residence.

(6) The board will not approve any marijuana license for a location on federal lands.

(7) The board will not approve any marijuana retailer license for a location within another business. More than one license could be located in the same building if each licensee has their own area separated by full walls with their own entrance. Product may not be commingled.

(8) Every marijuana licensee must post and keep posted its license, or licenses, and any additional correspondence containing conditions and restrictions imposed by the board in a conspicuous place on the premises.

(9) In approving a marijuana license, the board reserves the right to impose special conditions as to the involvement in the operations of the licensed business of any former licensees, their former employees, or any person who does not qualify for a marijuana license.

(10) A marijuana processor or retailer licensed by the board shall conduct the processing, storage, and sale of marijuana-infused products using sanitary practices and ensure facilities are constructed, kept, and maintained in a clean and sanitary condition in accordance with rules and as prescribed by the Washington state department of agriculture under chapters 16-165 and 16-167 WAC.

(11) Marijuana licensees may not allow the consumption of marijuana or marijuana-infused products on the licensed premises.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-015, filed 10/21/13, effective 11/21/13.]

314-55-020

Marijuana license qualifications and application process.

Each marijuana license application is unique and investigated individually. The board may inquire and request documents regarding all matters in connection with the marijuana license application. The application requirements for a marijuana license include, but are not necessarily limited to, the following:

(1) Per RCW 69.50.331, the board shall send a notice to cities and counties, and may send a notice to tribal governments or port authorities regarding the marijuana license application. The local authority has twenty days to respond with a recommendation to approve or an objection to the applicant, location, or both.

(2) The board will verify that the proposed business meets the minimum requirements for the type of marijuana license requested.

(3) The board will conduct an investigation of the applicants' criminal history and administrative violation history, per WAC 314-55-040 and 314-55-045.

(a) The criminal history background check will consist of completion of a personal/criminal history form provided by the board and submission of fingerprints to a vendor approved by the board. The applicant will be responsible for paying all fees required by the vendor for fingerprinting. These fingerprints will be submitted to the Washington state patrol and the Federal Bureau of Investigation for comparison to their criminal records. The applicant will be responsible for paying all fees required by the Washington state patrol and the Federal Bureau of Investigation.

(b) Financiers will also be subject to criminal history investigations equivalent to that of the license applicant. Financiers will also be responsible for paying all fees required for the criminal history check. Financiers must meet the three month residency requirement.

(4) The board will conduct a financial investigation in order to verify the source of funds used for the acquisition and startup of the business, the applicants' right to the real and personal property, and to verify the true party(ies) of interest.

(5) The board may require a demonstration by the applicant that they are familiar with marijuana laws and rules.

(6) The board may conduct a final inspection of the proposed licensed business, in order to determine if the applicant has complied with all the requirements of the license requested.

(7) Per RCW 69.50.331 (1)(b), all applicants applying for a marijuana license must have resided in the state of Washington for at least three months prior to application for a marijuana license. All partnerships, employee cooperatives, associations, nonprofit corporations, corporations and limited liability companies applying for a marijuana license must be formed in Washington. All members must also meet the three month residency requirement. Managers or agents who manage a licensee's place of business must also meet the three month residency requirement.

(8) Submission of an operating plan that demonstrates the applicant is qualified to hold the marijuana license applied for to the satisfaction of the board. The operating plan shall include the following elements in accordance with the applicable standards in the Washington Administrative Code (WAC).

(9) As part of the application process, each applicant must submit in a format supplied by the board an operating plan detailing the following as it pertains to the license type being sought. This operating plan must also include a floor plan or site plan drawn to scale which illustrates the entire

operation being proposed. The operating plan must include the following information:

Producer	Processor	Retailer
Security	Security	Security
Traceability	Traceability	Traceability
Employee qualifications and training	Employee qualifications and training	Employee qualifications and training
Transportation of product including packaging of product for transportation	Transportation of product	
Destruction of waste product	Destruction of waste product	Destruction of waste product
Description of growing operation including growing media, size of grow space allocated for plant production, space allocated for any other business activity, description of all equipment used in the production process, and a list of soil amendments, fertilizers, other crop production aids, or pesticides, utilized in the production process	Description of the types of products to be processed at this location together with a complete description of all equipment and solvents, gases, chemicals and other compounds used to create extracts and for processing of marijuana-infused products	
Testing procedures and protocols	Testing procedures and protocols	
	Description of the types of products to be processed at this location together with a complete description of processing of marijuana-infused products	
	Description of packaging and labeling of products to be processed	
		What array of products are to be sold and how are the products to be displayed to consumers

After obtaining a license, the license holder must notify the board in advance of any substantial change in their operating plan. Depending on the degree of change, prior approval may be required before the change is implemented.

(10) Applicants applying for a marijuana license must be current in any tax obligations to the Washington state department of revenue, as an individual or as part of any entity in which they have an ownership interest. Applicants must sign an attestation that, under penalty of denial or loss of licensure, that representation is correct.

(11) The issuance or approval of a license shall not be construed as a license for, or an approval of, any violations of local rules or ordinances including, but not limited to: Building and fire codes, zoning ordinances, and business licensing requirements.

(12) Upon failure to respond to the board licensing and regulation division's requests for information within the timeline provided, the application may be administratively closed or denial of the application will be sought.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-020, filed 10/21/13, effective 11/21/13.]

314-55-035

What persons or entities have to qualify for a marijuana license?

A marijuana license must be issued in the name(s) of the true party(ies) of interest.

(1) **True parties of interest** - For purposes of this title, "true party of interest" means:

True party of interest	Persons to be qualified
Sole proprietorship	Sole proprietor and spouse.
General partnership	All partners and spouses.
Limited partnership, limited liability partnership, or limited liability limited partnership	- All general partners and their spouses. - All limited partners and spouses.
Limited liability company	- All members and their spouses. - All managers and their spouses.
Privately held corporation	- All corporate officers (or persons with equivalent title) and their spouses. - All stockholders and their spouses.
Publicly held corporation	All corporate officers (or persons with equivalent title) and their spouses. All stockholders and their spouses.
Multilevel ownership structures	All persons and entities that make up the ownership structure (and their spouses).
Any entity or person (inclusive of financiers)	Any entity or person who is in receipt of, or has the right to receive, a percentage of the gross or net profit from the licensed business during any full or partial calendar or fiscal year.

True party of interest	Persons to be qualified
that are expecting a percentage of the profits in exchange for a monetary loan or expertise.	Any entity or person who exercises control over the licensed business in exchange for money or expertise. For the purposes of this chapter: • "Gross profit" includes the entire gross receipts from all sales and services made in, upon, or from the licensed business. • "Net profit" means gross sales minus cost of goods sold.
Nonprofit corporations	All individuals and spouses, and entities having membership rights in accordance with the provisions of the articles of incorporation or the bylaws.

(2) For purposes of this section, "true party of interest" does not mean:

(a) A person or entity receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation, unless the lessor or property manager exercises control over or participates in the management of the business.

(b) A person who receives a bonus as an employee, if: The employee is on a fixed wage or salary and the bonus is not more than twenty-five percent of the employee's prebonus annual compensation; or the bonus is based on a written incentive/bonus program that is not out of the ordinary for the services rendered.

(c) A person or entity contracting with the applicant(s) to sell the property, unless the contract holder exercises control over or participates in the management of the licensed business.

(3) **Financiers** - The board will conduct a financial investigation as well as a criminal background of financiers.

(4) **Persons who exercise control of business** - The board will conduct an investigation of any person or entity who exercises any control over the applicant's business operations. This may include both a financial investigation and/or a criminal history background.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-035, filed 10/21/13, effective 11/21/13.]

314-55-040

What criminal history might prevent a marijuana license applicant from receiving or keeping a marijuana license?

(1) When the board processes a criminal history check on an applicant, it uses a point system to determine if the person qualifies for a license. The board will not normally issue a marijuana license or renew a license to an applicant who has accumulated eight or more points as indicated below:

Description	Time period during which points will be assigned	Points assigned
Felony conviction	Ten years	12 points
Gross misdemeanor conviction	Three years	5 points
Misdemeanor conviction	Three years	4 points
Currently under federal or state supervision for a felony conviction	n/a	8 points
Nondisclosure of any of the above	n/a	4 points each

(2) If a case is pending for an alleged offense that would earn eight or more points, the board will hold the application for the disposition of the case. If the disposition is not settled within ninety days, the board will administratively close the application.

(3) The board may not issue a marijuana license to anyone who has accumulated eight or more points as referenced above. This is a discretionary threshold and it is further recommended that the following exceptions to this standard be applied:

Exception to criminal history point assignment. This exception to the criminal history point assignment will expire on July 1, 2014:

(a) Prior to initial license application, two federal or state misdemeanor convictions for the possession only of marijuana within the previous three years may not be applicable to the criminal history points accumulated. All criminal history must be reported on the personal/criminal history form.

(i) Regardless of applicability, failure to disclose full criminal history will result in point accumulation;

(ii) State misdemeanor possession convictions accrued after December 6, 2013, exceeding the allowable amounts of marijuana, usable marijuana, and marijuana-infused products described in chapter 69.50 RCW shall count toward criminal history point accumulation.

(b) Prior to initial license application, any single state or federal conviction for the growing, possession, or sale of marijuana will be considered for mitigation on an individual basis. Mitigation will be considered based on the quantity of product involved and other circumstances surrounding the conviction.

(4) Once licensed, marijuana licensees must report any criminal convictions to the board within fourteen days.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-040, filed 10/21/13, effective 11/21/13.]

314-55-045

What marijuana law or rule violation history might

prevent an applicant from receiving a marijuana license?

The board will conduct an investigation of all applicants' marijuana law or rule administrative violation history. The board will not normally issue a marijuana license to a person, or to an entity with a true party of interest, who has the following violation history; or to any person who has demonstrated a pattern of disregard for laws or rules.

Violation Type (see WAC 314-55-515)	Period of Consideration
Three or more public safety violations;	Violations issued within three years of the date the application is received by the board's licensing and regulation division.
Four or more regulatory violations; or	
One to four, or more license violations.	Violations issued within the last three years the true party (ies) of interest were licensed.

[Statutory Authority: RCW [69.50.325](#), [69.50.331](#), [69.50.342](#), [69.50.345](#). WSR 13-21-104, § 314-55-045, filed 10/21/13, effective 11/21/13.]

314-55-050

Reasons the board may seek denial, suspension, or cancellation of a marijuana license application or license.

Following is a list of reasons the board may deny, suspend, or cancel a marijuana license application or license. Per RCW [69.50.331](#), the board has broad discretionary authority to approve or deny a marijuana license application for reasons including, but not limited to, the following:

- (1) Failure to meet qualifications or requirements for the specific marijuana producer, processor, or retail license, as outlined in this chapter and chapter [69.50](#) RCW.
- (2) Failure or refusal to submit information or documentation requested by the board during the evaluation process.
- (3) The applicant makes a misrepresentation of fact, or fails to disclose a material fact to the board during the application process or any subsequent investigation after a license has been issued.
- (4) Failure to meet the criminal history standards outlined in WAC [314-55-040](#).

(5) Failure to meet the marijuana law or rule violation history standards outlined in WAC 314-55-045.

(6) The source of funds identified by the applicant to be used for the acquisition, startup and operation of the business is questionable, unverifiable, or determined by the board to be gained in a manner which is in violation by law.

(7) Denies the board or its authorized representative access to any place where a licensed activity takes place or fails to produce any book, record or document required by law or board rule.

(8) Has been denied or had a marijuana license or medical marijuana license suspended or canceled in another state or local jurisdiction.

(9) Where the city, county, tribal government, or port authority has submitted a substantiated objection per the requirements in RCW 69.50.331 (7) and (9).

(10) The board shall not issue a new marijuana license if the proposed licensed business is within one thousand feet of the perimeter of the grounds of any of the following entities. The distance shall be measured as the shortest straight line distance from the property line of the proposed building/business location to the property line of the entities listed below:

- (a) Elementary or secondary school;
- (b) Playground;
- (c) Recreation center or facility;
- (d) Child care center;
- (e) Public park;
- (f) Public transit center;
- (g) Library; or
- (h) Any game arcade (where admission is not restricted to persons age twenty-one or older).

(11) Has failed to pay taxes or fees required under chapter 69.50 RCW or failed to provide production, processing, inventory, sales and transportation reports to documentation required under this chapter.

(12) Failure to submit an attestation that they are current in any tax obligations to the Washington state department of revenue.

(13) Has been denied a liquor license or had a liquor license suspended or revoked in this or any other state.

(14) The operating plan does not demonstrate, to the satisfaction of the board, the applicant is qualified for a license.

(15) Failure to operate in accordance with the board approved operating plan.

(16) The board determines the issuance of the license will not be in the best interest of the welfare, health, or safety of the people of the state.

[Statutory Authority: RCW 60.50.342 [69.50.342] and 69.50.345. WSR 14-06-108, § 314-55-050, filed 3/5/14, effective 4/5/14. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-050, filed 10/21/13, effective 11/21/13.]

314-55-070

Process if the board denies a marijuana license application.

If the board denies a marijuana license application, the applicants may:

- (1) Request an administrative hearing per chapter 34.05 RCW, the Administrative Procedure Act.
- (2) Reapply for the license no sooner than one year from the date on the final order of denial.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-070, filed 10/21/13, effective 11/21/13.]

314-55-075

What is a marijuana producer license and what are the requirements and fees related to a marijuana producer license?

(1) A marijuana producer license allows the licensee to produce, harvest, trim, dry, cure, and package marijuana into lots for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. A marijuana producer can also produce and sell marijuana plants, seed, and plant tissue culture to other marijuana producer licensees. Marijuana production must take place within a fully enclosed secure indoor facility or greenhouse with rigid walls, a roof, and doors. Outdoor production may take place in nonrigid greenhouses, other structures, or an expanse of open or cleared ground fully enclosed by a physical barrier. To obscure public view of the premises, outdoor production must be enclosed by a sight obscure wall or fence at least eight feet high. Outdoor producers must meet security requirements described in WAC 314-55-083.

(2) The application fee for a marijuana producer license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(3) The annual fee for issuance and renewal of a marijuana producer license is one thousand dollars. The board will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(4) The board will initially limit the opportunity to apply for a marijuana producer license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana producer application license to be considered it must be received no later than thirty days after the effective date of the rules adopted by the board. The board may reopen the marijuana producer application window after the initial evaluation of the applications received and at subsequent times when the board deems necessary.

(5) Any entity and/or principals within any entity are limited to no more than three marijuana producer licenses.

(6) The maximum amount of space for marijuana production is limited to two million square feet. Applicants must designate on their operating plan the size category of the production premises and the amount of actual square footage in their premises that will be designated as plant canopy.

There are three categories as follows:

- (a) Tier 1 – Less than two thousand square feet;
- (b) Tier 2 – Two thousand square feet to ten thousand square feet; and
- (c) Tier 3 – Ten thousand square feet to thirty thousand square feet.

(7) The board may reduce a licensee's or applicant's square footage designated to plant canopy for the following reasons:

(a) If the amount of square feet of production of all licensees exceeds the maximum of two million square feet the board will reduce the allowed square footage by the same percentage.

(b) If fifty percent production space used for plant canopy in the licensee's operating plan is not met by the end of the first year of operation the board may reduce the tier of licensure.

(8) If the total amount of square feet of marijuana production exceeds two million square feet, the board reserves the right to reduce all licensee's production by the same percentage or reduce licensee production by one or more tiers by the same percentage.

(9) The maximum allowed amount of marijuana on a producer's premises at any time is as follows:

(a) Outdoor or greenhouse grows – One and one-quarter of a year's harvest; or

(b) Indoor grows – Six months of their annual harvest.

[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 14-10-044, § 314-55-075, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-075, filed 10/21/13, effective 11/21/13.]

314-55-077

What is a marijuana processor license and what are the requirements and fees related to a marijuana processor license?

(1) A marijuana processor license allows the licensee to process, package, and label usable marijuana and marijuana-infused products for sale at wholesale to marijuana retailers.

(2) A marijuana processor is allowed to blend tested useable marijuana from multiple lots into a single package for sale to a marijuana retail licensee providing the label requirements for each lot used in the blend are met and the percentage by weight of each lot is also included on the label.

(3) A marijuana processor is limited in the types of food or drinks they may infuse with marijuana to create an infused edible product. To reduce the risk to public health, food defined as potentially hazardous food in WAC 246-215-0115(88) may not be infused with marijuana. These foods are potentially hazardous as they require time-temperature control to keep them safe for human consumption and prevent the growth of pathogenic microorganisms or the production of toxins. The board may designate other

food items that may not be infused with marijuana. Any food that requires refrigeration, freezing, or a hot holding unit to keep it safe for human consumption may not be infused with marijuana.

(4) The recipe for any food infused with marijuana to make an edible product must be kept on file at the marijuana producer's licensed premises and made available for inspection by the WSLCB or their designee.

(5) The application fee for a marijuana processor license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(6) The annual fee for issuance and renewal of a marijuana processor license is one thousand dollars. The board will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(7) The board will initially limit the opportunity to apply for a marijuana processor license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana processor application license to be considered it must be received no later than thirty days after the effective date of the rules adopted by the board. The board may reopen the marijuana processor application window after the initial evaluation of the applications that are received and processed, and at subsequent times when the board deems necessary.

(8) Any entity and/or principals within any entity are limited to no more than three marijuana processor licenses.

(9) Marijuana processor licensees are allowed to have a maximum of six months of their average useable marijuana and six months average of their total production on their licensed premises at any time.

(10) A marijuana processor must accept returns of products and sample jars from marijuana retailers for destruction, but is not required to provide refunds to the retailer.

[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 14-10-044, § 314-55-077, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-077, filed 10/21/13, effective 11/21/13.]

314-55-079

What is a marijuana retailer license and what are the requirements and fees related to a marijuana retailer license?

(1) A marijuana retailer license allows the licensee to sell only usable marijuana, marijuana-infused products, and marijuana paraphernalia at retail in retail outlets to persons twenty-one years of age and older.

(2) Marijuana extracts, such as hash, hash oil, shatter, and wax can be infused in products sold in a marijuana retail store, but RCW 69.50.354 does not allow the sale of extracts that are not infused in products. A marijuana extract does not meet the definition of a marijuana-infused product per RCW 69.50.101.

(3) Internet sales and delivery of product to customers is prohibited.

(4) The application fee for a marijuana retailer's license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(5) The annual fee for issuance and renewal of a marijuana retailer's license is one thousand dollars. The board will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(6) Marijuana retailers may not sell marijuana products below their acquisition cost.

(7) Marijuana retailer licensees are allowed to have a maximum of four months of their average inventory on their licensed premises at any given time.

(8) A marijuana retailer may transport product to other locations operated by the licensee or to return product to a marijuana processor as outlined in the transportation rules in WAC 314-55-085.

(9) A marijuana retailer may not accept a return of product that has been opened.

[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 14-10-044, § 314-55-079, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-079, filed 10/21/13, effective 11/21/13.]

314-55-081

Who can apply for a marijuana retailer license?

(1) Using estimated consumption data and population data obtained from the office of financial management (OFM) population data, the liquor control board will determine the maximum number of marijuana retail locations per county.

The number of retail locations will be determined using a method that distributes the number of locations proportionate to the most populous cities within each county. Locations not assigned to a specific city will be at large. At large locations can be used for unincorporated areas in the county or in cities within the county that have no retail licenses designated. Once the number of locations per city and at large have been identified, the eligible applicants will be selected by lottery in the event the number of applications exceeds the allotted amount for the cities and county. Any lottery conducted by the board will be witnessed by an independent third party.

(2) The number of marijuana retail licenses determined by the board can be found on the liquor control board web site at www.liq.wa.gov.

(3) Any entity and/or principals within any entity are limited to no more than three retail marijuana licenses with no multiple location licensee allowed more than thirty-three percent of the allowed licenses in any county or city.

(4) The board will initially limit the opportunity to apply for a marijuana retailer license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana retailer license application to be considered it must be received no later than thirty days after the

effective date of the rules adopted by the board. The board may reopen the marijuana retailer application window after the initial evaluation of the applications received and at subsequent times when the board deems necessary.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-081, filed 10/21/13, effective 11/21/13.]

314-55-082

Insurance requirements.

Marijuana licensees shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the consumer should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the marijuana licensees. Marijuana licensees shall furnish evidence in the form of a certificate of insurance satisfactory to the board that insurance, in the following kinds and minimum amounts, has been secured. Failure to provide proof of insurance, as required, may result in license cancellation.

(1) Commercial general liability insurance: The licensee shall at all times carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of licensed activities. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the licensee or its officers, agents, representatives, assigns, or servants. The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the licensee's premises/operations, products, and personal injury. The limits of liability insurance shall not be less than one million dollars.

(2) Insurance carrier rating: The insurance required in subsection (1) of this section shall be issued by an insurance company authorized to do business within the state of Washington. Insurance is to be placed with a carrier that has a rating of A - Class VII or better in the most recently published edition of *Best's Reports*. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with chapters 48.15 RCW and 284-15 WAC.

(3) Additional insured. The board shall be named as an additional insured on all general liability, umbrella, and excess insurance policies. All policies shall be primary over any other valid and collectable insurance.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-082, filed 10/21/13, effective 11/21/13.]

314-55-083

What are the security requirements for a marijuana licensee?

The security requirements for a marijuana licensee are as follows:

(1) **Display of identification badge.** All employees on the licensed premises shall be required to hold and properly display an identification badge issued by the licensed employer at all times while on the licensed premises.

(2) **Alarm systems.** At a minimum, each licensed premises must have a security alarm system on all perimeter entry points and perimeter windows. Motion detectors, pressure switches, duress, panic, and hold-up alarms may also be utilized.

(3) **Surveillance system.** At a minimum, a complete video surveillance with minimum camera resolution of 640x470 pixel and must be internet protocol (IP) compatible and recording system for controlled areas within the licensed premises and entire perimeter fencing and gates enclosing an outdoor grow operation, to ensure control of the area. The requirements include image acquisition, video recording, management and monitoring hardware and support systems. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.

(a) All controlled access areas, security rooms/areas and all points of ingress/egress to limited access areas, all points of ingress/egress to the exterior of the licensed premises, and all point-of-sale (POS) areas must have fixed camera coverage capable of identifying activity occurring within a minimum of twenty feet of all entry and exit points.

(b) Camera placement shall allow for the clear and certain identification of any individual on the licensed premises.

(c) All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points, and capable of clearly identifying any activities occurring within the facility or within the grow rooms in low light conditions. The surveillance system storage device must be secured on-site in a lock box, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft.

(d) All perimeter fencing and gates enclosing an outdoor grow operation must have full video surveillance capable of clearly identifying any activities occurring within twenty feet of the exterior of the perimeter. Any gate or other entry point that is part of the enclosure for an outdoor growing operation must have fixed camera coverage capable of identifying activity occurring within a minimum of twenty feet of the exterior, twenty-four hours a day. A motion detection lighting system may be employed to illuminate the gate area in low light conditions.

(e) Areas where marijuana is grown, cured or manufactured including destroying waste, shall have a camera placement in the room facing the primary entry door, and in adequate fixed positions, at a height which will provide a clear, unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, allowing for the clear and certain identification of persons and activities at all times.

(f) All marijuana or marijuana-infused products that are intended to be removed or transported from marijuana producer to marijuana processor and/or marijuana processor to marijuana retailer shall be staged in an area known as the "quarantine" location for a minimum of twenty-four hours. Transport manifest with product information and weights must be affixed to the product. At no time during the quarantine period can the product be handled or moved under any circumstances and is subject to auditing by the liquor control board or designees.

(g) All camera recordings must be continuously recorded twenty-four hours a day. All surveillance recordings must be kept for a minimum of forty-five days on the licensee's recording device. All videos are subject to inspection by any liquor control board employee or law enforcement officer, and must be copied and provided to the board or law enforcement officer upon request.

(4) **Traceability:** To prevent diversion and to promote public safety, marijuana licensees must track marijuana from seed to sale. Licensees must provide the required information on a system specified by the board. All costs related to the reporting requirements are borne by the licensee. Marijuana seedlings, clones, plants, lots of usable marijuana or trim, leaves, and other plant matter, batches of extracts, marijuana-infused products, samples, and marijuana waste must be traceable from production through processing, and finally into the retail environment including being able to identify which lot was used as base material to create each batch of extracts or infused products. The following information is required and must be kept completely up-to-date in a system specified by the board:

(a) Key notification of "events," such as when a plant enters the system (moved from the seedling or clone area to the vegetation production area at a young age);

(b) When plants are to be partially or fully harvested or destroyed;

(c) When a lot or batch of marijuana, marijuana extract, marijuana-infused product, or marijuana waste is to be destroyed;

(d) When usable marijuana or marijuana-infused products are transported;

(e) Any theft of usable marijuana, marijuana seedlings, clones, plants, trim or other plant material, extract, infused product, seed, plant tissue or other item containing marijuana;

(f) There is a seventy-two hour mandatory waiting period after the notification described in this subsection is given before any plant may be destroyed, a lot or batch of marijuana, marijuana extract, marijuana-infused product, or marijuana waste may be destroyed;

(g) There is a twenty-four hour mandatory waiting period after the notification described in this subsection to allow for inspection before a lot of marijuana is transported from a producer to a processor;

(h) There is a twenty-four hour mandatory waiting period after the notification described in this subsection to allow for inspection before usable marijuana, or marijuana-infused products are transported from a processor to a retailer;

(i) Prior to reaching eight inches in height or width, each marijuana plant must be tagged and tracked individually, which typically should happen when a plant is moved from the seed germination or clone area to the vegetation production area;

(j) A complete inventory of all marijuana, seeds, plant tissue, seedlings, clones, all plants, lots of usable marijuana or trim, leaves, and other plant matter, batches of extract, marijuana-infused products, and marijuana waste;

(k) All point of sale records;

(l) Marijuana excise tax records;

(m) All samples sent to an independent testing lab, any sample of unused portion of a sample returned to a licensee, and the quality assurance test results;

(n) All free samples provided to another licensee for purposes of negotiating a sale;

- (o) All samples used for testing for quality by the producer or processor;
- (p) Samples containing usable marijuana provided to retailers;
- (q) Samples provided to the board or their designee for quality assurance compliance checks; and

(r) Other information specified by the board.

(5) **Start-up inventory for marijuana producers.** Within fifteen days of starting production operations a producer must have all nonflowering marijuana plants physically on the licensed premises. The producer must, within twenty-four hours, record each marijuana plant that enters the facility in the traceability system during this fifteen day time frame. No flowering marijuana plants may be brought into the facility during this fifteen day time frame. After this fifteen day time frame expires, a producer may only start plants from seed or create clones from a marijuana plant located physically on their licensed premises, or purchase marijuana seeds, clones, or plants from another licensed producer.

(6) **Samples.** Free samples of usable marijuana may be provided by producers or processors, or used for product quality testing, as set forth in this section.

(a) Samples are limited to two grams and a producer may not provide any one licensed processor more than four grams of usable marijuana per month free of charge for the purpose of negotiating a sale. The producer must record the amount of each sample and the processor receiving the sample in the traceability system.

(b) Samples are limited to two grams and a processor may not provide any one licensed retailer more than four grams of usable marijuana per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(c) Samples are limited to two units and a processor may not provide any one licensed retailer more than six ounces of marijuana infused in solid form per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(d) Samples are limited to two units and a processor may not provide any one licensed retailer more than twenty-four ounces of marijuana-infused liquid per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(e) Samples are limited to one-half gram and a processor may not provide any one licensed retailer more than one gram of marijuana-infused extract meant for inhalation per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(f) Producers may sample one gram of usable marijuana per strain, per month for quality sampling. Sampling for quality may not take place at a licensed premises. Only the producer or employees of the licensee may sample the usable marijuana for quality. The producer must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(g) Processors may sample one unit, per batch of a new edible marijuana-infused product to be offered for sale on the market. Sampling for quality may not take place at a licensed premises. Only the processor or employees of the licensee may sample the edible marijuana-infused

product. The processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(h) Processors may sample up to one quarter gram, per batch of a new marijuana-infused extract for inhalation to be offered for sale on the market. Sampling for quality may not take place at a licensed premises. Only the processor or employee(s) of the licensee may sample the marijuana-infused extract for inhalation. The processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(i) The limits described in subsection (3) of this section do not apply to the usable marijuana in sample jars that may be provided to retailers described in WAC [314-55-105\(8\)](#).

(j) Retailers may not provide free samples to customers.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 314-55-083, filed 3/19/14, effective 4/19/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-083, filed 10/21/13, effective 11/21/13.]

314-55-084

Production of marijuana.

Only the following specified soil amendments, fertilizers, other crop production aids, and pesticides may be used in the production of marijuana:

(1) Pesticides registered by WSDA under chapter [15.58](#) RCW as allowed for use in the production, processing, and handling of marijuana. Pesticides must be used consistent with the label requirements.

(2) Commercial fertilizers registered by WSDA under chapter [15.54](#) RCW.

(3) Potting soil and other growing media available commercially in the state of Washington may be used in marijuana production. Producers growing outdoors are not required to meet land eligibility requirements outlined in 7 C.F.R. Part 205.202.

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-084, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-084, filed 10/21/13, effective 11/21/13.]

314-55-085

What are the transportation requirements for a marijuana licensee?

(1) **Notification of shipment.** Upon transporting any marijuana or marijuana product, a producer, processor, retailer, or certified third-party testing lab shall notify the board of the type and amount and/or weight of

marijuana and/or marijuana products being transported, the name of transporter, information about the transporting vehicle, times of departure and expected delivery. This information must be reported in the traceability system described in WAC 314-55-083(4).

(2) **Receipt of shipment.** Upon receiving the shipment, the licensee receiving the product shall report the amount and/or weight of marijuana and/or marijuana products received in the traceability system.

(3) **Transportation manifest.** A complete printed transport manifest on a form provided by the board containing all information required by the board must be kept with the product at all times.

(4) **Records of transportation.** Records of all transportation must be kept for a minimum of three years at the licensee's location.

(5) **Transportation of product.** Marijuana or marijuana products that are being transported must meet the following requirements:

(a) Only the marijuana licensee, an employee of the licensee, or a certified testing lab may transport product;

(b) Marijuana or marijuana products must be in a sealed package or container approved by the board pursuant to WAC 314-55-105;

(c) Sealed packages or containers cannot be opened during transport;

(d) Marijuana or marijuana products must be in a locked, safe and secure storage compartment that is secured to the inside body/compartment of the vehicle transporting the marijuana or marijuana products;

(e) Any vehicle transporting marijuana or marijuana products must travel directly from the shipping licensee to the receiving licensee and must not make any unnecessary stops in between except to other facilities receiving product.

[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 14-10-044, § 314-55-085, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-085, filed 10/21/13, effective 11/21/13.]

314-55-086

What are the mandatory signs a marijuana licensee must post on a licensed premises?

(1) **Notices regarding persons under twenty-one years of age** must be conspicuously posted on the premises as follows:

Type of licensee	Sign must contain the following language:	Required location of sign
Marijuana producer, marijuana processor, and marijuana retailer	"Persons under twenty-one years of age not permitted on these premises."	Conspicuous location at each entry to premises.

The board will provide the required notices, or licensees may design their own notices as long as they are legible and contain the required language.

(2) **Signs provided by the board prohibiting opening a package of marijuana or marijuana-infused product in public or consumption of marijuana or marijuana-infused products in public**, must be posted as follows:

Type of premises	Required location of sign
Marijuana retail	Posted in plain view at the main entrance to the establishment.

(3) **The premises' current and valid master license with appropriate endorsements** must be conspicuously posted on the premises and available for inspection by liquor enforcement officers.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-086, filed 10/21/13, effective 11/21/13.]

314-55-087

What are the recordkeeping requirements for marijuana licensees?

(1) Marijuana licensees are responsible to keep records that clearly reflect all financial transactions and the financial condition of the business. The following records must be kept and maintained on the licensed premises for a three-year period and must be made available for inspection if requested by an employee of the liquor control board:

(a) Purchase invoices and supporting documents, to include the items and/or services purchased, from whom the items were purchased, and the date of purchase;

(b) Bank statements and canceled checks for any accounts relating to the licensed business;

(c) Accounting and tax records related to the licensed business and each true party of interest;

(d) Records of all financial transactions related to the licensed business, including contracts and/or agreements for services performed or received that relate to the licensed business;

(e) All employee records, to include training;

(f) Records of each daily application of pesticides applied to the marijuana plants or growing medium. For each application, the producer shall record the following information on the same day the application is made:

(i) Full name of each employee who applied the pesticide;

(ii) The date the pesticide was applied;

(iii) The name of the pesticide or product name listed on the registration label which was applied;

(iv) The concentration and total amount of pesticide per plant; and

(v) For outdoor production, the concentration of pesticide that was applied to the field. Liquid applications may be recorded as, but are not limited to, amount of product per one hundred gallons of liquid spray,

gallons per acre of output volume, ppm, percent product in tank mix (e.g., one percent). For chemigation applications, record "inches of water applied" or other appropriate measure.

(g) Soil amendment, fertilizers, or other crop production aids applied to the growing medium or used in the process of growing marijuana;

(h) Production and processing records, including harvest and curing, weighing, destruction of marijuana, creating batches of marijuana-infused products and packaging into lots and units;

(i) Records of each batch of extracts or infused marijuana products made, including at a minimum, the lots of usable marijuana or trim, leaves, and other plant matter used (including the total weight of the base product used), any solvents or other compounds utilized, and the product type and the total weight of the end product produced, such as hash oil, shatter, tincture, infused dairy butter, etc.;

(j) Transportation records as described in WAC 314-55-085;

(k) Inventory records;

(l) All samples sent to an independent testing lab and the quality assurance test results;

(m) All free samples provided to another licensee for purposes of negotiating a sale;

(n) All samples used for testing for quality by the producer or processor;

(o) Sample jars containing usable marijuana provided to retailers; and

(p) Records of any theft of marijuana seedlings, clones, plants, trim or other plant material, extract, marijuana-infused product, or other item containing marijuana.

(2) If the marijuana licensee keeps records within an automated data processing (ADP) and/or point-of-sale (POS) system, the system must include a method for producing legible records that will provide the same information required of that type of record within this section. The ADP and/or POS system is acceptable if it complies with the following guidelines:

(a) Provides an audit trail so that details (invoices and vouchers) underlying the summary accounting data may be identified and made available upon request.

(b) Provides the opportunity to trace any transaction back to the original source or forward to a final total. If printouts of transactions are not made when they are processed, the system must have the ability to reconstruct these transactions.

(c) Has available a full description of the ADP and/or POS portion of the accounting system. This should show the applications being performed, the procedures employed in each application, and the controls used to ensure accurate and reliable processing.

(3) The provisions contained in subsections (1) and (2) of this section do not eliminate the requirement to maintain source documents, but they do allow the source documents to be maintained in some other location.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-087, filed 10/21/13, effective 11/21/13.]

314-55-089**What are the tax and reporting requirements for marijuana licensees?**

(1) Marijuana licensees must submit monthly report(s) and payments to the board. The required monthly reports must be:

(a) On a form or electronic system designated by the board;
 (b) Filed every month, including months with no activity or payment due;

(c) Submitted, with payment due, to the board on or before the twentieth day of each month, for the previous month. (For example, a report listing transactions for the month of January is due by February 20th.) When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day;

(d) Filed separately for each marijuana license held; and

(e) All records must be maintained and available for review for a three-year period on licensed premises (see WAC 314-55-087).

(2) **Marijuana producer licensees:** On a monthly basis, marijuana producers must maintain records and report purchases from other licensed marijuana producers, current production and inventory on hand, sales by product type, and lost and destroyed product in a manner prescribed by the board.

A marijuana producer licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each wholesale sale to a licensed marijuana processor or producer.

(3) **Marijuana processor licensees:** On a monthly basis, marijuana processors must maintain records and report purchases from licensed marijuana producers, production of marijuana-infused products, sales by product type to marijuana retailers, and lost and/or destroyed product in a manner prescribed by the board.

A marijuana processor licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each wholesale sale of usable marijuana and marijuana-infused product to a licensed marijuana retailer.

(4) **Marijuana retailer's licensees:** On a monthly basis, marijuana retailers must maintain records and report purchases from licensed marijuana processors, sales by product type to consumers, and lost and/or destroyed product in a manner prescribed by the board.

A marijuana retailer licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each retail sale of usable marijuana or marijuana-infused products.

[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 14-10-044, § 314-55-089, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-089, filed 10/21/13, effective 11/21/13.]

314-55-092**What if a marijuana licensee fails to report or pay, or reports or pays late?**

(1) If a marijuana licensee does not submit its monthly reports and payment(s) to the board as required in WAC [314-55-089](#): The licensee is subject to penalties.

Penalties: A penalty of two percent per month will be assessed on any payments postmarked after the twentieth day of the month following the month of sale. When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day. Absent a postmark, the date received at the liquor control board or authorized designee, will be used to assess the penalty of two percent per month on payments received after the twentieth day of the month following the month of sale.

(2) Failure to make a report and/or pay the license taxes and/or penalties in the manner and dates outlined in WAC [314-55-089](#) will be sufficient grounds for the board to suspend or revoke a marijuana license.

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-092, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-092, filed 10/21/13, effective 11/21/13.]

314-55-095**Marijuana servings and transaction limitations.**

Marijuana dosage and transaction limitations are as follows:

(1) **Single serving.** A single serving of a marijuana-infused product amounts to ten milligrams active tetrahydrocannabinol (THC), or Delta 9.

(2) **Maximum number of servings.** The maximum number of servings in any one single unit of marijuana-infused product meant to be eaten or swallowed is ten servings or one hundred milligrams of active THC, or Delta 9. A single unit of marijuana-infused extract for inhalation cannot exceed one gram.

(3) **Transaction limitation.** A single transaction is limited to one ounce of usable marijuana, sixteen ounces of marijuana-infused product in solid form, seven grams of marijuana-infused extract for inhalation, and seventy-two ounces of marijuana-infused product in liquid form for persons twenty-one years of age and older.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-095, filed 10/21/13, effective 11/21/13.]

314-55-097**Marijuana waste disposal—Liquids and solids.**

(1) Solid and liquid wastes generated during marijuana production and processing must be stored, managed, and disposed of in accordance with applicable state and local laws and regulations.

(2) Wastewater generated during marijuana production and processing must be disposed of in compliance with applicable state and local laws and regulations.

(3) Wastes from the production and processing of marijuana plants must be evaluated against the state's dangerous waste regulations (chapter 173-303 WAC) to determine if those wastes designate as dangerous waste. It is the responsibility of each waste generator to properly evaluate their waste to determine if it designates as a dangerous waste. If a generator's waste does designate as a dangerous waste, then that waste(s) is subject to the applicable management standards found in chapter 173-303 WAC.

(a) Wastes that must be evaluated against the dangerous waste regulations include, but are not limited to, the following:

(i) Waste from marijuana flowers, trim and solid plant material used to create an extract (per WAC 315-55-104).

(ii) Waste solvents used in the marijuana process (per WAC 315-55-104).

(iii) Discarded plant waste, spent solvents and laboratory wastes from any marijuana processing or quality assurance testing.

(iv) Marijuana extract that fails to meet quality testing.

(b) Marijuana wastes that do not designate as dangerous shall be managed in accordance with subsection (4) of this section.

(c) A marijuana plant, usable marijuana, trim and other plant material in itself is not considered dangerous waste as defined under chapter 173-303 WAC unless it has been treated or contaminated with a solvent.

(4) Marijuana waste that does not designate as dangerous waste (per subsection (3) of this section) must be rendered unusable following the methods in subsection (5) of this section prior to leaving a licensed producer, processor, retail facility, or laboratory. Disposal of the marijuana waste rendered unusable must follow the methods under subsection (6) of this section.

(a) Wastes that must be rendered unusable prior to disposal include, but are not limited to, the following:

(i) Waste evaluated per subsection (3) of this section and determined to not designate as "Dangerous Waste."

(ii) Marijuana plant waste, including roots, stalks, leaves, and stems that have not been processed with solvent.

(iii) Solid marijuana sample plant waste possessed by third-party laboratories accredited by the board to test for quality assurance that must be disposed of.

(iv) Other wastes as determined by the LCB.

(b) A producer or processor must provide the board a minimum of seventy-two hours notice in the traceability system described in WAC 314-55-083(4) prior to rendering the product unusable and disposing of it.

(5) The allowable method to render marijuana plant waste unusable is by grinding and incorporating the marijuana plant waste with other ground materials so the resulting mixture is at least fifty percent nonmarijuana waste by volume. Other methods to render marijuana waste unusable must be approved by LCB before implementation.

Material used to grind with the marijuana falls into two categories: Compostable waste and noncompostable waste.

(a) Compostable mixed waste: Marijuana waste to be disposed as compost feedstock or in another organic waste method (for example, anaerobic digester) may be mixed with the following types of waste materials:

- (i) Food waste;
- (ii) Yard waste;
- (iii) Vegetable based grease or oils; or
- (iv) Other wastes as approved by the LCB.

(b) Noncompostable mixed waste: Marijuana waste to be disposed in a landfill or another disposal method (for example, incinerator) may be mixed with the following types of waste materials:

- (i) Paper waste;
- (ii) Cardboard waste;
- (iii) Plastic waste;
- (iv) Soil; or
- (v) Other wastes as approved by the LCB.

(6) Marijuana wastes rendered unusable following the method described in subsection (4) of this section can be disposed.

(a) Disposal of the marijuana waste rendered unusable may be delivered to a permitted solid waste facility for final disposition. Examples of acceptable permitted solid waste facilities include:

- (i) Compostable mixed waste: Compost, anaerobic digester, or other facility with approval of the jurisdictional health department.
- (ii) Noncompostable mixed waste: Landfill, incinerator, or other facility with approval of the jurisdictional health department.

(b) Disposal of the marijuana waste rendered unusable may be managed on-site by the generator in accordance with the standards of chapter [173-350 WAC](#).

(c) A record of the final destination of marijuana waste rendered unusable.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-097, filed 10/21/13, effective 11/21/13.]

314-55-099

Standardized scales.

(1) Marijuana producer and processor licensees must have at least one scale on the licensed premises for the traceability and inventory of products.

(2) The scales and other measuring devices are subject to chapter [19.94](#) RCW, and must meet the requirements of the most current version of chapters [16-662](#) and [16-664](#) WAC.

(3) Licensees must register scales on a business license application with business license services through the department of revenue as required under chapter [19.94](#) RCW.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-099, filed 10/21/13, effective 11/21/13.]

314-55-102**Quality assurance testing.**

(1) A third-party testing lab must be certified by the board or their vendor as meeting the board's accreditation and other requirements prior to conducting required quality assurance tests. Certified labs will receive a certification letter from the board and must conspicuously display this letter in the lab in plain sight of the customers. The board can summarily suspend a lab's certification if a lab is found out of compliance with the requirements of WAC 314-55-102.

(2) A person with financial interest in a certified third-party testing lab may not have direct or indirect financial interest in a licensed marijuana producer or processor for whom they are conducting required quality assurance tests. A person with direct or indirect financial interest in a certified third-party testing lab must disclose to the board by affidavit any direct or indirect financial interest in a licensed marijuana producer or processor.

(3) As a condition of certification, each lab must employ a scientific director responsible to ensure the achievement and maintenance of quality standards of practice. The scientific director shall meet the following minimum qualifications:

(a) Has earned, from a college or university accredited by a national or regional certifying authority a doctorate in the chemical or biological sciences and a minimum of two years' post-degree laboratory experience; or

(b) Has earned a master's degree in the chemical or biological sciences and has a minimum of four years' of post-degree laboratory experience; or

(c) Has earned a bachelor's degree in the chemical or biological sciences and has a minimum of six years of post-education laboratory experience.

(4) As a condition of certification, labs must follow the most current version of the Cannabis Inflorescence and Leaf monograph published by the *American Herbal Pharmacopoeia* or notify the board what alternative scientifically valid testing methodology the lab is following for each quality assurance test. The board may require third-party validation of any monograph or analytical method followed by the lab to ensure the methodology produces scientifically accurate results prior to them using those standards when conducting required quality assurance tests.

(5) As a condition of certification, the board may require third-party validation and ongoing monitoring of a lab's basic proficiency to correctly execute the analytical methodologies employed by the lab. The board may contract with a vendor to conduct the validation and ongoing monitoring described in this subsection. The lab shall pay all vendor fees for validation and ongoing monitoring directly to the vendor.

(6) The lab must allow the board or their vendor to conduct physical visits and inspect related laboratory equipment, testing and other related records during normal business hours without advance notice.

(7) Labs must adopt and follow minimum good lab practices (GLPs), and maintain internal standard operating procedures (SOPs), and a quality control/quality assurance (QC/QA) program as specified by the board. The

board or authorized third-party organization can conduct audits of a lab's GLPs, SOPs, QC/QA, and inspect all other related records.

(8) The general body of required quality assurance tests for marijuana flowers and infused products may include moisture content, potency analysis, foreign matter inspection, microbiological screening, pesticide and other chemical residue and metals screening, and residual solvents levels.

(9) Table of required quality assurance tests.

Product	Test(s) Required	Sample Size Needed to Complete all Tests
Lots of marijuana flowers	1. Moisture content 2. Potency analysis 3. Foreign matter inspection 4. Microbiological screening	Up to 7 grams
Infused extract (solvent based) for inhalation made using n-butane, isobutane, propane, heptane, or other solvents or gases approved by the board of at least 99% purity	1. Potency analysis 2. Residual solvent test 3. Microbiological screening (only if using flowers and other plant material that failed initial test)	Up to 2 grams
Infused extract for inhalation made with a CO ₂ extractor like hash oil	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that failed initial test)	Up to 2 grams
Infused extract for inhalation made with ethanol or other approved food grade solvent	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that failed initial test)	Up to 2 grams
Infused extract (nonsolvent) meant for inhalation infused with kief, hashish, or bubble hash	1. Potency analysis 2. Microbiological screening	Up to 2 grams
Infused edible	1. Potency analysis 2. Microbiological screening	1 unit
Infused liquid like a soda or tonic	1. Potency analysis 2. Microbiological screening	1 unit
Infused topical	1. Potency analysis 2. Microbiological screening	1 unit

(10) Independent testing labs may request additional sample material in excess of amounts listed in the table in subsection (9) of this section for the purposes of completing required quality assurance tests. Labs certified as meeting the board's accreditation requirements may retrieve samples from a marijuana licensee's licensed premises and transport the samples directly to the lab and return any unused portion of the samples.

(11) Labs certified as meeting the board's accreditation requirements are not limited in the amount of usable marijuana and marijuana products they may have on their premises at any given time, but they must have records to prove all marijuana and marijuana-infused products only for the testing purposes described in WAC 314-55-102.

(12) At the discretion of the board, a producer or processor must provide an employee of the board or their designee samples in the amount listed in subsection (9) of this section or samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks. Samples may be screened for pesticides and chemical residues, unsafe levels of metals, and used for other quality assurance tests deemed necessary by the board. All costs of this testing will be borne by the producer or processor.

(13) No lot of usable flower or batch of marijuana-infused product may be sold or transported until the completion of all required quality assurance testing.

(14) Any usable marijuana or marijuana-infused product that passed the required quality assurance tests may be labeled as "Class A." Only "Class A" usable marijuana or marijuana-infused product will be allowed to be sold.

(15) If a lot of marijuana flowers fail a quality assurance test, any marijuana plant trim, leaf and other usable material from the same plants automatically fails quality assurance testing also. Upon approval of the board, a lot that fails a quality assurance test may be used to make a CO₂ or solvent based extract. After processing, the CO₂ or solvent based extract must still pass all required quality assurance tests in WAC 314-55-102.

(16) At the request of the producer or processor, the board may authorize a retest to validate a failed test result on a case-by-case basis. All costs of the retest will be borne by the producer or the processor.

(17) Labs must report all required quality assurance test results directly into LCB's seed to sale traceability system within twenty-four hours of completion. Labs must also record in the seed to sale traceability system an acknowledgment of the receipt of samples from producers or processors and verify if any unused portion of the sample was destroyed or returned to the licensee.

[Statutory Authority: RCW 69.50.342, 69.50.345. WSR 14-07-116, § 314-55-102, filed 3/19/14, effective 4/19/14. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-102, filed 10/21/13, effective 11/21/13.]

314-55-104

Marijuana processor license extraction requirements.

(1) Processors are limited to certain methods, equipment, solvents, gases and mediums when creating marijuana extracts.

(2) Processors may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human health-related toxicity approved by the board. These solvents must be of at least ninety-nine percent purity and a processor must use them in a professional grade closed loop extraction system designed to recover the solvents, work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

(3) Processors may use a professional grade closed loop CO₂ gas extraction system where every vessel is rated to a minimum of nine hundred pounds per square inch. The CO₂ must be of at least ninety-nine percent purity.

(4) Professional grade closed loop systems used by processors must be commercially manufactured and built to codes of recognized and generally accepted good engineering practices, such as:

- (a) The American Society of Mechanical Engineers (ASME);
- (b) American National Standards Institute (ANSI);
- (c) Underwriters Laboratories (UL); or
- (d) The American Society for Testing and Materials (ASTM).

(5) Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the local fire code official and meet any required fire, safety, and building code requirements specified in:

- (a) Title 296 WAC;
- (b) National Fire Protection Association (NFPA) standards;
- (c) International Building Code (IBC);
- (d) International Fire Code (IFC); and

(e) Other applicable standards including following all applicable fire, safety, and building codes in processing and the handling and storage of the solvent or gas.

(6) Processors may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create kief, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

(7) Processors may use food grade glycerin, ethanol, and propylene glycol solvents to create extracts.

(8) Processors creating marijuana extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace. Any person using solvents or gases in a closed looped system to create marijuana extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

(9) Parts per million for one gram of finished extract cannot exceed 500 parts per million or residual solvent or gas when quality assurance tested per RCW 69.50.348.

[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 14-10-044, § 314-55-104, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-104, filed 10/21/13, effective 11/21/13.]

314-55-105

Packaging and labeling requirements.

(1) All usable marijuana and marijuana-infused products must be stored behind a counter or other barrier to ensure a customer does not have direct access to the product.

(2) Any container or packaging containing usable marijuana or marijuana-infused products must protect the product from contamination and must not impart any toxic or deleterious substance to the usable marijuana or marijuana product.

(3) Upon the request of a retail customer, a retailer must disclose the name of the accredited third-party testing lab and results of the required quality assurance test for any usable marijuana or other marijuana-infused product the customer is considering purchasing.

(4) Usable marijuana and marijuana-infused products may not be labeled as organic unless permitted by the United States Department of Agriculture in accordance with the Organic Foods Production Act.

(5) The accredited third-party testing lab and required results of the quality assurance test must be included with each lot and disclosed to the customer buying the lot.

(6) A marijuana producer must make quality assurance test results available to any processor purchasing product. A marijuana producer must label each lot of marijuana with the following information:

- (a) Lot number;
- (b) UBI number of the producer; and
- (c) Weight of the product.

(7) Marijuana-infused products meant to be eaten, swallowed, or inhaled, must be packaged in child resistant packaging in accordance with Title 16 C.F.R. 1700 of the Poison Prevention Packaging Act or use standards specified in this subsection. Marijuana-infused product in solid or liquid form may be packaged in plastic four mil or greater in thickness and be heat sealed with no easy-open tab, dimple, corner, or flap as to make it difficult for a child to open and as a tamperproof measure. Marijuana-infused product in liquid form may also be sealed using a metal crown cork style bottle cap.

(8) A processor may provide a retailer free samples of usable marijuana packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the product before purchase. The sample jar may not contain more than three and one-half grams of usable marijuana. The sample jar and the usable marijuana within may not be sold to a customer and must be returned to the licensed processor who provided the usable marijuana and sample jar.

(9) A producer or processor may not treat or otherwise adulterate usable marijuana with any organic or nonorganic chemical or other compound whatsoever to alter the color, appearance, weight, or smell of the usable marijuana.

(10) Labels must comply with the version of NIST Handbook 130, Uniform Packaging and Labeling Regulation adopted in chapter 16-662 WAC.

(11) All usable marijuana when sold at retail must include accompanying material that contains the following warnings that state:

- (a) "Warning: This product has intoxicating effects and may be habit forming. Smoking is hazardous to your health";
- (b) "There may be health risks associated with consumption of this product";
- (c) "Should not be used by women that are pregnant or breast feeding";
- (d) "For use only by adults twenty-one and older. Keep out of reach of children";

(e) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";

(f) Statement that discloses all pesticides applied to the marijuana plants and growing medium during production and processing.

(12) All marijuana-infused products sold at retail must include accompanying material that contains the following warnings that state:

(a) "There may be health risks associated with consumption of this product";

(b) "This product is infused with marijuana or active compounds of marijuana";

(c) "Should not be used by women that are pregnant or breast feeding";

(d) "For use only by adults twenty-one and older. Keep out of reach of children";

(e) "Products containing marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";

(f) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours";

(g) Statement that discloses all pesticides applied to the marijuana plants and growing medium during production of the base marijuana used to create the extract added to the infused product; and

(h) Statement that discloses the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce or that are added to the extract.

(13) Labels affixed to the container or package containing usable marijuana sold at retail must include:

(a) The business or trade name and Washington state unified business identifier number of the licensees that produced, processed, and sold the usable marijuana;

(b) Lot number;

(c) Concentration of THC, THCA, CBD, including a total of active cannabinoids (potency profile);

(d) Net weight in ounces and grams or volume as appropriate;

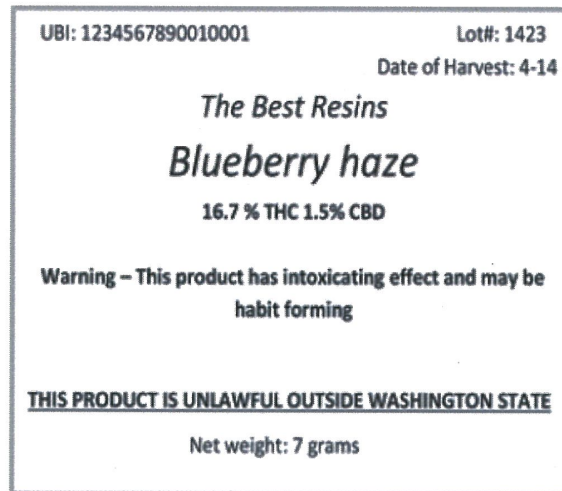
(e) Warnings that state: "This product has intoxicating effects and may be habit forming";

(f) Statement that "This product may be unlawful outside of Washington state";

(g) Date of harvest; and

(h) The board may create a logo that must be placed on all usable marijuana and marijuana-infused products.

(14) Sample label mock up for a container or package containing usable marijuana sold at retail with required information:



(15) Labels affixed to the container or package containing marijuana-infused products sold at retail must include:

(a) The business or trade name and Washington state unified business identifier number of the licensees that produced, processed, and sold the usable marijuana;

(b) Lot numbers of all base marijuana used to create the extract;

(c) Batch number;

(d) Date manufactured;

(e) Best by date;

(f) Products meant to be eaten or swallowed, recommended serving size and the number of servings contained within the unit, including total milligrams of active tetrahydrocannabinol (THC), or Delta 9;

(g) Net weight in ounces and grams, or volume as appropriate;

(h) List of all ingredients and any allergens;

(i) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours.";

(j) If a marijuana extract was added to the product, disclosure of the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract;

(k) Warnings that state: "This product has intoxicating effects and may be habit forming";

(l) Statement that "This product may be unlawful outside of Washington state";

(m) The board may create a logo that must be placed on all usable marijuana and marijuana-infused products.

(16) Sample label mock up (front and back) for a container or package containing marijuana-infused products sold at retail with required information:

(Front of label)



(Back of label)



[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-105, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-105, filed 10/21/13, effective 11/21/13.]

314-55-120
Ownership changes.

(1) Licensees must receive prior board approval before making any of the following ownership changes (see WAC 314-55-035 for the definition of "true party of interest"):

Type of change	Type of application	Fee
Change in the qualifying persons in a: Sole proprietorship, general partnership, limited partnership, or limited liability partnership.	New application.	Application fee and annual fee for current license privilege.
Change in the qualifying persons for a publicly or privately held corporation. The board will waive the fee for a corporate change when the proposed change consists solely of dropping an approved officer.	Application for change in corporate officer and/or stockholder.	\$75
Change in the qualifying persons in a limited liability company.	Application for change of limited liability company member and/or manager.	\$75

(2) The board may inquire into all matters in connection with any such sale of stock/units or proposed change in officers/members.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-120, filed 10/21/13, effective 11/21/13.]

314-55-125

Change of location.

(1) Changing your marijuana license to a new location requires an application, per the process outlined in WAC 314-55-020.

(2) A change of location occurs any time a move by the licensee results in any change to the physical location address.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-125, filed 10/21/13, effective 11/21/13.]

314-55-130

Change of business name.

(1) If you wish to change the name of your business, you must apply for a change of trade name with the department of revenue, business license service.

(2) If you wish to change your corporation or limited liability company name, you must apply for a change of name through the secretary of state.

(3) See chapter 434-12 WAC for guidelines for trade names.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-130, filed 10/21/13, effective 11/21/13.]

314-55-135

Discontinue marijuana sales.

You must notify the board's enforcement and education division in writing if you plan to stop doing business for more than thirty days, or if you plan to permanently discontinue marijuana sales.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-135, filed 10/21/13, effective 11/21/13.]

314-55-140

Death or incapacity of a marijuana licensee.

(1) The appointed guardian, executor, administrator, receiver, trustee, or assignee must notify the board's licensing and regulation division in the event of the death, incapacity, receivership, bankruptcy, or assignment for benefit of creditors of any licensee.

(2) The board may give the appointed guardian, executor, administrator, receiver, trustee, or assignee written approval to continue marijuana sales on the licensed business premises for the duration of the existing license and to renew the license when it expires.

(a) The person must be a resident of the state of Washington.

(b) A criminal background check may be required.

(3) When the matter is resolved by the court, the true party(ies) of interest must apply for a marijuana license for the business.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-140, filed 10/21/13, effective 11/21/13.]

314-55-145**Are marijuana license fees refundable?**

When a license is suspended or canceled, or the licensed business is discontinued, the unused portion of the marijuana license fee will not be refunded.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-145, filed 10/21/13, effective 11/21/13.]

314-55-147**What hours may a marijuana retailer licensee conduct sales?**

A marijuana retailer licensee may sell usable marijuana, marijuana-infused products, and marijuana paraphernalia between the hours of 8 a.m. and 12 a.m.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-147, filed 10/21/13, effective 11/21/13.]

314-55-150**What are the forms of acceptable identification?**

(1) Following are the forms of identification that are acceptable to verify a person's age for the purpose of purchasing marijuana:

(a) Driver's license, instruction permit, or identification card of any state, or province of Canada, from a U.S. territory or the District of Columbia, or "identocard" issued by the Washington state department of licensing per RCW 46.20.117;

(b) United States armed forces identification card issued to active duty, reserve, and retired personnel and the personnel's dependents, which may include an embedded, digital signature in lieu of a visible signature;

(c) Passport;

(d) Merchant Marine identification card issued by the United States Coast Guard; and

(e) Enrollment card issued by the governing authority of a federally recognized Indian tribe located in Washington, if the enrollment card incorporates security features comparable to those implemented by the department of licensing for Washington driver's licenses.

(2) The identification document is not acceptable to verify age if expired.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-150, filed 10/21/13, effective 11/21/13.]

314-55-155**Advertising.**

(1) **Advertising by retail licensees.** The board limits each retail licensed premises to one sign identifying the retail outlet by the licensee's business name or trade name that is affixed or hanging in the windows or on the outside of the premises that is visible to the general public from the public right of way. The size of the sign is limited to sixteen hundred square inches.

(2) **General.** All marijuana advertising and labels of useable marijuana and marijuana-infused products sold in the state of Washington may not contain any statement, or illustration that:

- (a) Is false or misleading;
- (b) Promotes over consumption;
- (c) Represents the use of marijuana has curative or therapeutic effects;
- (d) Depicts a child or other person under legal age to consume

marijuana, or includes:

(i) Objects, such as toys, characters, or cartoon characters suggesting the presence of a child, or any other depiction designed in any manner to be especially appealing to children or other persons under legal age to consume marijuana; or

(ii) Is designed in any manner that would be especially appealing to children or other persons under twenty-one years of age.

(3) No licensed marijuana producer, processor, or retailer shall place or maintain, or cause to be placed or maintained, an advertisement of marijuana, usable marijuana, or a marijuana-infused product in any form or through any medium whatsoever:

(a) Within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, public park, library, or a game arcade admission to which it is not restricted to persons aged twenty-one years or older;

(b) On or in a public transit vehicle or public transit shelter; or

(c) On or in a publicly owned or operated property.

(4) Giveaways, coupons, and distribution of branded merchandise are banned.

(5) All advertising must contain the following warnings:

(a) "This product has intoxicating effects and may be habit forming.";

(b) "Marijuana can impair concentration, coordination, and judgment.

Do not operate a vehicle or machinery under the influence of this drug.";

(c) "There may be health risks associated with consumption of this product."; and

(d) "For use only by adults twenty-one and older. Keep out of the reach of children."

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-155, filed 10/21/13, effective 11/21/13.]

314-55-160**Objections to marijuana license applications.**

(1) **How can persons, cities, counties, tribal governments, or port authorities object to the issuance of a marijuana license?** Per RCW 69.50.331, the board will notify cities, counties, tribal governments, and port authorities of the following types of marijuana applications. In addition to these entities, any person or group may comment in writing to the board regarding an application.

Type of application	Entities the board will/may notify
Applications for an annual marijuana license at a new location.	- Cities and counties in which the premises is located will be notified. - Tribal governments and port authorities in which the premises is located may be notified.
Applications to change the class of an existing annual marijuana license.	
Changes of ownership at existing licensed premises.	- Cities and counties in which the premises is located will be notified. - Tribal governments and port authorities in which the premises is located may be notified.

(2) **What will happen if a person or entity objects to a marijuana license application?** When deciding whether to issue or deny a marijuana license application, the board will give substantial weight to input from governmental jurisdictions in which the premises is located based upon chronic illegal activity associated with the applicant's operations of the premises proposed to be licensed or the applicant's operation of any other licensed premises; and other persons or groups. Note: Per RCW 69.50.331, the board shall not issue a new marijuana license if any of the following are within one thousand feet of the premises to be licensed: Any elementary or secondary schools, playgrounds, recreation centers or facilities, child care centers, public parks, public transit centers, libraries, game arcade where admission is not restricted to persons twenty-one years of age or older.

(a) If the board contemplates issuing a license over the objection of a governmental jurisdiction in which the premises is located, the government subdivision may request an adjudicative hearing under the provisions of the Administrative Procedure Act, chapter 34.05 RCW. If the board, in its discretion, grants the governmental jurisdiction(s) an adjudicative hearing, the applicant will be notified and given the opportunity to present evidence at the hearing.

(b) If the board denies a marijuana license application based on the objection from a governmental jurisdiction, the applicant(s) may either:

(i) Reapply for the license no sooner than one year from the date on the final order of denial; or

(ii) Submit a written request on a form provided by the board for an adjudicative hearing under the provisions of the Administrative Procedure Act, chapter 34.05 RCW. The request must be received within twenty days of the date the intent to deny notification was mailed.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-160, filed 10/21/13, effective 11/21/13.]

314-55-165

Objections to marijuana license renewals.

(1) How can local cities, counties, tribal governments, or port authorities object to the renewal of a marijuana license?

(a) The board will give governmental jurisdictions approximately ninety days written notice of premises that hold annual marijuana licenses in that jurisdiction that are up for renewal.

(b) Per RCW 69.50.331, if a county, city, tribal government, or port authority wants to object to the renewal of a marijuana license in its jurisdiction, it must submit a letter to the board detailing the reason(s) for the objection and a statement of all facts on which the objections are based.

(c) The county, city, tribal government, or port authority may submit a written request to the board for an extension for good cause shown.

(d) This letter must be received by the board at least thirty days before the marijuana license expires. The objection must state specific reasons and facts that show issuance of the marijuana license at the proposed location or to the applicant business how it will detrimentally impact the safety, health, or welfare of the community.

(e) If the objection is received within thirty days of the expiration date or the licensee has already renewed the license, the objection will be considered as a complaint and possible license revocation may be pursued by the enforcement division.

(f) Objections from the public will be referred to the appropriate city, county, tribal government, or port authority for action under subsection (2) of this section. Upon receipt of the objection, the board licensing and regulation division will acknowledge receipt of the objection(s) and forward to the appropriate city, county, tribal government, or port authority. Such jurisdiction may or may not, based on the public objection, request nonrenewal.

(2) What will happen if a city, county, tribal government, or port authority objects to the renewal of a marijuana license? The board will give substantial weight to a city, county, tribal government, or port authority objection to a marijuana license renewal of a premises in its jurisdiction based upon chronic illegal activity associated with the licensee's operation of the premises. Based on the jurisdiction's input and any information in the licensing file, the board will decide to either renew the marijuana license, or to pursue nonrenewal.

(a) Board decides to renew the marijuana license:	(b) Board decides to pursue nonrenewal of the marijuana license:
(i) The board will notify the jurisdiction(s) in writing of its intent to renew the license, stating the reason for this decision. (ii) The jurisdiction(s) may contest the renewal and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter <u>34.05</u> RCW) by submitting a written request on a form provided by the board. The request must be received within twenty days of the date the intent to renew notification was mailed. If the board, in its discretion, grants the governmental jurisdiction (s) an adjudicative hearing, the applicant will be notified and given the opportunity to present evidence at the hearing.	(i) The board will notify the licensee in writing of its intent to not renew the license, stating the reason for this decision. (ii) The licensee may contest the nonrenewal action and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter <u>34.05</u> RCW) by submitting a written request on a form provided by the board. The request must be received within twenty days of the date the intent to deny notification was mailed. (iii) If the licensee requests a hearing, the governmental jurisdiction will be notified. (iv) During the hearing and any subsequent appeal process, the licensee is issued a temporary operating permit for the marijuana license until a final decision is made.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-165, filed 10/21/13, effective 11/21/13.]

314-55-200

How will the liquor control board identify marijuana, usable marijuana, and marijuana-infused products during checks of licensed businesses?

Officers shall identify marijuana, usable marijuana, and marijuana-infused products during on-site inspections of licensed producers, processors, and retailers of marijuana by means of product in the traceability system, and/or by observation based on training and experience. Products that are undetermined to be marijuana, usable marijuana, and marijuana-infused products will be verified by the following:

- (1) Officers may take a sample large enough for testing purposes;

(2) Field test kits may be used if available and appropriate for the type of product being verified; and

(3) Those samples not able to be tested with a field test kit may be tested through the Washington state toxicology or crime lab.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 314-55-200, filed 3/19/14, effective 4/19/14.]

314-55-210

Will the liquor control board seize or confiscate marijuana, usable marijuana, and marijuana-infused products?

The liquor control board may seize or confiscate marijuana, usable marijuana, and marijuana-infused products under the following circumstances:

(1) During an unannounced or announced administrative search or inspection of a licensed location, or vehicle involved in the transportation of marijuana products, where any product was found to be in excess of product limitations set forth in WAC [314-55-075](#), [314-55-077](#), and [314-55-079](#).

(2) Any product not properly logged in inventory records or untraceable product required to be in the traceability system.

(3) Marijuana, usable marijuana, and marijuana-infused product that are altered or not properly packaged and labeled in accordance with WAC [314-55-105](#).

(4) During a criminal investigation, officers shall follow seizure laws detailed in RCW [69.50.505](#) and any other applicable criminal codes.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 314-55-210, filed 3/19/14, effective 4/19/14.]

314-55-220

What is the process once the board summarily orders marijuana, usable marijuana, or marijuana-infused products of a marijuana licensee to be destroyed?

(1) The board may issue an order to summarily destroy marijuana, usable marijuana, or marijuana-infused products after the board's enforcement division has completed a preliminary staff investigation of the violation and upon a determination that immediate destruction of marijuana, usable marijuana, or marijuana-infused products is necessary for the protection or preservation of the public health, safety, or welfare.

(2) Destruction of any marijuana, usable marijuana, or marijuana-infused products under this provision shall take effect immediately upon

personal service on the licensee or employee thereof of the summary destruction order unless otherwise provided in the order.

(3) When a license has been issued a summary destruction order by the board, an adjudicative proceeding for the associated violation or other action must be promptly instituted before an administrative law judge assigned by the office of administrative hearings. If a request for an administrative hearing is timely filed by the licensee, then a hearing shall be held within ninety days of the effective date of the summary destruction ordered by the board.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 314-55-220, filed 3/19/14, effective 4/19/14.]

314-55-230

What are the procedures the liquor control board will use to destroy or donate marijuana, usable marijuana, and marijuana-infused products to law enforcement?

(1) The liquor control board may require a marijuana licensee to destroy marijuana, usable marijuana, and marijuana-infused products found in a licensed establishment to be in excess of product limits set forth in WAC [314-55-075](#), [314-55-077](#), and [314-55-079](#).

(2) Destruction of seized marijuana, usable marijuana, marijuana-infused products, or confiscated marijuana after case adjudication, will conform with liquor control board evidence policies, to include the option of donating marijuana, usable marijuana, and marijuana-infused products, set for destruction, to local and state law enforcement agencies for training purposes only.

(3) Marijuana, usable marijuana, and marijuana-infused products set for destruction shall not reenter the traceability system or market place.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 315-55-230 (codified as WAC 314-55-230), filed 3/19/14, effective 4/19/14.]

314-55-505

What are the procedures for notifying a licensee of an alleged violation of a liquor control board statute or regulation?

(1) When an enforcement officer believes that a licensee has violated a board statute or regulation, the officer may prepare an administrative violation notice (AVN) and mail or deliver the notice to the licensee, licensee's agent, or employee.

(2) The AVN notice will include:

(a) A complete narrative description of the violation(s) the officer is charging;

- (b) The date(s) of the violation(s);
 - (c) A copy of the law(s) and/or regulation(s) allegedly violated;
 - (d) An outline of the licensee's options as outlined in WAC [314-55-510](#);
- and
- (e) The recommended penalty.
 - (i) If the recommended penalty is the standard penalty, see WAC [314-55-520](#) through [314-55-535](#) for licensees.
 - (ii) For cases in which there are aggravating or mitigating circumstances, the penalty may be adjusted from the standard penalty.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-505, filed 10/21/13, effective 11/21/13.]

314-55-506

What is the process once the board summarily suspends a marijuana license?

(1) The board may summarily suspend any license after the board's enforcement division has completed a preliminary staff investigation of the violation and upon a determination that immediate cessation of the licensed activities is necessary for the protection or preservation of the public health, safety, or welfare.

(2) Suspension of any license under this provision shall take effect immediately upon personal service on the licensee or employee thereof of the summary suspension order unless otherwise provided in the order.

(3) When a license has been summarily suspended by the board, an adjudicative proceeding for revocation or other action must be promptly instituted before an administrative law judge assigned by the office of administrative hearings. If a request for an administrative hearing is timely filed by the licensee or permit holder, then a hearing shall be held within ninety days of the effective date of the summary suspension ordered by the board.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-506, filed 10/21/13, effective 11/21/13.]

314-55-507

How may a licensee challenge the summary suspension of his or her marijuana license?

(1) Upon summary suspension of a license by the board pursuant to WAC [314-55-506](#), an affected licensee may petition the board for a stay of suspension pursuant to RCW [34.05.467](#) and 34.05.550(1). A petition for a stay of suspension must be received by the board within fifteen days of service of the summary suspension order. The petition for stay shall state the basis on which the stay is sought.

(2) A hearing shall be held before an administrative law judge within fourteen days of receipt of a timely petition for stay. The hearing shall be limited to consideration of whether a stay should be granted, or whether the terms of the suspension may be modified to allow the conduct of limited activities under current licenses or permits.

(3) Any hearing conducted pursuant to subsection (2) of this section shall be a brief adjudicative proceeding under RCW 34.05.485. The agency record for the hearing shall consist of the documentary information upon which the summary suspension was based. The licensee or permit holder shall have the burden of demonstrating by clear and convincing evidence that:

- (a) The licensee is likely to prevail upon the merits at hearing;
- (b) Without relief, the licensee will suffer irreparable injury. For purposes of this section, elimination of income from licensed activities shall not be deemed irreparable injury;
- (c) The grant of relief will not substantially harm other parties to the proceedings; and
- (d) The threat to the public health, safety, or welfare is not sufficiently serious to justify continuation of the suspension, or that modification of the terms of the suspension will adequately protect the public interest.

(4) The initial order on stay shall be effective immediately upon service unless another date is specified in the order.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-507, filed 10/21/13, effective 11/21/13.]

314-55-508

Review of orders on stay.

(1) The licensee, or agency, may petition the board for review of an initial order on stay. Any petition for review must be in writing and received by the board within ten days of service of the initial order. If neither party has requested review within ten days of service, the initial order shall be deemed the final order of the board for purposes of RCW 34.05.467.

(2) If the board receives a timely petition for review, the board shall consider the petition within fifteen days of service of the petition for review. Consideration on review shall be limited to the record of the hearing on stay.

(3) The order of the board on the petition for review shall be effective upon personal service unless another date is specified in the order and is final pursuant to RCW 34.05.467. Final disposition of the petition for stay shall not affect subsequent administrative proceedings for suspension or revocation of a license.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-508, filed 10/21/13, effective 11/21/13.]

314-55-510**What options does a licensee have once he/she receives a notice of an administrative violation?**

(1) **A licensee has twenty days from receipt of the notice to:**

- (a) Accept the recommended penalty; or
- (b) Request a settlement conference in writing; or
- (c) Request an administrative hearing in writing.

A response must be submitted on a form provided by the agency.

(2) What happens if a licensee does not respond to the administrative violation notice within twenty days?

(a) If a licensee does not respond to the administrative violation notice within twenty days, the recommended suspension penalty will go into effect.

(b) If the penalty does not include a suspension, the licensee must pay a twenty-five percent late fee in addition to the recommended penalty. The recommended penalty plus the late fee must be received within thirty days of the violation notice issue date.

(3) What are the procedures when a licensee requests a settlement conference?

(a) If the licensee requests a settlement conference, the hearing examiner or designee will contact the licensee to discuss the violation.

(b) Both the licensee and the hearing examiner or designee will discuss the circumstances surrounding the charge, the recommended penalty, and any aggravating or mitigating factors.

(c) If a compromise is reached, the hearing examiner or designee will prepare a compromise settlement agreement. The hearing examiner or designee will forward the compromise settlement agreement, authorized by both parties, to the board, or designee, for approval.

(i) If the board, or designee, approves the compromise, a copy of the signed settlement agreement will be sent to the licensee and will become part of the licensing history.

(ii) If the board, or designee, does not approve the compromise, the licensee will be notified of the decision. The licensee will be given the option to renegotiate with the hearings examiner or designee, of accepting the originally recommended penalty, or of requesting an administrative hearing on the charges.

(d) If the licensee and the hearing examiner or designee cannot reach agreement on a settlement proposal, the licensee may accept the originally recommended penalty, or the hearing examiner or designee will forward a request for an administrative hearing to the board's hearings coordinator.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-510, filed 10/21/13, effective 11/21/13.]

314-55-515**What are the penalties if a marijuana license holder violates a marijuana law or rule?**

(1) The purpose of WAC 314-55-515 through 314-55-540 is to outline what penalty a marijuana licensee can expect if a licensee or employee violates a liquor control board law or rule. (WAC rules listed in the categories provide reference areas, and may not be all inclusive.)

(2) Penalties for violations by marijuana licensees or employees are broken down into four categories:

(a) Group One—Public safety violations, WAC 314-55-520.

(b) Group Two—Regulatory violations, WAC 314-55-525.

(c) Group Three—License violations, WAC 314-55-530.

(d) Group Four—Producer violations involving the manufacture, supply, and/or distribution of marijuana by nonretail licensees and prohibited practices between nonretail licensees and retail licensees, WAC 314-55-535.

(3) For the purposes of chapter 314-55 WAC, a three-year window for violations is measured from the date one violation occurred to the date a subsequent violation occurred.

(4) The following schedules are meant to serve as guidelines. Based on mitigating or aggravating circumstances, the liquor control board may impose a different penalty than the standard penalties outlined in these schedules. Based on mitigating circumstances, the board may offer a monetary option in lieu of suspension, or alternate penalty, during a settlement conference as outlined in WAC 314-55-510(3).

(a) Mitigating circumstances	(b) Aggravating circumstances
Mitigating circumstances that may result in fewer days of suspension and/or a lower monetary option may include demonstrated business policies and/or practices that reduce the risk of future violations. Examples include: • Having a signed acknowledgment of the business' responsible handling and sales policies on file for each employee; • Having an employee training plan that includes annual training on marijuana laws.	Aggravating circumstances that may result in increased days of suspension, and/or increased monetary option, and/or cancellation of marijuana license may include business operations or behaviors that create an increased risk for a violation and/or intentional commission of a violation. Examples include: • Failing to call 911 for local law enforcement or medical assistance when requested by a customer, a liquor control board officer, or when people have sustained injuries.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-515, filed 10/21/13, effective 11/21/13.]

314-55-520**Group 1 violations against public safety.**

Group 1 violations are considered the most serious because they present a direct threat to public safety. Based on chapter 69.50 RCW, some violations have only a monetary option. Some violations beyond the first violation do not have a monetary option upon issuance of a violation notice. The liquor control board may offer a monetary option in lieu of suspension days based on mitigating circumstances as outlined in WAC 314-55-515(4).

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Violations involving minors:	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Sale or service to minor: Sale of marijuana and/or paraphernalia to a person under twenty-one years of age. WAC <u>314-55-079</u>	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Allowing a minor to frequent a restricted area. RCW <u>69.50.357</u>	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	
Employee under legal age. RCW <u>69.50.357</u>	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Licensee and/or employee open and/or consuming marijuana on a retail licensed premises. RCW <u>69.50.357</u>	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Conduct violations: Criminal	10-day suspension or \$2,500	30-day suspension	Cancellation of license	

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
conduct: Permitting or engaging in criminal conduct.	monetary option			
Using unauthorized pesticides, soil amendments, fertilizers, other crop production aids. <u>WAC 314-55-020(8)</u> <u>WAC 314-55-083(4)</u> <u>WAC 314-55-087 (1)(f)</u>	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Adulterate usable marijuana with organic or nonorganic chemical or other compound. <u>WAC 314-55-105(8)</u>	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Using unauthorized solvents or gases in processing. <u>WAC 314-55-104</u>	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Refusal to allow an inspection and/or obstructing a law enforcement officer from performing their official duties. <u>WAC 314-55-050</u>	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Marijuana purchased from an	Cancellation of license			

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
unauthorized source. Marijuana sold to an unauthorized source. Sales in excess of transaction limitations. WAC <u>314-55-095</u> (3)	Cancellation of license Cancellation of license			

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-520, filed 10/21/13, effective 11/21/13.]

314-55-525

Group 2 regulatory violations.

Group 2 violations are violations involving general regulation and administration of retail or nonretail licenses.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Hours of service: Sales of marijuana between 12:00 a.m. and 8:00 a.m.	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Advertising: Violations (statements/illustrations). WAC <u>314-55-155</u> (2)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Advertising violations – Sign exceeding 1600 square inches; within 1000 feet of prohibited areas; on or in public transit vehicles, shelters, or publicly owned or operated property. RCW <u>69.50.357</u> RCW <u>69.50.369</u>	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Packaging and/or labeling violations (processor/retailer). WAC 314-55-105	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Licensee/employee failing to display required security badge. WAC 314-55-083 (1)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to maintain required security alarm and surveillance systems. WAC 314-55-083 (2) and (3)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Records: Improper recordkeeping. WAC 314-55-087 WAC 314-55-089 (3), (4), and (5)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to submit monthly tax reports and/or payments. WAC 314-55-089 WAC 314-55-092	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Signs: Failure to post required signs. WAC 314-55-086	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to utilize and/or maintain traceability (processor or retail licensee). WAC 314-55-083 (4)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Violation of transportation requirements. WAC 314-55-085	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Exceeding maximum serving requirements for marijuana-infused products. WAC 314-55-095 (2)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure for a processor to meet marijuana	5-day suspension or \$500	10-day suspension or \$2,500	30-day suspension	Cancellation of license

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
waste disposal requirements. WAC 314-55-097	monetary option	monetary option		
Failure to maintain standardized scale requirements (processor/retailer). WAC 314-55-099	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Marijuana processor extraction requirements. WAC 314-55-104	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Retail outlet selling unauthorized products. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Retailer displaying products in a manner visible to the general public from a public right of way. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine

[Statutory Authority: RCW [69.50.325](#), [69.50.331](#), [69.50.342](#), [69.50.345](#).
WSR 13-21-104, § 314-55-525, filed 10/21/13, effective 11/21/13.]

314-55-530

Group 3 license violations.

Group 3 violations are violations involving licensing requirements, license classification, and special restrictions.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
True party of interest violation. WAC 314-55-035	Cancellation of license			
Failure to furnish required documents. WAC 314-55-050	Cancellation of license			
Misrepresentation of fact.	Cancellation of license			

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
WAC <u>314-55-050</u>				
Operating plan: Violations of a board-approved operating plan. WAC <u>314-55-020</u>	5-day suspension or \$500 monetary option	10-day suspension or \$1,500 monetary option	30-day suspension	Cancellation of license
Failing to gain board approval for changes in existing ownership. WAC <u>314-55-120</u>	30-day suspension	Cancellation of license		
Failure to maintain required insurance. WAC <u>314-55-080</u>	30-day suspension	Cancellation of license		

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-530, filed 10/21/13, effective 11/21/13.]

314-55-535

Group 4 marijuana producer violations.

Group 4 violations are violations involving the manufacture, supply, and/or distribution of marijuana by marijuana producer licensees and prohibited practices between a marijuana producer licensee and a marijuana retailer licensee.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Unauthorized sale to a retail licensee. WAC <u>314-55-075</u>	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Failure to utilize and/or maintain traceability. WAC <u>314-55-083(4)</u>	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Packaging and/or labeling violations (producer). WAC 314-55-105	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Unauthorized product/unapproved storage or delivery.	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Failure for a producer to meet marijuana waste disposal requirements. WAC 314-55-097	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Records: Improper recordkeeping. WAC 314-55-087 WAC 314-55-089 (2) and (4) WAC 314-55-092	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Violation of transportation requirements. WAC 314-55-085	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Failure to maintain required security alarm and surveillance systems. WAC 314-55-083 (2) and (3)	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Failure to maintain standardized scale requirements (producer). WAC 314-55-099	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Violation.				

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345.
WSR 13-21-104, § 314-55-535, filed 10/21/13, effective 11/21/13.]

314-55-540

Information about marijuana license suspensions.

(1) On the date a marijuana license suspension goes into effect, a liquor control officer will post a suspension notice in a conspicuous place on or about the licensed premises. This notice will state that the license has been suspended by order of the liquor control board due to a violation of a board law or rule.

(2) During the period of marijuana license suspension, the licensee and employees:

(a) Are required to maintain compliance with all applicable marijuana laws and rules;

(b) May not remove, alter, or cover the posted suspension notice, and may not permit another person to do so;

(c) May not place or permit the placement of any statement on the licensed premises indicating that the premises have been closed for any reason other than as stated in the suspension notice;

(d) May not advertise by any means that the licensed premises is closed for any reason other than as stated in the liquor control board's suspension notice.

(3) During the period of marijuana license suspension:

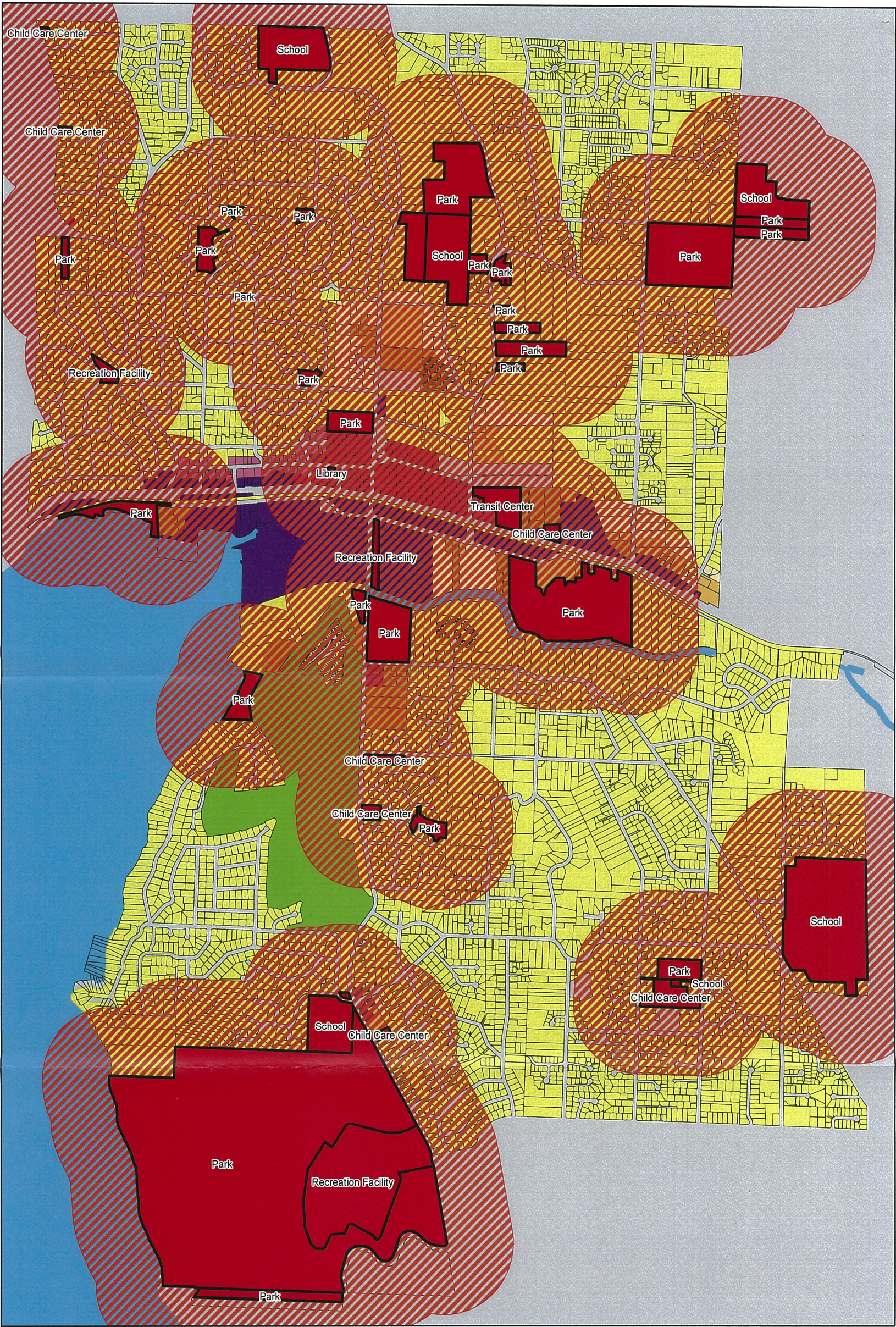
(a) A marijuana retailer or marijuana processor licensee may not operate his/her business during the dates and times of suspension.

(b) There is no sale, delivery, service, destruction, removal, or receipt of marijuana during a license suspension.

(c) A producer of marijuana may do whatever is necessary as a part of the producing process to keep current stock that is on hand at the time of the suspension from spoiling or becoming unsalable during a suspension, provided it does not include processing the product. The producer may not receive any agricultural products used in the production of marijuana during the period of suspension.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345.
WSR 13-21-104, § 314-55-540, filed 10/21/13, effective 11/21/13.]

Potential Locations - Marijuana Businesses



- | | | | |
|---------------------------|------------------------------------|---------------------|-----------------------|
| Properties | Residential, 12 Dwellings Per Acre | Community Business | Neighborhood Business |
| 1,000 Foot Buffer | Residential, 18 Dwellings Per Acre | Downtown Commercial | Public/Semi-Public |
| Zoning | Residential, 24 Dwellings Per Acre | Golf Course | Regional Business |
| Single Family Residential | | | |



This map is intended for planning purposes only and is not guaranteed to show accurate measurements. Locations of buffered facilities may change over time.

Map Date: 10/31/2013

Retail Store Locations

Attachment 3

Jurisdiction	2010 Population Census	Number of Retail Outlets	County Total
Adams County	18,728		2
At Large	8,818	2	
Asotin County	21,623		2
At Large	13,143	2	
Benton County	175,177		10
At Large	32,639	2	
Kennewick	73,917	4	
Richland	48,058	3	
West Richland	11,811	1	
Chelan County *	72,453		6
At Large	30,498	3	
Wenatchee	31,925	3	
Clallam County	71,404		6
At Large	42,228	3	
Port Angeles	19,038	2	
Sequim	6,606	1	
Clark County	425,363		15
At Large	203,339	6	
Battle Ground	17,571	1	
Camas	19,355	1	
Vancouver	161,791	6	
Washougal	14,095	1	
Columbia County	4,078		1
At Large	1,423	1	
Cowlitz County *	102,410		7
At Large	44,085	3	
Kelso	11,925	1	
Longview	36,648	3	
Woodland (part)	5,426		
Douglas County	38,431		3
At Large	20,399	2	
East Wenatchee	13,190	1	
Ferry County	7,551		1
At Large	6,478	1	
Franklin County *	78,163		5
At Large	13,491	1	
Pasco	59,781	4	
Garfield County	2,266		1
At Large	841	1	
Grant County *	89,120		7
At Large	40,134	3	
Ephrata	7,664	1	
Moses Lake	20,366	2	

Retail Store Locations

Jurisdiction	2010 Population Census	Number of Retail Outlets	County Total
Quincy	6,750	1	
Grays Harbor County	72,797		6
At Large	28,438	3	
Aberdeen	16,896	1	
Hoquiam	8,726	1	
Ocean Shores	5,569	1	
Island County	78,506		4
At Large	53,565	3	
Oak Harbor	22,075	1	
Jefferson County *	29,872		4
At Large	20,759	3	
Port Townsend	9,113	1	
King County *	1,931,249		61
At Large	325,000	11	
Auburn (part)	62,761	2	
Bellevue	122,363	4	
Burien	33,313	1	
Des Moines	29,673	1	
Federal Way	89,306	3	
Issaquah	30,434	1	
Kent	92,411	3	
Kirkland	48,787	2	
Maple Valley	22,684	1	
Mercer Island	22,699	1	
Redmond	54,144	2	
Renton	90,927	3	
Sammamish	45,780	1	
SeaTac	26,909	1	
Seattle	608,660	21	
Shoreline	53,007	2	
Tukwila	19,107	1	
Kitsap County *	251,133		10
At Large	170,022	7	
Bainbridge Island	23,025	1	
Bremerton	37,729	2	
Kittitas County *	40,915		4
At Large	18,063	2	
Ellensburg	18,174	2	
Klickitat County *	20,318		4
At Large	13,975	3	
Goldendale	3,407	1	
Lewis County *	75,455		7
At Large	44,892	4	
Centralia	16,336	2	
Chehalis	7,259	1	
Lincoln County	10,570		2
At Large	5,081	2	

Retail Store Locations

Jurisdiction	2010 Population Census	Number of Retail Outlets	County Total
Mason County	60,699		5
At Large	50,865	4	
Shelton	9,834	1	
Okanogan County *	41,120		5
At Large	24,780	4	
Omak	4,845	1	
Pacific County	20,920		2
At Large	14,073	2	
Pend Oreille County	13,001		2
At Large	9,810	2	
Pierce County *	795,225		31
At Large	366,738	17	
Bonney Lake	17,374	1	
Lakewood	58,163	2	
Puyallup	37,022	2	
Tacoma	198,397	8	
University Place	31,144	1	
San Juan County *	15,769		3
At Large	13,607	0	
San Juan Island		1	
Lopez Island		1	
Orcas Island		1	
Skagit County	116,901		10
At Large	48,112	4	
Anacortes	15,778	1	
Burlington	8,388	1	
Mount Vernon	31,743	3	
Sedro-Woolley	10,540	1	
Skamania County	11,066		2
At Large	8,645	2	
Snohomish County *	713,335		35
At Large	302,292	16	
Arlington	17,926	1	
Bothell (part)	16,415	1	
Edmonds	39,709	2	
Everett	103,019	5	
Lake Stevens	28,069	1	
Lynnwood	35,836	2	
Marysville	60,020	3	
Mill Creek	18,244	1	
Monroe	17,304	1	
Mountlake Terrace	19,909	1	
Mukilteo	20,254	1	
Spokane County *	471,221		18
At Large	136,097	7	
Spokane	208,916	8	

Retail Store Locations

Jurisdiction	2010 Population Census	Number of Retail Outlets	County Total
Spokane Valley	89,755	3	
Stevens County *	43,531		4
At Large	33,893	4	
Thurston County *	252,264		11
At Large	135,123	6	
Lacey	42,393	2	
Olympia	46,478	2	
Tumwater	17,371	1	
Wahkiakum County	3,978		1
At Large	3,446	1	
Walla Walla County *	58,781		4
At Large	16,750	2	
Walla Walla	31,731	2	
Whatcom County *	201,140		15
At Large	87,065	7	
Bellingham	80,885	6	
Ferndale	11,415	1	
Lynden	11,951	1	
Whitman County *	44,776		4
At Large	5,961	1	
Pullman	29,799	3	
Yakima County *	243,231		14
At Large	83,755	6	
Grandview	10,862	1	
Selah	7,147	1	
Sunnyside	15,858	1	
Yakima	91,196	5	
State Total	6,724,540	334	334

Attachment 4



U.S. Department of Justice

Office of the Deputy Attorney General

The Deputy Attorney General

Washington, D.C. 20530

August 29, 2013

MEMORANDUM FOR ALL UNITED STATES ATTORNEYS

FROM: James M. Cole 
Deputy Attorney General

SUBJECT: Guidance Regarding Marijuana Enforcement

In October 2009 and June 2011, the Department issued guidance to federal prosecutors concerning marijuana enforcement under the Controlled Substances Act (CSA). This memorandum updates that guidance in light of state ballot initiatives that legalize under state law the possession of small amounts of marijuana and provide for the regulation of marijuana production, processing, and sale. The guidance set forth herein applies to all federal enforcement activity, including civil enforcement and criminal investigations and prosecutions, concerning marijuana in all states.

As the Department noted in its previous guidance, Congress has determined that marijuana is a dangerous drug and that the illegal distribution and sale of marijuana is a serious crime that provides a significant source of revenue to large-scale criminal enterprises, gangs, and cartels. The Department of Justice is committed to enforcement of the CSA consistent with those determinations. The Department is also committed to using its limited investigative and prosecutorial resources to address the most significant threats in the most effective, consistent, and rational way. In furtherance of those objectives, as several states enacted laws relating to the use of marijuana for medical purposes, the Department in recent years has focused its efforts on certain enforcement priorities that are particularly important to the federal government:

- Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;

Memorandum for All United States Attorneys
 Subject: Guidance Regarding Marijuana Enforcement

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- Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
- Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- Preventing marijuana possession or use on federal property.

These priorities will continue to guide the Department's enforcement of the CSA against marijuana-related conduct. Thus, this memorandum serves as guidance to Department attorneys and law enforcement to focus their enforcement resources and efforts, including prosecution, on persons or organizations whose conduct interferes with any one or more of these priorities, regardless of state law.¹

Outside of these enforcement priorities, the federal government has traditionally relied on states and local law enforcement agencies to address marijuana activity through enforcement of their own narcotics laws. For example, the Department of Justice has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for personal use on private property. Instead, the Department has left such lower-level or localized activity to state and local authorities and has stepped in to enforce the CSA only when the use, possession, cultivation, or distribution of marijuana has threatened to cause one of the harms identified above.

The enactment of state laws that endeavor to authorize marijuana production, distribution, and possession by establishing a regulatory scheme for these purposes affects this traditional joint federal-state approach to narcotics enforcement. The Department's guidance in this memorandum rests on its expectation that states and local governments that have enacted laws authorizing marijuana-related conduct will implement strong and effective regulatory and enforcement systems that will address the threat those state laws could pose to public safety, public health, and other law enforcement interests. A system adequate to that task must not only contain robust controls and procedures on paper; it must also be effective in practice. Jurisdictions that have implemented systems that provide for regulation of marijuana activity

¹ These enforcement priorities are listed in general terms; each encompasses a variety of conduct that may merit civil or criminal enforcement of the CSA. By way of example only, the Department's interest in preventing the distribution of marijuana to minors would call for enforcement not just when an individual or entity sells or transfers marijuana to a minor, but also when marijuana trafficking takes place near an area associated with minors; when marijuana or marijuana-infused products are marketed in a manner to appeal to minors; or when marijuana is being diverted, directly or indirectly, and purposefully or otherwise, to minors.

Memorandum for All United States Attorneys
 Subject: Guidance Regarding Marijuana Enforcement

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must provide the necessary resources and demonstrate the willingness to enforce their laws and regulations in a manner that ensures they do not undermine federal enforcement priorities.

In jurisdictions that have enacted laws legalizing marijuana in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale, and possession of marijuana, conduct in compliance with those laws and regulations is less likely to threaten the federal priorities set forth above. Indeed, a robust system may affirmatively address those priorities by, for example, implementing effective measures to prevent diversion of marijuana outside of the regulated system and to other states, prohibiting access to marijuana by minors, and replacing an illicit marijuana trade that funds criminal enterprises with a tightly regulated market in which revenues are tracked and accounted for. In those circumstances, consistent with the traditional allocation of federal-state efforts in this area, enforcement of state law by state and local law enforcement and regulatory bodies should remain the primary means of addressing marijuana-related activity. If state enforcement efforts are not sufficiently robust to protect against the harms set forth above, the federal government may seek to challenge the regulatory structure itself in addition to continuing to bring individual enforcement actions, including criminal prosecutions, focused on those harms.

The Department's previous memoranda specifically addressed the exercise of prosecutorial discretion in states with laws authorizing marijuana cultivation and distribution for medical use. In those contexts, the Department advised that it likely was not an efficient use of federal resources to focus enforcement efforts on seriously ill individuals, or on their individual caregivers. In doing so, the previous guidance drew a distinction between the seriously ill and their caregivers, on the one hand, and large-scale, for-profit commercial enterprises, on the other, and advised that the latter continued to be appropriate targets for federal enforcement and prosecution. In drawing this distinction, the Department relied on the common-sense judgment that the size of a marijuana operation was a reasonable proxy for assessing whether marijuana trafficking implicates the federal enforcement priorities set forth above.

As explained above, however, both the existence of a strong and effective state regulatory system, and an operation's compliance with such a system, may allay the threat that an operation's size poses to federal enforcement interests. Accordingly, in exercising prosecutorial discretion, prosecutors should not consider the size or commercial nature of a marijuana operation alone as a proxy for assessing whether marijuana trafficking implicates the Department's enforcement priorities listed above. Rather, prosecutors should continue to review marijuana cases on a case-by-case basis and weigh all available information and evidence, including, but not limited to, whether the operation is demonstrably in compliance with a strong and effective state regulatory system. A marijuana operation's large scale or for-profit nature may be a relevant consideration for assessing the extent to which it undermines a particular federal enforcement priority. The primary question in all cases – and in all jurisdictions – should be whether the conduct at issue implicates one or more of the enforcement priorities listed above.

Memorandum for All United States Attorneys
Subject: Guidance Regarding Marijuana Enforcement

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As with the Department's previous statements on this subject, this memorandum is intended solely as a guide to the exercise of investigative and prosecutorial discretion. This memorandum does not alter in any way the Department's authority to enforce federal law, including federal laws relating to marijuana, regardless of state law. Neither the guidance herein nor any state or local law provides a legal defense to a violation of federal law, including any civil or criminal violation of the CSA. Even in jurisdictions with strong and effective regulatory systems, evidence that particular conduct threatens federal priorities will subject that person or entity to federal enforcement action, based on the circumstances. This memorandum is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal. It applies prospectively to the exercise of prosecutorial discretion in future cases and does not provide defendants or subjects of enforcement action with a basis for reconsideration of any pending civil action or criminal prosecution. Finally, nothing herein precludes investigation or prosecution, even in the absence of any one of the factors listed above, in particular circumstances where investigation and prosecution otherwise serves an important federal interest.

cc: Mythili Raman
Acting Assistant Attorney General, Criminal Division

Loretta E. Lynch
United States Attorney
Eastern District of New York
Chair, Attorney General's Advisory Committee

Michele M. Leonhart
Administrator
Drug Enforcement Administration

H. Marshall Jarrett
Director
Executive Office for United States Attorneys

Ronald T. Hosko
Assistant Director
Criminal Investigative Division
Federal Bureau of Investigation

Attachment 5



Robert W. Ferguson

Attorney General of Washington

**STATUTES—INITIATIVE AND REFERENDUM—ORDINANCES—COUNTIES—
CITIES AND TOWNS—PREEMPTION—POLICE POWERS—Whether Statewide
Initiative Establishing System For Licensing Marijuana Producers, Processors, And
Retailers Preempts Local Ordinances**

1. Initiative 502, which establishes a licensing and regulatory system for marijuana producers, processors, and retailers, does not preempt counties, cities, and towns from banning such businesses within their jurisdictions.
2. Local ordinances that do not expressly ban state-licensed marijuana licensees from operating within the jurisdiction but make such operation impractical are valid if they properly exercise the local jurisdiction's police power.

January 16, 2014

The Honorable Sharon Foster
Chair, Washington State Liquor Control Board
3000 Pacific Avenue SE
Olympia, WA 98504-3076

Cite As:
AGO 2014 No. 2

Dear Chair Foster:

By letter previously acknowledged, you have requested our opinion on the following paraphrased questions:

1. Are local governments preempted by state law from banning the location of a Washington State Liquor Control Board licensed marijuana producer, processor, or retailer within their jurisdiction?
2. May a local government establish land use regulations (in excess of the Initiative 502 buffer and other Liquor Control Board requirements) or business license requirements in a fashion that makes it impractical for a licensed marijuana business to locate within their jurisdiction?

BRIEF ANSWERS

1. No. Under Washington law, there is a strong presumption against finding that state law preempts local ordinances. Although Initiative 502 (I-502) establishes a licensing and regulatory system for marijuana producers, processors, and retailers in Washington State, it includes no clear indication that it was intended to preempt local authority to regulate such

Attorney General of Washington
Post Office Box 40100
Olympia, WA 98504-0100
(360) 753-6200

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businesses. We therefore conclude that I-502 left in place the normal powers of local governments to regulate within their jurisdictions.

2. Yes. Local governments have broad authority to regulate within their jurisdictions, and nothing in I-502 limits that authority with respect to licensed marijuana businesses.

BACKGROUND

I-502 was approved by Washington voters on November 6, 2012, became effective 30 days thereafter, and is codified in RCW 69.50. It decriminalized under state law the possession of limited amounts of useable marijuana¹ and marijuana-infused products by persons twenty-one years or older. It also decriminalized under state law the production, delivery, distribution, and sale of marijuana, so long as such activities are conducted in accordance with the initiative's provisions and implementing regulations. It amended the implied consent laws to specify that anyone operating a motor vehicle is deemed to have consented to testing for the active chemical in marijuana, and amended the driving under the influence laws to make it a criminal offense to operate a motor vehicle under the influence of certain levels of marijuana.

I-502 also established a detailed licensing program for three categories of marijuana businesses: production, processing, and retail sales. The marijuana producer's license governs the production of marijuana for sale at wholesale to marijuana processors and other marijuana producers. RCW 69.50.325(1). The marijuana processor's license governs the processing, packaging, and labeling of useable marijuana and marijuana-infused products for sale at wholesale to marijuana retailers. RCW 69.50.325(2). The marijuana retailer's license governs the sale of useable marijuana and marijuana-infused products in retail stores. RCW 69.50.325(3).

Applicants for producer, processor, and retail sales licenses must identify the location of the proposed business. RCW 69.50.325(1), (2), (3). This helps ensure compliance with the requirement that "no license may be issued authorizing a marijuana business within one thousand feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older." RCW 69.50.331(8).

Upon receipt of an application for a producer, processor, or retail sales license, the Liquor Control Board must give notice of the application to the appropriate local jurisdiction. RCW 69.50.331(7)(a) (requiring notice to the chief executive officer of the incorporated city or town if the application is for a license within an incorporated city or town, or the county legislative authority if the application is for a license outside the boundaries of incorporated

¹ Useable marijuana means "dried marijuana flowers" and does not include marijuana-infused products. RCW 69.50.101(II).

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cities or towns). The local jurisdiction may file written objections with respect to the applicant or the premises for which the new or renewed license is sought. RCW 69.50.331(7)(b).

The local jurisdictions' written objections must include a statement of all facts upon which the objections are based, and may include a request for a hearing, which the Liquor Control Board may grant at its discretion. RCW 69.50.331(7)(c). The Board must give "substantial weight" to a local jurisdiction's objections based upon chronic illegal activity associated with the applicant's operation of the premises proposed to be licensed, the applicant's operation of any other licensed premises, or the conduct of the applicant's patrons inside or outside the licensed premises. RCW 69.50.331(9). Chronic illegal activity is defined as a pervasive pattern of activity that threatens the public health, safety, and welfare, or an unreasonably high number of citations for driving under the influence associated with the applicant's or licensee's operation of any licensed premises. RCW 69.50.331(9).²

In addition to the licensing provisions in statute, I-502 directed the Board to adopt rules establishing the procedures and criteria necessary to supplement the licensing and regulatory system. This includes determining the maximum number of retail outlets that may be licensed in each county, taking into consideration population distribution, security and safety issues, and the provision of adequate access to licensed sources of useable marijuana and marijuana-infused products to discourage purchases from the illegal market. RCW 69.50.345(2). The Board has done so, capping the number of retail licenses in the least populated counties of Columbia County, Ferry County, and Wahkiakum County at one and the number in the most populated county of King County at 61, with a broad range in between. *See* WAC 314-55-081.

The Board also adopted rules establishing various requirements mandated or authorized by I-502 for locating and operating marijuana businesses on licensed premises, including minimum residency requirements, age restrictions, and background checks for licensees and employees; signage and advertising limitations; requirements for insurance, recordkeeping, reporting, and taxes; and detailed operating plans for security, traceability, employee qualifications and training, and destruction of waste. *See generally* WAC 314-55.

Additional requirements apply for each license category. Producers must describe plans for transporting products, growing operations, and testing procedures and protocols. WAC 314-55-020(9). Processors must describe plans for transporting products, processing operations, testing procedures and protocols, and packaging and labeling. WAC 314-55-020(9). Finally, retailers must also describe which products will be sold and how they will be displayed, and may only operate between 8 a.m. and 12 midnight. WAC 314-55-020(9), -147.

The rules also make clear that receipt of a license from the Liquor Control Board does not entitle the licensee to locate or operate a marijuana processing, producing, or retail business in violation of local rules or without any necessary approval from local jurisdictions. WAC 314-

² The provision for objections based upon chronic illegal activity is identical to one of the provisions for local jurisdictions to object to the granting or renewal of liquor licenses. RCW 66.24.010(12).

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-55-020(11) provides as follows: “The issuance or approval of a license shall not be construed as a license for, or an approval of, any violations of local rules or ordinances including, but not limited to: Building and fire codes, zoning ordinances, and business licensing requirements.”

ANALYSIS

Your question acknowledges that local governments have jurisdiction over land use issues like zoning and may exercise the option to issue business licenses. This authority comes from article XI, section 11 of the Washington Constitution, which provides that “[a]ny county, city, town or township may make and enforce within its limits all such local police, sanitary and other regulations as are not in conflict with general laws.” The limitation on this broad local authority requiring that such regulations not be “in conflict with general laws” means that state law can preempt local regulations and render them unconstitutional either by occupying the field of regulation, leaving no room for concurrent local jurisdiction, or by creating a conflict such that state and local laws cannot be harmonized. *Lawson v. City of Pasco*, 168 Wn.2d 675, 679, 230 P.3d 1038 (2010).

Local ordinances are entitled to a presumption of constitutionality. *State v. Kirwin*, 165 Wn.2d 818, 825, 203 P.3d 1044 (2009). Challengers to a local ordinance bear a heavy burden of proving it unconstitutional. *Id.* “Every presumption will be in favor of constitutionality.” *HJS Dev., Inc. v. Pierce County ex rel. Dep’t of Planning & Land Servs.*, 148 Wn.2d 451, 477, 61 P.3d 1141 (2003) (internal quotation marks omitted).

A. Field Preemption

Field preemption arises when a state regulatory system occupies the entire field of regulation on a particular issue, leaving no room for local regulation. *Lawson*, 168 Wn.2d at 679. Field preemption may be expressly stated or may be implicit in the purposes or facts and circumstances of the state regulatory system. *Id.*

I-502 does not express any indication that the state licensing and operating system preempts the field of marijuana regulation. Although I-502 was structured as a series of amendments to the controlled substances act, which does contain a preemption section, that section makes clear that state law “fully occupies and preempts the entire field of *setting penalties* for violations of the controlled substances act.” RCW 69.50.608 (emphasis added).³ It also allows “[c]ities, towns, and counties or other municipalities [to] enact only those laws and

³ RCW 69.50.608 provides: “The state of Washington fully occupies and preempts the entire field of setting penalties for violations of the controlled substances act. Cities, towns, and counties or other municipalities may enact only those laws and ordinances relating to controlled substances that are consistent with this chapter. Such local ordinances shall have the same penalties as provided for by state law. Local laws and ordinances that are inconsistent with the requirements of state law shall not be enacted and are preempted and repealed, regardless of the nature of the code, charter, or home rule status of the city, town, county, or municipality.” The Washington Supreme Court has interpreted this provision as giving local jurisdictions concurrent authority to criminalize drug-related activity. *City of Tacoma v. Luvane*, 118 Wn.2d 826, 835, 827 P.2d 1374 (1992).

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ordinances relating to controlled substances that are consistent with this chapter.” RCW 69.50.608. Nothing in this language expresses an intent to preempt the entire field of regulating businesses licensed under I-502.

With respect to implied field preemption, the “legislative intent” of an initiative is derived from the collective intent of the people and can be ascertained by material in the official voter’s pamphlet. *Dep’t of Revenue v. Hoppe*, 82 Wn.2d 549, 552, 512 P.2d 1094 (1973); *see also Roe v. TeleTech Customer Care Mgmt., LLC*, 171 Wn.2d 736, 752-53, 257 P.3d 586 (2011). Nothing in the official voter’s pamphlet evidences a collective intent for the state regulatory system to preempt the entire field of marijuana business licensing or operation. Voters’ Pamphlet 23-30 (2012). Moreover, both your letter and the Liquor Control Board’s rules recognize the authority of local jurisdictions to impose regulations on state licensees. These facts, in addition to the absence of express intent suggesting otherwise, make clear that I-502 and its implementing regulations do not occupy the entire field of marijuana business regulation.

B. Conflict Preemption

Conflict preemption arises “when an ordinance permits what state law forbids or forbids what state law permits.” *Lawson*, 168 Wn.2d at 682. An ordinance is constitutionally invalid if it directly and irreconcilably conflicts with the statute such that the two cannot be harmonized. *Id.*; *Weden v. San Juan County*, 135 Wn.2d 678, 693, 958 P.2d 273 (1998). Because “[e]very presumption will be in favor of constitutionality,” courts make every effort to reconcile state and local law if possible. *HJS Dev.*, 148 Wn.2d at 477 (internal quotation marks omitted). We adopt this same deference to local jurisdictions.

An ordinance banning a particular activity directly and irreconcilably conflicts with state law when state law specifically entitles one to engage in that same activity in circumstances outlawed by the local ordinance. For example, in *Entertainment Industry Coalition v. Tacoma-Pierce County Health Department*, 153 Wn.2d 657, 661-63, 105 P.3d 985 (2005), the state law in effect at the time banned smoking in public places except in designated smoking areas, and specifically authorized owners of certain businesses to designate smoking areas. The state law provided, in relevant part: “A smoking area may be designated in a public place by the owner” Former RCW 70.160.040(1) (2004), *repealed by* Laws of 2006, ch. 2, § 7(2) (Initiative Measure 901). The Tacoma-Pierce County Health Department ordinance at issue banned smoking in all public places. The Washington Supreme Court struck down the ordinance as directly and irreconcilably conflicting with state law because it prohibited what the state law authorized: the business owner’s choice whether to authorize a smoking area.

Similarly, in *Parkland Light & Water Co. v. Tacoma-Pierce County Board of Health*, 151 Wn.2d 428, 90 P.3d 37 (2004), the Washington Supreme Court invalidated a Tacoma-Pierce County Health Department ordinance requiring fluoridated water. The state law at issue authorized the water districts to decide whether to fluoridate, saying: “A water district by a

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majority vote of its board of commissioners may fluoridate the water supply system of the water district.” RCW 57.08.012. The Court interpreted this provision as giving water districts the ability to regulate the content and supply of their water systems. *Parkland Light & Water Co.*, 151 Wn.2d at 433. The local health department’s attempt to require fluoridation conflicted with the state law expressly giving that choice to the water districts. As they could not be reconciled, the Court struck down the ordinance as unconstitutional under conflict preemption analysis.

By contrast, Washington courts have consistently upheld local ordinances banning an activity when state law regulates the activity but does not grant an unfettered right or entitlement to engage in that activity. In *Weden v. San Juan County*, the Court upheld the constitutionality of the County’s prohibition on motorized personal watercraft in all marine waters and one lake in San Juan County. The state laws at issue created registration and safety requirements for vessels and prohibited operation of unregistered vessels. The Court rejected the argument that state regulation of vessels constituted permission to operate vessels anywhere in the state, saying, “[n]owhere in the language of the statute can it be suggested that the statute creates an unabridged right to operate [personal watercraft] in all waters throughout the state.” *Weden*, 135 Wn.2d at 695. The Court further explained that “[r]egistration of a vessel is nothing more than a precondition to operating a boat.” *Id.* “No unconditional right is granted by obtaining such registration.” *Id.* Recognizing that statutes often impose preconditions without granting unrestricted permission to participate in an activity, the Court also noted the following examples: “[p]urchasing a hunting license is a precondition to hunting, but the license certainly does not allow hunting of endangered species or hunting inside the Seattle city limits,” and “[r]eaching the age of 16 is a precondition to driving a car, but reaching 16 does not create an unrestricted right to drive a car however and wherever one desires.” *Id.* at 695 (internal citation omitted).

Relevant here, the dissent in *Weden* argued: “Where a state statute licenses a particular activity, counties may enact reasonable regulations of the licensed activity within their borders but they may not prohibit same outright[,]” and that an ordinance banning the activity “renders the state permit a license to do nothing at all.” *Weden*, 135 Wn.2d at 720, 722 (Sanders, J., dissenting). The majority rejected this approach, characterizing the state law as creating not an unabridged right to operate personal watercraft in the state, but rather a registration requirement that amounted only to a precondition to operating a boat in the state.

In *State ex rel. Schillberg v. Everett District Justice Court*, 92 Wn.2d 106, 594 P.2d 448 (1979), the Washington Supreme Court similarly upheld a local ban on internal combustion motors on certain lakes. The Court explained: “A statute will not be construed as taking away the power of a municipality to legislate unless this intent is clearly and expressly stated.” *Id.* at 108. The Court found no conflict because nothing in the state laws requiring safe operation of vessels either expressly or impliedly provided that vessels would be allowed on all waters of the state.

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The Washington Supreme Court also rejected a conflict preemption challenge to the City of Pasco's ordinance prohibiting placement of recreational vehicles within mobile home parks. *Lawson*, 168 Wn.2d at 683-84. Although state law regulated rights and duties arising from mobile home tenancies and recognized that such tenancies may include recreational vehicles, the Court reasoned "[t]he statute does not forbid recreational vehicles from being placed in the lots, nor does it create a right enabling their placement." *Id.* at 683. The state law simply regulated recreational vehicle tenancies, where such tenancies exist, but did not prevent municipalities from deciding whether or not to allow them. *Id.* at 684.

Accordingly, the question whether "an ordinance . . . forbids what state law permits" is more complex than it initially appears. *Lawson*, 168 Wn.2d at 682. The question is not whether state law permits an activity in some places or in some general sense; even "[t]he fact that an activity may be licensed under state law does not lead to the conclusion that it must be permitted under local law." *Rabon v. City of Seattle*, 135 Wn.2d 278, 292, 957 P.2d 621 (1998) (finding no preemption where state law authorized licensing of "dangerous dogs" while city ordinance forbade ownership of "vicious animals"). Rather, a challenger must meet the heavy burden of proving that state law creates an entitlement to engage in an activity in circumstances outlawed by the local ordinance. For example, the state laws authorizing business owners to designate smoking areas and water districts to decide whether to fluoridate their water systems amounted to statewide entitlements that local jurisdictions could not take away. But the state laws requiring that vessels be registered and operated safely and regulating recreational vehicles in mobile home tenancies simply contemplated that those activities would occur in some places and established preconditions; they did not, however, override the local jurisdictions' decisions to prohibit such activities.

Here, I-502 authorizes the Liquor Control Board to issue licenses for marijuana producers, processors, and retailers. Whether these licenses amount to an entitlement to engage in such businesses regardless of local law or constitute regulatory preconditions to engaging in such businesses is the key question, and requires a close examination of the statutory language.

RCW 69.50.325 provides, in relevant part:

(1) There shall be a marijuana producer's license to produce marijuana for sale at wholesale to marijuana processors and other marijuana producers, regulated by the state liquor control board and subject to annual renewal. . . .

(2) There shall be a marijuana processor's license to process, package, and label useable marijuana and marijuana-infused products for sale at wholesale to marijuana retailers, regulated by the state liquor control board and subject to annual renewal. . . .

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(3) There shall be a marijuana retailer's license to sell useable marijuana and marijuana-infused products at retail in retail outlets, regulated by the state liquor control board and subject to annual renewal. . . .

RCW 69.50.325(1)-(3). Each of these subsections also includes language providing that activities related to such licenses are not criminal or civil offenses under Washington state law, provided they comply with I-502 and the Board's rules, and that the licenses shall be issued in the name of the applicant and shall specify the location at which the applicant intends to operate. They also establish fees for issuance and renewal and clarify that a separate license is required for each location at which the applicant intends to operate. RCW 69.50.325.

While these provisions clearly authorize the Board to issue licenses for marijuana producers, processors, and retail sales, they lack the definitive sort of language that would be necessary to meet the heavy burden of showing state preemption. They simply state that there "shall be a . . . license" and that engaging in such activities with a license "shall not be a criminal or civil offense under Washington state law." RCW 69.50.325(1). Decriminalizing such activities under state law and imposing restrictions on licensees does not amount to entitling one to engage in such businesses regardless of local law. Given that "every presumption" is in favor of upholding local ordinances (*HJS Dev., Inc.*, 148 Wn.2d at 477), we find no irreconcilable conflict between I-502's licensing system and the ability of local governments to prohibit licensees from operating in their jurisdictions.

We have considered and rejected a number of counterarguments in reaching this conclusion. First, one could argue that the statute, in allowing Board approval of licenses at specific locations (RCW 69.50.325(1), (2), (3)), assumes that the Board can approve a license at any location in any jurisdiction. This argument proves far too much, however, for it suggests that a license from the Board could override any local zoning ordinance, even one unrelated to I-502. For example, I-502 plainly would not authorize a licensed marijuana retailer to locate in an area where a local jurisdiction's zoning allows no retail stores of any kind. The Board's own rules confirm this: "The issuance or approval of a license shall not be construed as a license for, or an approval of, any violations of local rules or ordinances including, but not limited to: Building and fire codes, zoning ordinances, and business licensing requirements." WAC 314-55-020(11).

Second, one could argue that a local jurisdiction's prohibition on marijuana licensees conflicts with the provision in I-502 authorizing the Board to establish a maximum number of licensed retail outlets in each county. RCW 69.50.345(2); *see also* RCW 69.50.354. But there is no irreconcilable conflict here, because the Board is allowed to set only a *maximum*, and nothing in I-502 mandates a minimum number of licensees in any jurisdiction. The drafters of I-502 certainly could have provided for a minimum number of licensees per jurisdiction, which would have been a stronger indicator of preemptive intent, but they did not.

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Third, one could argue that because local jurisdictions are allowed to object to specific license applications and the Board is allowed to override those objections and grant the license anyway (RCW 69.50.331(7), (9)); local jurisdictions cannot have the power to ban licenses altogether. But such a ban can be harmonized with the objection process; while some jurisdictions might want to ban I-502 licensees altogether, others might want to allow them but still object to specific applicants or locations. Indeed, this is the system established under the state liquor statutes, which I-502 copied in many ways. *Compare* RCW 69.50.331 *with* RCW 66.24.010 (governing the issuance of marijuana licenses and liquor licenses, respectively, in parallel terms and including provisions for local government input regarding licensure). The state laws governing liquor allow local governments to object to specific applications (RCW 66.24.010), while also expressly authorizing local areas to prohibit the sale of liquor altogether. *See generally* RCW 66.40. That the liquor opt out statute coexists with the liquor licensing notice and comment process undermines any argument that a local marijuana ban irreconcilably conflicts with the marijuana licensing notice and comment opportunity.

Fourth, RCW 66.40 expressly allows local governments to ban the sale of liquor. Some may argue that by omitting such a provision, I-502's drafters implied an intent to bar local governments from banning the sale of marijuana. Intent to preempt, however, must be "clearly and expressly stated." *State ex rel. Schillberg*, 92 Wn.2d at 108. Moreover, it is important to remember that cities, towns, and counties derive their police power from article XI, section 11 of the Washington Constitution, not from statute. Thus, the relevant question is not whether the initiative provided local jurisdictions with such authority, but whether it removed local jurisdictions' preexisting authority.

Finally, in reaching this conclusion, we are mindful that if a large number of jurisdictions were to ban licensees, it could interfere with the measure's intent to supplant the illegal marijuana market. But this potential consequence is insufficient to overcome the lack of clear preemptive language or intent in the initiative itself. The drafters of the initiative certainly could have used clear language preempting local bans. They did not. The legislature, or the people by initiative, can address this potential issue if it actually comes to pass.

With respect to your second question, about whether local jurisdictions can impose regulations making it "impractical" for I-502 licensees to locate and operate within their boundaries, the answer depends on whether such regulations constitute a valid exercise of the police power or otherwise conflict with state law. As a general matter, as discussed above, the Washington Constitution provides broad authority for local jurisdictions to regulate within their boundaries and impose land use and business licensing requirements. Ordinances must be a reasonable exercise of a jurisdiction's police power in order to pass muster under article XI, section 11 of the state constitution. *Weden*, 135 Wn.2d at 700. A law is a reasonable regulation if it promotes public safety, health, or welfare and bears a reasonable and substantial relation to accomplishing the purpose pursued. *Id.* (applying this test to the personal watercraft ordinance); *see also Duckworth v. City of Bonney Lake*, 91 Wn.2d 19, 26, 586 P.2d 860 (1978) (applying this

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test to a zoning ordinance). Assuming local ordinances satisfy this test, and that no other constitutional or statutory basis for a challenge is presented on particular facts, we see no impediment to jurisdictions imposing additional regulatory requirements, although whether a particular ordinance satisfies this standard would of course depend on the specific facts in each case.

We trust that the foregoing will be useful to you.



WTOS

ROBERT W. FERGUSON
Attorney General

Jessica Fogel

JESSICA FOGEL
Assistant Attorney General
(360) 753-6287

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 14-0384**

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON, REGULATING MARIJUANA
BUSINESSES; REPEALING THE MORATORIUM ON
MARIJUANA BUSINESSES; REPEALING THE INTERIM
ZONING REGULATIONS FOR MARIJUANA BUSINESSES
IN RESIDENTIAL ZONES; AMENDING THE KENMORE
MUNICIPAL CODE TO ADD DEFINITIONS;
PROHIBITING MARIJUANA BUSINESSES IN CERTAIN
ZONING DISTRICTS; PERMITTING MARIJUANA
BUSINESSES IN A ZONING DISTRICT; AMENDING THE
KENMORE MUNICIPAL CODE TO ADD ZONING CODE
STANDARDS; AMENDING THE KENMORE MUNICIPAL
CODE TO ADD BUSINESS LICENSE REQUIREMENTS
FOR MARIJUANA BUSINESSES; DENYING
NONCONFORMING USE STATUS FOR MARIJUANA
BUSINESSES; AND ESTABLISHING AN EFFECTIVE
DATE.**

WHEREAS, on November 6, 2012, the voters of the State of Washington approved Initiative Measure No. 502 (“Initiative 502”), which became effective on December 6, 2012; and

WHEREAS, Initiative 502 authorizes adult recreational use of small amounts of marijuana, and authorizes and directs the Washington State Liquor Control Board (“LCB”) to establish and administer rules for the licensing of marijuana producers (growers), marijuana processors, and marijuana retailers (collectively, “marijuana businesses”) and for the operation of such marijuana businesses; and

WHEREAS, on August 29, 2013, while the LCB was considering such rules, the United States Department of Justice issued a memorandum to all United States Attorneys, entitled “Guidance Regarding Marijuana Enforcement” (“Department of Justice Memorandum”), in which the Department advised that as long as states adopting laws governing marijuana have “sufficiently robust” regulatory and enforcement systems” (on paper and in practice) to address the federal government’s eight identified enforcement priorities (such as preventing the distribution of marijuana to minors, preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels, and preventing the diversion of marijuana from states where it is legal under state law in some form to other states, regardless of state law), then “enforcement of state laws by state and local law enforcement and regulatory bodies should remain the primary means of addressing marijuana-related activity”; and

WHEREAS, on October 16, 2013, the LCB issued rules for marijuana businesses, which become effective on November 16, 2013; and

WHEREAS, the LCB currently is reviewing applications for, and issuing, marijuana business licenses under its adopted rules; and

WHEREAS, pursuant to WAC 314-55-020(11), approval of a marijuana license application by the LCB “shall not be construed as a license for, or an approval of, any violations of local rules or ordinances including, but not limited to: Building and fire codes, zoning ordinances, and business licensing requirements”; and

WHEREAS, the establishment of land use and zoning regulations is an exercise of the police power, and is specifically authorized by RCW 35.A.63.100; and

WHEREAS, the regulation of marijuana businesses is a valid exercise of city police powers under Article XI, Section 11 of the State Constitution; and

WHEREAS, on January 16, 2014, the Attorney General of Washington issued AGO 2014 No. 2, which concluded that Initiative 502 does not preempt local governments from licensing and regulating marijuana businesses; and

WHEREAS, in recognition of Initiative 502, the City Council desires to establish local regulations concerning marijuana businesses in order to ensure that only state-licensed marijuana businesses may locate within the City's jurisdiction and then only within designated zoning districts and meeting certain standards; and

WHEREAS, the City Council finds that the regulatory requirements established by this ordinance are necessary for the preservation of the public safety, health, and welfare, and are consistent with goals, objectives and policies of the Kenmore Comprehensive Plan; and

WHEREAS, once local regulations concerning marijuana businesses are in place, the City Council desires to repeal the existing moratorium and existing interim regulations related to marijuana businesses; and

WHEREAS, the SEPA responsible official issued a determination of non-significance on July 11, 2014; and

WHEREAS, the City provided this Ordinance to the Washington State Department of Commerce as required by chapter 36.70A RCW; and

WHEREAS, on July 28, 2014, the City Council held a public hearing on this Ordinance, addressing the acceptance and filing of applications for, and the licensing, establishment, location, operation, maintenance and continuation of marijuana businesses, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the amendments; now, therefore

THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of this Ordinance.

Section 2. Repealer. Ordinance Nos. 13-0362, 13-0370 and 14-0380, which establish a moratorium on marijuana businesses, are hereby repealed.

Section 3. Repealer. Ordinance Nos. 13-0369 and 14-0381, which establish an interim zoning regulation on marijuana businesses in residential zones, are hereby repealed.

Section 4. Definitions. Chapter 18.20 KMC shall be amended to add the following definitions:

- "Marijuana" means marijuana as defined in RCW 69.50.101.
- "Marijuana producer" means a marijuana producer as defined in RCW 69.50.101.
- "Marijuana processor" means a marijuana processor as defined in RCW 69.50.101.
- "Marijuana retailer" means a marijuana retailer as defined in RCW 69.50.101.
- "Marijuana business" means a marijuana producer, marijuana processor or marijuana retailer. Marijuana business does not include a medical marijuana collective garden as defined in Chapter 69.51A RCW.

Section 5. Prohibited Use. Sections 18.21.020, 18.21.040, 18.22.010, 18.23.020, 18.24.020, 18.25.020, 18.27.020, 18.28.020, and 18.28A.020 KMC shall be amended to add "marijuana business" to the "Prohibited" column.

Section 6. Permitted Use. Section 18.26.020 KMC shall be amended to add "marijuana business" to the "Permitted Use" column.

Section 7. Zoning Code Standards. A new section shall be added to Chapter 18.30 KMC as follows:

KMC 18.30.112 – Marijuana Businesses - Standards

Nothing in this Code or the ordinances of the city shall be construed as an authorization to violate any federal law. Affirmative terminology used in this section regarding permitting, licensing, authorization, and similar terms, shall not be construed as approval, support, endorsement, or encouragement of the activities addressed in this Code or city ordinances with regard to marijuana businesses. Such terms shall instead be construed only to describe circumstances under which there is conditional absence of local prohibition. The city does not intend to aid, abet, counsel, command, induce or procure any offense against the United States. The city also does not intend to conspire with any marijuana producer, processor, or retailer to commit any offense against the United States. The purpose of all regulations relating to marijuana businesses is to establish local laws which protect public safety, health and welfare to the greatest extent allowed by a Washington state law that cannot be reconciled with federal law. Nothing herein shall be construed to supersede federal law prohibiting the possession, use, manufacture, or sale of marijuana.

The following standards shall apply to marijuana businesses:

A. No person or entity may apply for, receive or maintain a permit to locate a marijuana business in the city unless that person or entity holds a valid marijuana business license from the Washington State Liquor Control Board, verifying that the business complies with Chapter 314-55 WAC and all state laws relating to marijuana businesses. A marijuana business with an active administrative violation notice from the Washington State Liquor Control Board and/or a suspended license shall not be permitted to locate in the city until the violation is resolved and/or any associated fines have been paid or suspensions concluded.

B. Marijuana businesses shall maintain a one-thousand foot (1000') separation from the perimeter of the grounds of any of the following entities:

- (1) Elementary or secondary school;
- (2) Playground;
- (3) Recreation center or facility;
- (4) Child care center;
- (5) Public park;
- (6) Public transit center;
- (7) Library;
- (8) Any game arcade (where admission is not restricted to persons age twenty-one or older);
- (9) Properties owned or under contract by a public entity such as a school district or the city where a future elementary or secondary school or public park is planned when such plans have been approved or adopted by the public entities' governing authority; or
- (10) Another marijuana business.

Definitions of (1) through (8) above, and the methodology for measuring the buffers outlined above, shall be as provided in Chapter 314-55 WAC.

C. Marijuana businesses shall not be located on a parcel any portion of which is within two hundred feet (200') of a residential zone (R1, R4, R6, R12, R18, R24, or R48).

D. Marijuana producers or marijuana processors shall not be located in a building that includes residential uses.

E. Outdoor marijuana production shall be prohibited.

F. Drive-through marijuana retail sales shall be prohibited.

G. Signage for marijuana businesses shall comply with the Chapter 18.42 KMC and Chapter 314.55 WAC. In the event of a conflict between these regulations, the more restrictive regulation shall apply.

H. A marijuana business shall have a valid city business license.

I. By accepting a permit issued pursuant to this Section, the licensee, its owners, officers, operators, and employees, waives and releases the city, its officers, officials, employees, volunteers and agents from any and all liability for injuries, damages, suits or liabilities, including attorneys' fees that result from any arrest or prosecution of licensees' owners, officers, operators, employees, clients or customers for a violation of federal, state or local laws and regulations.

J. By accepting a permit issued pursuant to this Chapter, the licensee, its owners, officers, operators, and employees, indemnifies, defends and holds harmless the city, its officers, officials,

employees, volunteers, agents, insurers and self-insurance pool, against any and all liability, claims, injuries, damages, losses or suits, including attorneys' fees, arising out of or in any manner connected with the marijuana business that is the subject of the license.

K. In addition to any other applicable remedy and/or penalty, any violation by a licensee, and persons associated with licensee as described in subsections I and J above, of this Code or city ordinances is declared to be a public nuisance per se, and may be abated by the city under the applicable provisions of this Code or State law, including but not limited to Chapter 1.20 KMC.

Section 8. Business License Requirements. A new chapter 5.43 shall be added to Title 5 KMC as follows:

KMC 5.43 – Marijuana Businesses

5.43.010 Definitions

As used in this chapter, the following words and phrases shall have the following meanings unless the context clearly requires otherwise:

- A. "Applicant" means any person or business entity who is considered by the Washington State Liquor Control Board as a true party of interest in a marijuana license, as set forth in WAC 314-55-035.
- B. "Marijuana" means marijuana as defined in RCW 69.50.101.
- C. "Marijuana producer" means a marijuana producer as defined in RCW 69.50.101.
- D. "Marijuana processor" means a marijuana processor as defined in RCW 69.50.101.
- E. "Marijuana retailer" means a marijuana retailer as defined in RCW 69.50.101.
- F. "Marijuana business" means a marijuana producer, marijuana processor or marijuana retailer. Marijuana business does not include a medical marijuana collective garden as defined in Chapter 69.51A RCW.
- G. "Marijuana license" means a license issued by the Liquor Control Board for a marijuana producer, marijuana processor or marijuana retailer.
- H. "Marijuana business license" means a business license issued by the city pursuant to this chapter.
- I. "Person" has the same meaning as the definition of "person," firm," or "corporation" in KMC 5.105.020.
- J. "Liquor Control Board" means the Washington State Liquor Control Board.

5.43.020 License required.

- A. It shall be unlawful for any person to conduct, manage or operate a marijuana business unless such person is the holder of a valid and subsisting license from the City to do so, obtained in the manner provided in this chapter.
- B. It shall be unlawful for any employee or manager to knowingly work in or about, or to knowingly perform any service directly related to the operation of, an unlicensed marijuana business.

5.43.030 Liquor Control Board License—Condition Precedent.

The city shall process an application for a marijuana business license in accordance with the chapter after the applicant receives a marijuana business license from the Liquor Control Board. No license shall be issued to any person who does not hold a valid marijuana license from the Liquor Control Board.

5.43.040 Marijuana business license.

A. After receiving a license from the Liquor Control Board, an applicant may file a written application with the city clerk, on a form provided by the city clerk for that purpose, in the name of the person or entity that was issued the license. A failure to provide all information required on the form will constitute an incomplete application and the application will not be processed. The application form shall require the following information of the applicant:

1. The name of the applicant; business, mailing, and residential address; and business telephone number.
2. The type of applicant, as described in WAC 314-55-035.
3. Whether the applicant, or any partner, corporate officer, or director of the applicant, holds any other licenses under this chapter from the City or another city, county or state, and if so, the names and addresses of each other licensed business.
4. A summary of the business history of the applicant in owning or operating marijuana businesses, providing names, addresses and dates of operation for such businesses, and whether any Liquor Control Board license or other business license has been revoked or suspended, and the reason therefor.
5. A copy of the completed personal/criminal history form and fingerprints submitted to the Liquor Control Board for the Liquor Control Board license application, together with the results of the Liquor Control Board's criminal history check on the applicant.
6. A copy of the operating plan submitted to the Liquor Control Board in connection with the license application, and any amendments thereto, and the license issued by the Liquor Control Board.
7. Authorization for the City, its officers, employees and agents, to seek information to confirm any information and documents in the application.
8. The location and "doing-business-as" name of the marijuana business, including a legal description of the property, street address, and telephone number, together with the name and address of each owner and lessee of the property, if not the applicant.
9. Two two-inch by two-inch color photographs of the applicant and applicant control persons, taken within six months of the date of application showing only the full face.

B. An application shall be deemed complete upon the applicant's submittal of all information and documents described above, including identification of "none" where that is the correct response, and the applicant's verification that the application is complete. The city clerk may request other information or clarification in addition to that provided in a complete application where necessary to determine compliance with this chapter.

C. A nonrefundable application fee (see Section 5.43.050) must be paid at the time of filing an application.

D. All applications shall be signed by the applicant and notarized or certified as true under penalty of perjury.

E. If any person or entity acquires, subsequent to the issuance of a marijuana business license, a significant interest based on responsibility for management or operation of the licensed premises or the licensed business, notice of such acquisition shall be provided in writing to the city clerk, no later than 21 days following such acquisition. The notice required shall include the information required for the original marijuana business license application.

F. The marijuana business license, if granted, shall state on its face the name of the person or entity, or persons or entities, to whom it is issued, the expiration date, the "doing-business-as" name, and the address of the licensed marijuana business. The permit shall be posted in a conspicuous place at or near the entrance to the marijuana business so that it can be easily read at any time the business is open.

G. No person granted a marijuana business license pursuant to this chapter shall operate the marijuana business under a name not specified on the license, nor shall any person operate a marijuana business under any designation or at any location not specified on the license.

H. Upon receipt of the complete application and fee, the clerk shall provide copies to the appropriate city departments for their investigation and review to determine compliance of the proposed marijuana business with the laws and regulations which each department administers. Each department shall, within twenty (20) days of the date of such application, inspect the application and premises and shall make a written report to the city clerk regarding compliance of such application and premises with the laws administered by each department. A department shall recommend denial of a license under this subsection if it finds that the proposed marijuana business is not in conformance with the requirements of this chapter or other law in effect in the City. A recommendation for denial shall cite the specific reason therefor, including reference to applicable laws. The city clerk shall not issue a marijuana business license unless and until each department reports that the application and premises comply with the relevant laws, unless the 20-day period has lapsed. If the premises is not yet constructed, the departments shall base their recommendation as to premises compliance on their review of the drawings submitted in the application. Any marijuana business license approved prior to premises construction shall contain a condition that the premises may not open for business until the premises have been inspected and determined to be in substantial conformance with the drawings submitted with the application.

I. A marijuana business license shall be issued by the city clerk within thirty (30) days of the filing of a complete license application and the application fee, unless the city clerk determines that the applicant has failed to meet any of the requirements of this chapter, that the applicant has failed to provide any information required under this subsection, or that the applicant has made a false, misleading or fraudulent statement of material fact on the application. The city clerk shall grant an extension of time in which to provide all information required for a complete license application upon the request of the applicant. If the city clerk finds that the applicant has failed to meet any of the requirements for issuance of a marijuana business license, the clerk shall deny the application in writing and shall cite the specific reasons therefor, including applicable law. If the city clerk fails to issue or deny the license within thirty (30) days of the date of filing of a complete application and the application fee, the applicant shall be permitted, subject to all other applicable law, to operate the business for which the license was sought until notification by the city clerk that the license has been denied, but in no event may the city clerk extend the application review time for more than an additional twenty (20) days.

5.43.050 Marijuana business license fee.

Any person desiring to obtain a marijuana business license shall pay, at the time of application, a license fee pursuant to the City's adopted fee schedule.

5.43.060 Effect of license denial.

If the city denies a marijuana business license, the city shall not issue a marijuana business license to that applicant or the applicant's successor on the marijuana license, for a period of one year from the date of such denial.

5.43.070 Appeal.

A. Any person aggrieved by the action of the city clerk in refusing to issue or renew any license issued under this chapter shall have the right to appeal such action to the hearing examiner, by filing a notice of appeal with the city clerk within twenty-one (21) days of notice of the refusal to issue or renew. The decision of the city clerk shall be stayed pending the final outcome of any such timely appeal. The appeal shall be processed under KMC 5.05.150 and Chapter 19.30 KMC.

B. Any person aggrieved by the decision of the hearing examiner may appeal to the superior court for a writ of certiorari, prohibition or mandamus. The decision of the hearing examiner shall be stayed pending the final outcome of any such timely appeal.

5.43.080 License term, assignment and renewals.

A. The marijuana business license is valid for one year and shall be renewed annually. The city clerk shall have the authority to adjust the expiration date and to prorate the license fee of the license in order to coincide with marijuana license expiration dates. Marijuana business licenses issued under this chapter shall not be assignable.

B. Application for renewal of marijuana business licenses issued hereunder shall be made to the city clerk no later than thirty (30) days prior to the expiration of marijuana business licenses. The renewal license shall be issued in the same manner and on payment of the same fees as for an original application under this chapter. There shall be assessed and collected by the city clerk an additional charge, computed as a percentage of the marijuana business license fee, on applications not made on or before said date, as follows:

Days Past Due	Percent of License Fee
7 – 30	25%
31 – 60	50%
61 and over	75%

C. The city clerk shall renew a license upon application if it complies with all provisions of this chapter, as now enacted or as the same may hereafter be amended; provided, that the city clerk may deny a renewal where the city clerk is aware of facts that would disqualify the applicant from being issued a marijuana business license.

5.43.090 License suspension and revocation.

A. The city clerk may, upon the recommendation of the chief of police or designee, and as provided in subsection (B) of this section, suspend or revoke any marijuana business license issued under the provisions of this chapter:

1. Where the license was procured by fraud or false representation of fact;
2. For violation of, or failure to comply with, this chapter, this Code, or similar local or State law by the licensee, or by any of the licensee's servants, agents or employees, when the licensee knew or should have known of the violations committed by such servants, agents or employees;
3. For conviction of the licensee of any crime or offense involving transactions involving controlled substances (as that term is defined in Chapter 69.50 RCW) committed on the premises, or the conviction of any of licensee's servants, agents or employees of any crime or offense involving transactions involving controlled substances (as that term is defined in Chapter 69.50 RCW) committed on the premises in which the marijuana business is conducted when the licensee knew or should have known of the violations committed by such servants, agents or employees.

B. A license procured by fraud or misrepresentation shall be revoked permanently for the licensee and licensee's successors on the marijuana license. Where other violations of this chapter or other applicable ordinances, statutes or regulations are found, the license shall be suspended for a period of thirty (30) days upon the first such violation, ninety (90) days upon the second violation within a 24-month period, and revoked for third and subsequent violations within a 24-month period, not including periods of suspension.

C. The city clerk shall provide at least ten (10) days' prior written notice to the licensee of the decision to suspend or revoke the license. Such notice shall inform the licensee of the right to

appeal the decision to the hearing examiner or other designated hearing body and shall state the effective date of such revocation or suspension and the grounds for revocation or suspension. Such appeals shall be processed under KMC 5.05.150 and Chapter 19.30 KMC. The decision of the city clerk shall be stayed during the pendency of any appeal except as provided in subsection (D) of this section.

D. Where the city building official or fire marshal, or their designees or the King County health department, find that any condition exists upon the premises of a marijuana business which constitutes a threat of immediate serious injury or damage to persons or property, the official may immediately suspend any license issued under this chapter pending a hearing in accordance with subsection (C) of this section. The official shall issue a notice setting forth the basis for the action and the facts that constitute a threat of immediate serious injury or damage to persons or property, and informing the licensee of the right to appeal the suspension to the hearing examiner or other designated hearing body under the same appeal provisions set forth in subsection (C) of this section; provided, that a suspension based on threat of immediate serious injury or damage shall not be stayed during the pendency of the appeal.

5.43.100 Standards of conduct for marijuana businesses.

Marijuana businesses shall conform to the rules of Chapter 314-55 WAC, applicable state laws relating to marijuana businesses, and Title 18 KMC.

5.43.110 Hours of operation for marijuana retailers.

A marijuana retailer may be open for business only between the hours of 8 a.m. and 10 p.m.

5.43.120 Insurance.

The licensee shall maintain the insurance coverage of WAC 314-55-082 during the term of the marijuana business license, and shall name the city as an additional insured on the insurance policies. The policies shall be primary to any city insurance policies and the licensee's insurance policies shall state this requirement.

Section 9. No Non-conforming Uses. No use that constitutes or purports to be a marijuana business as that term is defined in this ordinance, shall be deemed to have been a legally established use under the provisions of the Kenmore Municipal Code and that use shall not be entitled to claim legal non-conforming status.

Section 10. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

Section 11. Effective Date. This Ordinance shall be published in the official newspaper of the City and shall take effect and be in force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 28th DAY OF JULY, 2014.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

Filed with the City Clerk:

Passed by the City Council:

Ordinance No.:

Date of Publication:

Effective Date:

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 14-0385**

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, PROHIBITING THE PRODUCTION, PROCESSING, SELLING AND DELIVERY OF MARIJUANA, MARIJUANA CONCENTRATES AND MARIJUANA-INFUSED PRODUCTS, AND THE OPERATION OF MARIJUANA BUSINESSES IN THE CITY; AMENDING SECTIONS OF THE MUNICIPAL CODE TO PROHIBIT MARIJUANA BUSINESSES; REPEALING ORDINANCE NOS. 13-0362, 13-0370 AND 14-0380 AND TERMINATING THE MORATORIUM OF SUCH ORDINANCES; REPEALING ORDINANCE NOS. 13-0369 AND 14-0381 AND TERMINATING THE INTERIM REGULATIONS OF SUCH ORDINANCES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council received and considered recommendations from City staff regarding options for the regulation of marijuana businesses in the City; and

WHEREAS, the City Council desires to prohibit the production, processing, selling and delivery of marijuana, marijuana concentrates and marijuana-infused products in the City, and to exclude marijuana producers, processors and retailers from the City; and

WHEREAS, the City's SEPA official issued a determination of nonsignificance for this Ordinance on July 11, 2014; and

WHEREAS, on _____, 2014, the Washington State Department of Commerce granted expedited review of this Ordinance and advised the City that it had met the Growth Management Act notice requirements under RCW 36.70A.106; and

WHEREAS, the City Council held a public hearing on July 28, 2014, regarding this Ordinance, and the City Council weighed the testimony and considered the evidence received in enacting this Ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council adopts the following findings of fact in support of this Ordinance:

1. The United States Congress passed the *Comprehensive Drug Abuse Prevention and Control Act of 1970*, Pub.L. No. 91-513, 84 Stat. 1236, to create a comprehensive drug enforcement regime called the *Controlled Substances Act*. 21 U.S.C. § 801-971. Under the Controlled Substances Act ("CSA"), Congress established five "schedules" of controlled

substances. Controlled substances are placed in specific schedules based upon their potential for abuse, their accepted medical use in treatment, and the physical and psychological consequences of abuse of the substance. *See* 21 U.S.C. § 812(b).

2. Marijuana is currently listed as a “Schedule I” controlled substance. 21 U.S.C. § 812(c), Schedule I(c)(10). For a substance to be designated a Schedule I controlled substance, it must be found that: (1) the substance “has a high potential for abuse”; (2) the substance “has no currently accepted medical use in treatment in the United States”; and (3) “[t]here is a lack of accepted safety for use of the drug or other substance under medical supervision.” 21 U.S.C. § 812(b)(1).

3. Under the CSA, it is unlawful to knowingly or intentionally “manufacture, distribute, or dispense, or possess with intent to manufacture, distribute, or dispense, a controlled substance,” except as otherwise provided in the statute. 21 U.S.C. § 841(a)(1). Possession of a controlled substance, except as authorized under the CSA, is also unlawful.

4. The United States Supreme Court held in *Gonzales v. Raich*, 545 U.S. 1, 125 S.Ct. 2195, 162 L.Ed. 2d 1 (2005), that the United States Congress was within its rights and powers under the Commerce Clause to regulate marijuana as a Schedule I controlled substance pursuant to the CSA, and that, under the Supremacy Clause of the U.S. Constitution, the federal CSA will prevail over any conflicting state law.

5. On November 6, 2012, the voters of the State of Washington approved Initiative Measure No. 502 (“Initiative 502”), now codified within Chapters 69.50, 46.04, 46.20, 46.21 and 46.61 RCW. Initiative 502 decriminalized possession and use of certain amounts of marijuana and marijuana paraphernalia; amended state laws pertaining to driving under the influence of intoxicants to include driving under the influence of marijuana; and authorized and directed the Washington State Liquor Control Board (“WSLCB”) to establish and administer rules for the licensing and operation of marijuana producers, marijuana processors, and marijuana retailers, as defined in RCW 69.50.101 (collectively, “marijuana businesses”).

6. On October 16, 2013, the WSLCB issued initial rules for marijuana businesses, which became effective on November 16, 2013.

7. The WSLCB has accepted applications for marijuana business licenses and is currently processing and approving such applications.

8. WAC 314-55-020(11), promulgated by the WSCLB under the authority of Initiative 502, describes the license permit process and includes the following limitation:

“The issuance or approval of a license shall not be construed as a license for, or an approval of, any violations of local rules or ordinances including, but not limited to: Building and fire codes, zoning ordinances, and business licensing requirements.”

9. The federal government, through the Department of Justice, issued a memorandum to United States Attorneys providing guidance regarding marijuana enforcement on August 29, 2013.

10. In a joint statement dated August 29, 2013, Governor Jay Inslee and Attorney General Robert Ferguson stated the following:

“Today we received confirmation Washington’s voter-approved marijuana law will be implemented.

We received good news this morning when Attorney General Eric Holder told the governor the federal government would not preempt Washington and Colorado as the states implement a highly regulated legalized market for marijuana.

Attorney General Holder made it clear the federal government will continue to enforce the federal Controlled Substance Act by focusing its enforcement on eight specific concerns, including the prevention of distribution to minors and the importance of keeping Washington-grown marijuana within our state’s borders.

We share those concerns and are confident our state initiative will be implemented as planned.

We want to thank the Attorney General for working with the states on this and for finding a way that allows our initiative to move forward while maintaining a commitment to fighting illegal drugs. This reflects a balanced approach by the federal government that respects the states’ interests in implementing these laws and recognizes the federal government’s role in fighting illegal drugs and criminal activity.”

11. Article XI, § 11 of the State Constitution provides that any city “may make and enforce within its limits all such local police ... and other regulations as are not in conflict with general laws.” A regulation must be a “reasonable” exercise of the city’s police power in order to satisfy article XI, section 11. *Weden v. San Juan County*, 135 Wn.2d 678 (1998). A regulation is “reasonable” if it “promotes public safety, health or welfare and bears a reasonable and substantial relation to accomplishing the purpose pursued.” *Id.*

12. One of the primary purposes of the Growth Management Act, Chapter 36.70A RCW, is to empower cities planning under the Act to develop and adopt land use controls reflecting the local needs of the community. As provided in RCW 36.70A.010: “It is in the public interest that citizens, communities, local governments, and the private sector cooperate and coordinate with one another in comprehensive land use planning.”

13. In AGO 2014 No. 2, Attorney General Robert Ferguson concluded that Initiative 502 does not preempt the field of marijuana regulation. Attorney General Ferguson also concluded that Initiative 502 left in place the normal powers of local governments to regulate marijuana businesses within their jurisdictions.

14. In AGO 2014 No 2, and consistent with Article XI, § 11 of the State Constitution, Attorney General Robert Ferguson also concluded that local jurisdictions have broad authority to regulate within their jurisdictions, and that nothing in Initiative 502 limits that authority with respect to licensing of marijuana businesses. Stated alternatively, the Attorney General concluded that local jurisdictions can impose regulations that make it “impractical for Initiative 502 licensees to locate and operate within their boundaries, provided that such regulations constitute a valid exercise of the police power or are consistent with state law,” citing the holdings of the *Weden* case.

15. In AGO 2014 No. 2, Attorney General Robert Ferguson stated that: “The drafters of the initiative certainly could have used clear language preempting local bans. They did not.” (emphasis added).

16. Marijuana use is on the rise. According to the U.S. Department of Health and Human Services 2012 National Survey on Drug Use and Health (NSDUH), 12-to-17 year old marijuana use for boys and girls combined was relatively unchanged since 2011, but there was a 20 percent increase in marijuana smoking among girls aged 12-17 since 2007, a 50 percent increase in the number of daily marijuana smokers among those aged 12 and up, a 12 percent increase in marijuana use among 18-25 year olds since 2007, and a 25 percent increase in marijuana use among the general population. (Substance Abuse and Mental Health Services Administration, *Results from the 2012 National Survey on Drug Use and Health: Summary of National Findings*, NSDUH Series H-46, HHS Publication No. (SMA) 13-4795. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2013).

17. Increased access and availability of supply through storefront/dispensaries (marijuana retailers) will increase the use of marijuana in the City of Kenmore because:

a. There has been an increase in drug-related referrals for high school students testing positive for marijuana following de facto legalization in Colorado and the expansion of accessible retail marijuana storefronts/ dispensaries and the accompanying growth in the marijuana market. During 2007-2009, an average of 5.6 students tested positive for marijuana. During 2010-2012, the average number of students who tested positive for marijuana increased to 17.3 students per year. In 2007, tests positive for marijuana made up 33 percent of the total drug screenings; by 2012 that number increased to 57 percent. A member of the Colorado Taskforce charged to regulate marijuana who also works for a drug testing company commented to the press that: “A typical kid (is) between 50 and 100 nanograms. Now we're seeing these up in the over 500, 700, 800, climbing.” (Rocky Mountain HIDTA. (August 2013). *The Legalization of Marijuana in Colorado: The Impact, Preliminary Report* (volume 1); See Conspire! Drug Testing Results and “Drug Testing Company Sees Spike in Children Using Marijuana” found at <http://denver.cbslocal.com/2013/03/06/drug-testing-company-sees-spike-in-children-using-marijuana>).

b. In Colorado during the expansion period for marijuana storefronts/ dispensaries, traffic fatalities fell 16 percent between 2006 and 2011 (consistent with national trends), but fatalities involving drivers testing positive for marijuana rose 112 percent. (Colorado Department of Transportation Drugged Driving Statistics 2006-2011, Retrieved <http://www.coloradodot.info/programs/alcobol-and-impaired-driving/druggeddriving/drugged->

[drivingstatistics.html](#)).

18. Increased use of marijuana resulting from increased access and availability of supply through storefront/dispensaries (marijuana retailers) will have significant negative health, safety, learning and life outcome effects for the residents of the City of Kenmore and the community:

a. Scientists from the American Medical Association, American Academy of Pediatrics, American Psychological Association, and American Society of Addiction Medicine state that marijuana use is harmful for young people. (American Medical Association. (2009). *Report 3 on the Council of Science and Public Health: Use of Cannabis for Medicinal Purposes*; Joffe, E. & Yancy, W.S. (2004). *Legalization of Marijuana: Potential impact on youth. Pediatrics: Official Journal of the American Academy of Pediatrics*, 113(6); American Psychological Association. (2009). *Position Statement on Adolescent Substance Abuse*; California Society of Addiction Medicine. (2009). *Impact of Marijuana on Children and Adolescents*; American Society of Addiction Medicine Statement Retrieved here: <http://www.asam.org/advocacy/find-a-policystatement/view-policy-statement/public-policy-statements/2012/07/30/state-level-proposals-to-legalizemarijuana>).

b. According to the National Institutes of Health, one out of every six adolescents who use marijuana will become addicted. (Anthony, J.C., Warner, L.A., Kessler, R.C. (1994). *Comparative epidemiology of dependence on tobacco, alcohol, controlled substances, and inhalants: Basic findings from the National Comorbidity Survey. Experiential and Clinical Psychopharmacology*, 2).

c. There are approximately 400,000 emergency room admissions for marijuana every year, involving acute panic attacks and psychotic episodes. (Substance Abuse and Mental Health Services Administration, Center for Behavioral Health Statistics and Quality. (2011). *Drug abuse warning network, 2008: National estimates of drug-related emergency department visits. HHS Publication No. SMA 11-4618*. Rockville, MD).

d. Marijuana is the most cited drug for teens entering treatment. (Substance Abuse and Mental Health Services Administration, Center for Behavioral Health Statistics and Quality. *Treatment Episode Data Set (TEDS): 2000-2010. National Admissions to Substance Abuse Treatment Services. DASIS Series S-61, HHS Publication No. (SMA) 12-4701*. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2012).

e. Marijuana use, especially among young people, is significantly associated with reduction in IQ. (See Meier, M.H.; Caspi, A.; Ambler, A.; Harrington, H.; Houts, R.; Keefe, R.S.E.; McDonald, K.; Ward, A.; Poulton, R.; and Moffitt, T. Persistent cannabis users show neuropsychological decline from childhood to midlife. *Proceedings of the National Academy of Sciences* 109(40):E2657-E2664, 2012. Also Moffitt, T.E.; Meier, M.H.; Caspi, A.; and Poulton, R. Reply to Rogeberg and Daly: No evidence that socioeconomic status or personality differences confound the association between cannabis use and IQ decline. *Proceeding of the National Academy of Sciences* 110(11): E980-E982, 2013).

f. Marijuana use, especially among young people, is significantly associated with mental illness. (See for example: Andréasson S., et al. (1987). *Cannabis and Schizophrenia: A*

longitudinal study of Swedish conscripts. *Lancet*, 2(8574); Moore, T.H., et al. (2007). Cannabis use and risk of psychotic or affective mental health outcomes: a systematic review. *Lancet*, 370(9584); Large M., et al. (2011). Cannabis Use and Earlier Onset of Psychosis: A Systematic Meta-analysis. *Archives of General Psychiatry*, 68(6); Harley, M., et al. (2010). Cannabis use and childhood trauma interact additively to increase risk of psychotic symptoms in adolescences. *Psychological Medicine*, 40(10); Lynch, M.J., et al. (2012). The Cannabis-Psychosis Link. *Psychiatric Times*).

g. Marijuana use, especially among young people, is significantly associated with poor learning outcomes. (Yucel, M., et al. (2008). Regional brain abnormalities associated with long-term heavy cannabis use. *Archives of General Psychiatry*, 65(6)).

h. Marijuana use, especially among young people, is significantly associated with lung damage. (See for example: American Lung Association. (2012, November 27). Health Hazards of Smoking Marijuana. Retrieved from: <http://www.lung.org/stop-smoking/about-smoking/health-effects/marijuanasmoke>. html; Tashkin, D.P., et al. (2002). Respiratory and immunologic consequences of smoking marijuana. *Journal of Clinical Pharmacology*, 4(11); Moore, B.A., et al. (2005). Respiratory effects of marijuana and tobacco use in a U.S. sample. *Journal of General Internal Medicine*, 20(1); Tetrault, J.M., et al. (2007). Effects of marijuana smoking on pulmonary structure, function and symptoms. *Thorax*, 62(12); Tan, W.C., et al. (2009). Marijuana and chronic obstructive lung disease).

i. Marijuana use, especially among young people, is significantly associated with addiction. (See for example: Anthony, J.C., Warner, L.A., Kessler, R.C. (1994). Comparative epidemiology of dependence on tobacco, alcohol, controlled substances, and inhalants: Basic findings from the National Comorbidity Survey. *Experiential and Clinical Psychopharmacology*, 2; Budney, A.J., et al. (2008). Comparison of cannabis and tobacco withdrawal: Severity and contributions to relapse. *Journal of Substance Abuse Treatment*, 35(4); Tanda, G., et al. (2003). Cannabinoids: Reward, dependence, and underlying neurochemical mechanisms – A recent preclinical data. *Psychopharmacology*, 169(2)).

j. Drivers who test positive for marijuana or self-report using marijuana are more than twice as likely as other drivers to be involved in motor vehicle crashes. (Mu-Chen Li, Joanne E. Brady, Charles J. DiMaggio, Arielle R. Lusardi, Keane Y. Tzong, and Guohua Li. (2011). "Marijuana Use and Motor Vehicle Crashes." *Epidemiologic Reviews*).

19. Creating barriers to the use of marijuana is an important tool for promoting public health. Due to federal, state and local efforts to control the distribution of marijuana, its use is lower than the use of legal drugs. About 52 percent of Americans regularly drink, 27 percent use tobacco products, and yet only 8 percent currently use marijuana. (Substance Abuse and Mental Health Services Administration, Results from the 2012 National Survey on Drug Use and Health: Summary of National Findings, NSDUH Series H-46, HHS Publication No. (SMA) 13-4795. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2013).

20. The secondary effects associated with analogous medical marijuana dispensaries in other cities and counties include murders, robberies, burglaries, drug dealing, sales to minors, loitering, heavy foot and vehicle traffic, increased noise, odors, health hazards such as

proliferation of molds (See, “White Paper on Marijuana Dispensaries,” California Police Chiefs Association’s Task Force on Marijuana Dispensaries (April 22, 2009) was issued (“CAPCA White Paper”); *City of Riverside v. Inland Empire Patients Health and Welfare Center*, 56 Cal.4th 729, 756, 300 P.3d 494 (2013)).

21. All of the sources described and cited in the findings above are on file with the City Clerk and are incorporated herein by reference.

22. Because of the foregoing, the City of Kenmore finds and determines that the public safety, health and welfare of City residents and the community will be best served by excluding from the City all marijuana producers, processors and retailers, as defined in RCW 60.50.101 (“marijuana businesses”).

23. The exclusion of marijuana businesses from the City will promote the public safety, health and welfare of City residents and the community, and will bear a reasonable and substantial relation to reducing and eliminating the harmful primary and secondary effects of marijuana use.

24. The City Council finds and determines that given the small land area of the City and urbanized areas nearby, there will be adequate access to marijuana, marijuana concentrates and marijuana-infused products for City residents and the community, consistent with Initiative 502 and its implementing regulations, despite the exclusion of marijuana businesses from the City.

25. The City Council finds and determines that the exclusion of marijuana businesses from the City is the only effective means to protect City residential districts, City recreational facilities, and City families and children from the harmful primary and secondary effects of marijuana use.

26. The City Council finds and determines that this Ordinance does not and is not intended to regulate the individual use of marijuana.

Section 2. Prohibited Use. Sections 18.21.020, 18.21.040, 18.22.010, 18.23.020, 18.24.020, 18.25.020, 18.26.020, 18.27.020, 18.28.020, and 18.28A.020 KMC shall be amended to add “marijuana business” to the “Prohibited” column.

Section 3. Repealer. Ordinance Nos. 13-0362, 13-0370 and 14-0380, and the moratorium adopted by such Ordinances, and Ordinance Nos. 13-0369 and 14-0381, and the interim regulations adopted by such Ordinances, are repealed, and such moratorium and interim regulations shall terminate on the Effective Date of this Ordinance, as set forth in Section 5 of this Ordinance.

Section 4. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

Section 5. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE ____
DAY OF _____, 2014.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED

Patty Safrin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
ORDINANCE NO. 1_-0_
DATE OF PUBLICATION:
EFFECTIVE DATE:



**Business of the City Council
City of Kenmore, WA**

Subject/Topic: Presentation and discussion of Sno-King Watershed Council's application for grant funding to the Salmon Recovery Funding Board for Squires Landing Park restoration Proposed Council Action/Motion: Council motion authorizing staff to prepare a letter of grant support for signature by the Mayor.	For Council Meeting Agenda of: 7/28/14 Department: Community Development Prepared by: Debbie Bent, Community Development Director Approved by Department Head: <u>DB 7/17/14</u> Approved by City Attorney: Approved by Finance Director: <u>me 7/17/14</u> Approved by City Manager: <u>NKO 7/17/14</u> 17 July 2014 Exhibits/Attachments: 1. 7/10/14 memo from Eric Adman, President, Sno-King Watershed Council 2. 5/21/14 letter from Mayor Baker 3. 4/23/14 letter from Rob Karlinsey, City Manager 4. Squires Landing Master Plan
Expenditure Required: \$0 in the 2013-2014 budget. Amount Budgeted: \$0 Appropriation Required \$325,000 (Preliminary estimate between 2015 and 2024 as a park capital project)	
INFORMATION/BACKGROUND: At the 7/28/14 Council meeting, Eric Adman President of the Sno-King Watershed Council and Cleve Steward, Executive Director of the Sustainable Fisheries Foundation will present information on grant funding for restoration work at Squires Landing Park. Attachment #1 provides an overview of the proposal. A grant application from the Sno-King Watershed Council to complete preliminary design work for restoration at Squires Landing Park was submitted to the Salmon Recovery Funding Board (SRFB) in April. Staff and the Mayor submitted letters of support (see attachment #2 and #3). After reviewing the application the SRFB reviewers recommended that preliminary design work be funded in the amount of \$70,000 (no city funding match required), provided that certain revisions were made to the scope and support was received from the Council by 8/15/14. Council support does not have to be in the form of a resolution, a letter would be sufficient. The letter of support would acknowledge: support of the grant application for the initial design work; support for future grant applications for implementation including provision of funds for a local match; and commitment for long term maintenance following implementation. The 2010 Swamp Creek Park (aka Squires Landing Park) Master Plan (attachment #4) was not adopted by Council, largely due to the concern about costs for development and long term maintenance. Construction of park amenities (trails, overlook and water access) was estimated at \$1.4 million with \$500,000 five year estimated maintenance costs. Construction of restoration improvements was estimated at \$11.9 million with \$227,000 five year estimated maintenance costs. The restoration proposal by the Sno-King Watershed Council is consistent with the Squires Landing Park master plan. The preliminary cost estimate (see attachment #1) for design, permitting, implementation and five year monitoring is \$2,365,000 of which \$325,000 is estimated as a City grant funding match between 2015 and 2024. If Council supports the restoration proposal, a project would need to be added in the Park Capital Improvement Program.	
FISCAL CONSIDERATION: The restoration project is estimated at \$2,365,000. A budget appropriation is not needed (the grant application does not require a local funding match) to support the \$70,000 grant for design work. Future grant applications to implement restoration would require an estimated \$325,000 local match between 2015 and 2024. Beyond 2024 the City would also be responsible for ongoing maintenance of the restored area, unless maintenance is fully supported by park stewards and volunteers.	
COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Goal #6 To implement a Parks Improvement and Financial Plan. Goal #5 To advance the public's access and connection to the waterfront.	

Attachment 1

DATE: July 10, 2014
TO: Kenmore City Council
FROM: Eric Adman, President, Sno-King Watershed Council
SUBJECT: Squire's Landing Park Habitat Restoration Grant Proposal

Dear Council members,

This memo and attachments explain a current grant application submitted by the Sno-King Watershed Council (SKWC) to the Salmon Recovery Funding Board (SRFB) for restoration work at Squire's Landing Park. SKWC is partnering with the City of Kenmore and other non-profit organizations on this project, and asks that the City Council support our efforts to secure grant funding and design and implement restoration actions that are consistent with the City's long-range vision for the park. Specifically, we would like the Council to endorse the project and to commit to allocating staff time and resources in the future to meet the grant program's match requirements and ensure successful implementation of the project.

Executive Summary

The restoration of Swamp Creek and associated riparian habitat in Squire's Landing Park has been identified as a high priority for salmon recovery due to its proximity to the Sammamish River, which is a major migratory corridor for ESA-listed Chinook salmon. With assistance from City staff, SKWC submitted an application to the Salmon Recovery Funding Board (SRFB) for a grant to restore wetland, stream, and riparian habitat at SLP. The restoration actions described in the application are consistent with those identified as conceptual alternatives in the original Swamp Creek Park Master Plan (2010). This project provides an opportunity for the City of Kenmore to participate in salmon recovery efforts, provide more recreation and water-access opportunities for Kenmore citizens, and leverage federal grant funding to jump-start the stalled process for developing Squire's Landing Park.

After reviewing the SKWC grant application, visiting the park, and speaking with SKWC and City staff, SRFB's grant reviewers recommended that the next phase ("Preliminary Design") of the project be funded, provided that certain revisions to its scope were made, in the amount of \$70,000. The reviewers asked that initial restoration efforts be focused on the eradication and control of non-native plants (i.e., invasive species such as Himalayan blackberry and reed canarygrass), planting of native species that have high ecological value in the riparian zones of Swamp Creek and the Sammamish River, and improving habitat in Swamp lower Creek. This will produce the "biggest bang for the buck" given the amount of SRFB funding available, and is therefore more likely to result in a successful project. Importantly, it will increase the probability that additional SRFB grant funding for the project will be forthcoming, and will not preclude implementation of additional habitat restoration or park improvements at a later time.

A SRFB grant in 2014 would enable SKWC and its partners to complete a preliminary restoration design and prepare permit applications for the project in 2015. If additional funds are obtained in a timely manner, the restoration design can be finalized in 2015, and permits obtained in time to secure grant funding that would enable us to begin restoring the park in 2016. This is an achievable goal if sufficient match funding can be found. However, if funding is delayed, on-the-ground work will begin in 2017, and stewardship activities (e.g., monitoring and maintenance of the restored area) will continue for five years after restoration has been completed in 2019.

The SRFB does not require project sponsors to provide match funding for preliminary design projects. However, sponsors must provide a match of at least 15% of the total project cost for subsequent phases (e.g., final design, implementation, and monitoring and maintenance) of SRFB-funded restoration projects. Match contributions can include budget appropriations, cash, bonds, grants, and donations of in-kind labor, equipment, and materials.

To be considered for a 2015 grant for the preliminary design of restoration actions in Squire's Landing Park, SKWC must submit its revised application to the SRFB by August 15. The SRFB has suggested that the City join SKWC as a co-sponsor of the project so that it can seek reimbursement for staff participation in the planning and design process. The SRFB has also recommended that the City demonstrate its willingness to participate in and provide financial support for later phases of the project, preferably in the form of a formal Council resolution and a budget appropriation. Accordingly, we are asking the Council to consider the merits of this project, as described in Attachment 1, and to indicate by resolution its support for the Preliminary Design phase of the project. We have also prepared preliminary cost estimates for the anticipated restoration actions, as conceived in the current proposal. We are asking the Council to budget approximately \$325,000, spread over a 10-year period (2015-2024) to fulfill the SRFB's 15% match requirement for grant funding. These funds have been allocated to final design, implementation, and stewardship activities. Any unspent funds would be used to fund other park improvements.

A Council resolution and a landowner agreement is needed before the August 15 final grant submittal deadline.

Attachments:

- Attachment 1 - Background on the site, restoration proposals, and grant funding conditions
- Attachment 2 - Proposed project phasing and cost estimates including City contributions
- Attachment 3 - Landowner Agreement form

Attachment 1 - Recent site history, restoration proposals, and grant funding conditions

The 42-acre Squire's Landing Park site, owned by the City of Kenmore, was the subject of a park Master Plan developed in 2009 and finalized in February 2010. This plan, developed with public involvement, included concepts for habitat restoration, public access, and park improvements. The Master Plan had a high cost associated with it (about \$12 million), in part because of expensive restoration concepts involving large-scale engineering and earth moving. The City never adopted this plan, in part due to the associated cost, and the plan sat on the shelf.

Kenmore did seek and received an approximately \$100,000 grant from the King Conservation District to do design and restoration work for three acres of Squire's Landing Park. This resulted in a July 2010 restoration plan and three acres of site restoration, along Swamp Creek just south of the bike trail. Restoration work was mostly performed by contracted Earth Corps personnel. Maintenance has been intermittent but has recently increased due to the work of Cindy Shelton, volunteer coordinator, who has identified groups and individuals willing to do park stewardship and maintenance. These groups include the Landing Church, which has made a commitment to adopt Squire's Landing Park for maintenance.

Kenmore participates in the WRIA8 Salmon Recovery Council, which identifies strategies and projects to advance Chinook salmon recovery. These projects are prioritized and funded based on the likelihood that they will meaningfully contribute to salmon recovery. Restoration of the lower reach and mouth of Swamp Creek where it meets the Sammamish River (in Squire's Landing Park), has been included on the "Three Year Start List" (list of highest priority projects) as a high priority area for restoration. Funding comes from the Salmon Recovery Funding Board.

In early 2014, SKWC, working in conjunction with City staff, in an effort to bring salmon recovery efforts to Kenmore, submitted to the SRFB via WRIA8 a proposal for development of a comprehensive restoration design for this site. In an iterative process involving feedback from the WRIA8 Review Panel and SRFB coordinator, the project scope was refined and has been recommended to be funded, if conditions including the revised scope and commitment from the City are met.

The current recommendation of the WRIA8 Review Panel is to fund the SKWC restoration design grant proposal at \$70,000. Based on Review Panel and SRFB project coordinator feedback, the scope of proposed restoration efforts has been scaled back to focus primarily on riparian restoration along the Swamp Creek stream channel, and enhancement of backwater and pool areas near the mouth of Swamp Creek.

To strengthen the likelihood of grant funding, the WRIA8 project subcommittee would also like to see formal documentation from the Kenmore City Council indicating support for the initial phase of work being proposed, and a commitment to preserve any work implemented through the current design process in future development of the park. This could be in the form of a resolution.

Successful funding of this proposal would result in a preliminary restoration design and development of regulatory permits required for project implementation. Restoration will commence in either 2016 or 2017 depending on the timing of permit approvals and availability of funding. To facilitate planning, a phased restoration approach is recommended, as detailed in Attachment 2.

Attachment 2 - Proposed project phasing and cost estimates, including City contributions

The restoration of Squire's Landing Park is part of a larger goal articulated in the Swamp Creek Park Master Plan; namely, to "balance passive recreation and educational opportunities at the park with the restoration of the natural environment" (ESA Adolfson 2010). SKWC is applying to the Salmon Recovery Funding Board for a grant to develop a preliminary design for the restoration of natural features in Squire's Landing Park. To facilitate planning and comply with SRFB grant program requirements, the restoration effort has been divided into five sequential phases:

1. Conceptual Design
2. Preliminary Design
3. Final Design and Permits
4. Implementation
5. Stewardship

SKWC is applying for a SRFB grant to implement Phase 2 of the project – Preliminary Restoration Design. This phase was preceded by the development of a conceptual restoration design (Phase 1) in the master planning process, and will inform the subsequent Final Restoration Design (Phase 3), in which final designs, specifications, and cost estimates will be developed; and all applicable federal, state, and local government permits will be secured. Phase 4 will comprise on-the-ground restoration work at the park, expected to last 2-3 years. Phase 5 includes 5 years of post-implementation stewardship activities (i.e., monitoring, maintenance, and enhancement of restored features).

The objective of Phase 2 is to develop preliminary design drawings and plans for restoring aquatic, riparian, wetland, and upland forest habitat in Squire's Landing Park, and to prepare and submit permit applications to the relevant authorities. In accordance with feedback from SRFB and WRIA8 reviewers, restoration efforts will focus initially on the eradication of non-native, invasive vegetation and the planting of native, high ecological value vegetation in the riparian zones that border the 692-foot section of Swamp Creek and a 654-foot section of the Sammamish River (north bank only) in Squire's Landing Park. The SRFB and WRIA8 reviewers also encouraged consideration of constructing instream structures in the Swamp Creek channel to provide habitat for juvenile and adult salmon.

First order cost estimates have been developed for each project phase of the restoration project based on the current restoration plan (Figure 1). The total estimated cost for restoring approximately 35 acres of land in Squire's Landing Park, including all of the land between Swamp Creek and the Sammamish River (approximately 20 acres), and a 300-foot buffer on the north bank of Swamp Creek (15 acres), is \$2,365,000, or \$67,570 per acre (Table 1). This estimate includes the cost of final design, permitting, restoration, and stewardship activities, which are listed separately in Table 1. It is based on estimates obtained from 2 experienced restoration specialists, and from literature-reported values. The actual cost may vary depending

on site conditions, the cost of labor and materials, and the treatment methods applied. If the actual cost per acre exceeds this estimate, the total area restored will be reduced by a proportional amount. If the cost per acre has been overestimated, a larger number of acres will be restored.

Project costs are tabulated by year in Table 2. Under this funding scenario, \$1,965,000 in SRFB grant funds would be solicited. Kenmore would contribute \$325,000 in match funding, or 13.7% of the total project cost, over the 11-year life of the project. Their contribution would range from \$5,000 to \$100,000 per year. During the same period, SKWC and its partners would contribute \$75,000, or 3.2% of the total. Project expenditures and match contributions would peak during the first two years of project implementation (Phase 3) beginning in 2017. SKWC's contribution would increase to \$20,000 during this phase. Long-term monitoring and maintenance costs would be high initially, but would be expected to decrease significantly over time.

SKWC has devoted considerable time and effort to develop a proposal that has a high probability of being funded. We have worked diligently with City, SRFB, WRIA8, and other stakeholders to ensure that their needs and interests are met. City staff have provided invaluable guidance and assistance. We look forward to further collaboration with the City on this important project.

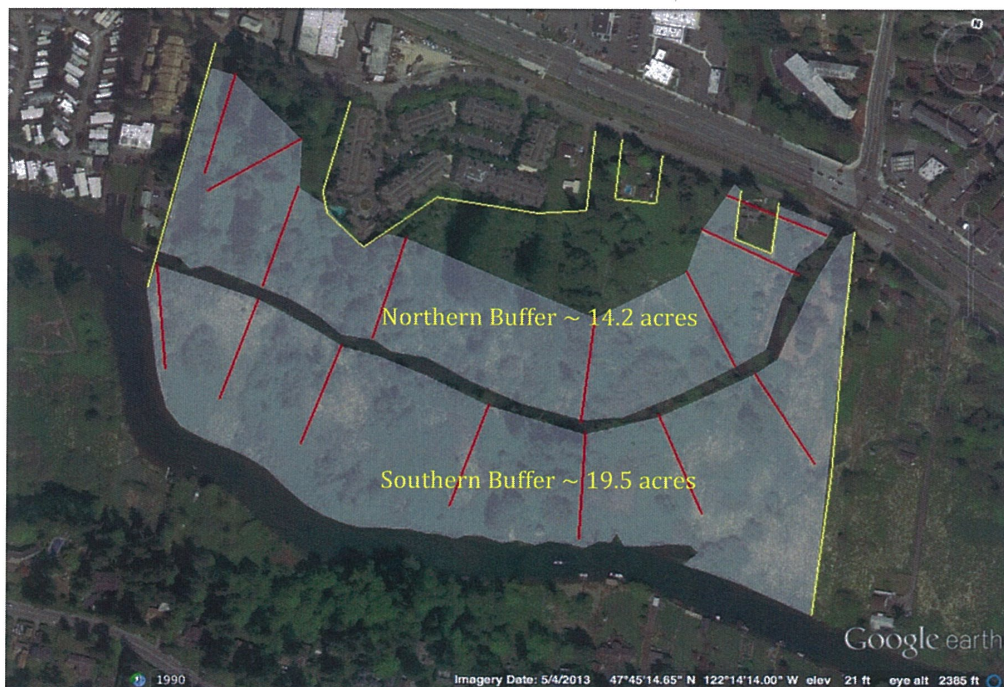


Figure 1. Area in which non-native plants are to be removed, and native plants are to be planted between Swamp Creek and the Sammamish River (southern buffer), and on the north side of Swamp Creek (northern buffer).

Table 1. Cost summary for Squire's Landing Park Restoration Project

Phase	Timing	Description	Total Project Cost	SRFB Grant	City of Kenmore	Other Match
1	2009-2010	Conceptual Design	N/A	N/A	N/A	N/A
2	2014-2015	Preliminary Design	\$71,000	\$70,000	\$0	\$1,000
3	2015-2016	Final Design and Permits	\$99,000	\$75,000	\$20,000	\$4,000
4	2017-2019	Implementation	\$1,805,000	\$1,540,000	\$225,000	\$40,000
5	2017-2024	Stewardship	\$390,000	\$280,000	\$80,000	\$30,000
		Total	\$2,365,000	\$1,965,000	\$325,000	\$75,000

Table 2. Breakdown of project costs by year.

Phase	Year	Total Project Cost	Sources of Funding		
			SRFB Grant	City of Kenmore	Other Match
1	2009	N/A	N/A	N/A	N/A
1	2010	N/A	N/A	N/A	N/A
-	2011	-	-	-	-
-	2012	-	-	-	-
-	2013	-	-	-	-
2	2014	\$21,000	\$20,000	\$0	\$1,000
2 & 3	2015	\$87,000	\$75,000	\$10,000	\$2,000
3	2016	\$62,000	\$50,000	\$10,000	\$2,000
4	2017	\$720,000	\$600,000	\$100,000	\$20,000
4 & 5	2018	\$705,000	\$585,000	\$100,000	\$20,000
4 & 5	2019	\$550,000	\$455,000	\$75,000	\$20,000
5	2020	\$72,000	\$60,000	\$10,000	\$2,000
5	2021	\$37,000	\$30,000	\$5,000	\$2,000
5	2022	\$37,000	\$30,000	\$5,000	\$2,000
5	2023	\$37,000	\$30,000	\$5,000	\$2,000
5	2024	\$37,000	\$30,000	\$5,000	\$2,000
Phase 2 Subtotal		\$71,000	\$70,000	\$0	\$1,000
Phases 3-5 Subtotal		\$2,294,000	\$1,895,000	\$325,000	\$74,000
Grand Total		\$2,365,000	\$1,965,000	\$325,000	\$75,000

Landowner Agreement

For Projects Funded by the Salmon Recovery Funding Board

This Agreement, dated and effective beginning the 1st day of January, 2015, is made and entered into by and between the Landowner and Grantee identified herein. The parties intend that all terms of this Agreement shall remain in effect for a period of ten years from the date of project completion, and the agreement shall be binding on all successors in interest during this time.

Landowner Name (Landowner): City of Kenmore
Street Address: 18120 - 68th Ave NE
City, State, Zip Code: Kenmore, WA 98028

Salmon Recovery Funding Board Project Sponsor (Grantee):

Grantee Name: Sno-King Watershed Council
Street Address: 7815 NE 192 St
City, State, Zip Code: Kenmore, WA 98028

Purpose of Landowner Agreement

The purpose of this Agreement is to identify and confirm the terms, conditions and obligations agreed upon between the Grantee, who is undertaking a project (Project) funded by the Salmon Recovery Funding Board (SRFB), and the Landowner, who owns the property on which the Project will take place.

The Grantee and Landowner mutually agree to participate in conducting the salmon habitat improvement activities described below on lands owned by Landowner in the WRIA8 Watershed (Water Resource Inventory Area), King County, State of Washington, Tax Parcel Nos. 4156700015, 4156700010, 4156700004, 4164100140, 4164100145, 4164100150, 4164100155, 4164100163, 4164100171, 4164100195, 4164100200, 4164100205, 4164100210, 4164100216.

The activities are also described in, and in accordance with, the Salmon Recovery Funding Board's Project Agreement No. **TBD** dated **TBD**, into which this agreement, once signed by both parties, becomes incorporated herein.

The Grantee Agrees to:

1. Be responsible for the design and installation of the project, and the conduct and activities of its staff, agents and representatives.
2. Provide the Landowner with a timeline of estimated dates of Project activities, including start and completion dates, and to keep the Landowner informed of progress.
3. Conduct the project-related activities described in the Project Description, as appended to this agreement.
4. Leave all remaining portions of the property in as near pre-project condition as reasonable, or as otherwise agreed upon in writing with Landowner.
5. Inform Landowner of project completion and the dates for this Agreement.
6. Hold harmless the landowner from any liability associated from injuries or damages occurring to workers implementing the project.
7. Identify the specific maintenance and/or monitoring activities that will be provided by grantee in an Attachment (Include frequency and duration).

The Landowner Agrees to:

1. Provide reasonable property access to the Grantee to plan, implement, and complete the project, and to conduct the long-term maintenance and monitoring activities, as described in the Project Description attached to this agreement.
2. Provide the Grantee and SRFB, or their employees, agents, representatives, or assignees, the right to enter the land, at reasonable times, and upon reasonable notice. Entry is solely for project implementation and management purposes, to inspect completed work, and to monitor long-term success of the completed project. Except in case of emergency, reasonable notice shall be given at least 48 hours prior to entry.
3. Not intentionally compromise the integrity of the project;
4. Inform Grantee of all known safety hazards on the property;
5. Identify the specific maintenance and/or monitoring activities that will be provided by landowner in an Attachment (Include frequency and duration).

Landowner has no obligation to provide access to parties other than the Grantee or SRFB. For the purposes of viewing the Project for information or educational purposes, Landowner and Grantee must mutually agree before such third-party access is offered.

General Terms

The Landowner shall notify the Grantee of changes in ownership of the property on which the Project is located within thirty (30) days of transfer. In the event of such transfer of ownership, the Landowner shall provide a copy of this Agreement to the succeeding owner prior to such transfer.

To comply with Executive Order 05-05, Archaeological and Cultural Resources: Grantees may have to complete a cultural resources survey in response to any cultural resources concerns that might arise. Grantees will notify the landowner if a consultation is required. If required, consultations must be completed before construction begins.

This agreement may be terminated by the Grantee, if in its discretion, it determines that circumstances have rendered the Purpose of this agreement impractical to achieve. Termination also may be sought by either party by providing written notice to the other party. Such termination shall be effective only after authorized representatives of both parties have agreed in writing to such termination and SRFB has been provided a thirty (30) day advance written notice of such termination. If, in the event the project is intentionally removed, destroyed, or otherwise compromised in function, the SRFB reserves the right to seek reimbursement for the project costs incurred by, and paid to the Grantee with funding under the aforementioned SRFB Project Agreement.

This Agreement does not authorize the Grantee or SRFB to assume jurisdiction over, or any ownership interest in, the premises. The Landowner retains sole responsibility for taxes, assessments, damage claims, and controlling trespass. The Landowner also retains all benefits and enjoyment of the rights of ownership except as are specifically provided in this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Grantee

Date

Landowner

Date

Provide a copy of this Agreement, and any amendments to this Agreement, to the SRFB:
Washington State Salmon Recovery Funding Board, PO BOX 40917 Olympia, WA 98504-0917

Project Description and Maintenance Responsibilities

1. Written description of the project-related activities that will occur on Landowner's Property (consistent with project cost elements): (Include restoration/enhancement activities and any long-term maintenance needs and effectiveness monitoring activities that will occur in future years.)

See Project Proposal for more detailed description. Activities will include removal of invasive plants, replanting of riparian areas, possible installation of wood structures (logs) in or adjacent to the stream channel subject to landowner agreement, site visits for monitoring and maintenance.

2. Describe the maintenance and monitoring responsibilities of both the Landowner and Grantee for the term of this agreement. Include the activities, frequency and duration of work to be performed.

The City of Kenmore (Landowner) and the Sno-King Watershed Council (Grantee) will coordinate and be jointly responsible for monitoring and maintaining restored areas within Squire's Landing Park. M&M will commence in Year 2 immediately following the first year of construction (planting), and will continue for five years after the last (third) year of construction, for a total of 7 years. Construction is tentatively planned for 2017-2019; M&M will therefore occur in 2018-2024. Maintenance needs will be the most intense, and therefore require greater levels of funding, during the first couple of years following construction, to ensure full eradication of non-native plants and successful establishment and survival of planted vegetation. Maintenance will involve limited herbicide application and clearing/planting using mechanical equipment. The work will be performed by trained volunteers and low-cost hired laborers, supervised by Landowner and Grantee staff.

Attachment 2



City Of Kenmore, Washington

April 23, 2014

Jason Wilkinson
WRIA8 Actions and Funding Coordinator
201 South Jackson Street, Room 600
Seattle, WA 98104-3855
jason.wilkinson@kingcounty.gov

RE: SRFB grant application for Squire's Landing Park restoration

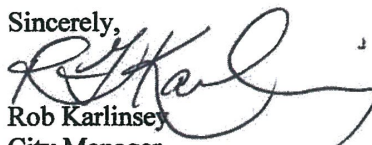
Dear Jason & members of the review panel,

The City of Kenmore has been working with project sponsors, the Sno-King Watershed Council, regarding the grant proposal for restoration and protection of Squire's Landing Park in Kenmore. Squire's Landing is a 42-acre site of which the City of Kenmore is the sole owner, along the lower end of Swamp Creek where it flows into the Sammamish River.

This project proposes to restore and protect habitat functions and benefit Chinook salmon recovery by increasing stream shading, creating edge habitat, reconnecting wetlands, and improving upland conditions. The current application encompasses the Preliminary Design phase for this process.

The City of Kenmore has a draft Squire's Landing Park Master Plan, which encompasses restoration activity on the site, along with some walking trails and passive recreation amenities. In the proposed project, the Sno-King Watershed Council will be working together in partnership with the City of Kenmore on restoration activities, consistent with the goals of that Master Plan. The City of Kenmore is committed to working as a partner on this project, and a representative of the City will be present at the review panel site visit on May 21.

Sincerely,


Rob Karlinsey
City Manager
City of Manager

Attachment 3

May 21, 2014

Jason Wilkinson
WRIA8 Actions and Funding Coordinator
201 South Jackson Street, Room 600
Seattle, WA 98104-3855

RE: 14-1333 PLN, Squire's Landing Park Restoration

Dear Jason,

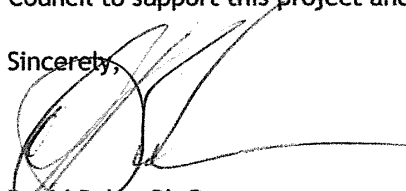
As you are probably aware, the City of Kenmore has a Master Plan for Squire's Landing Park which includes restoration of the site, as well as developing some low-impact park amenities. In the recent past, we have initiated restoration activities on 3 acres of the park site. In addition, very recently the City's volunteer coordinator has identified a group of volunteers willing to adopt the park site and do regular restoration and maintenance activities. The City also has a request out for a herd of goats. This will facilitate the removal of invasive plant species. The City plans to plant native plant species and restore the area.

The City of Kenmore is very interested in this site, both from its potential for salmon recovery, as well as for the opportunity to enhance a City park asset.

The proposed project being submitted by the Sno-King Watershed Council would advance the goals of salmon recovery in WRIA8, building on the conceptual design work from the park Master Plan, and also building on restoration planning done for the 3 acres currently completed. In addition, as part of the data collection for this next phase (Preliminary Design) being proposed, it would fit with a personal goal of mine, which is to establish regular data collection and transmission (telemetry) stations. These would help the City establish a baseline of data which will be used to evaluate and track restoration efforts in Swamp Creek and the Sammamish River, as well as provide a public education resource.

I am committed as a member of the Kenmore City Council and of the WRIA8 Salmon Recovery Council to support this project and help it move forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Baker', is written over the word 'Sincerely,'.

David Baker Ph.D.
Mayor, City of Kenmore
WRIA8 Representative

DRAFT

**City of Kenmore
Swamp Creek Park
Master Plan Report**



February 2010

Attachment 4

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Swamp Creek Park

Master Plan Report Kenmore, Washington

Introduction

Swamp Creek Park was first purchased in the early 1990s by King County utilizing 1989 Open Space Bond Issue funds and other various grants with the intent of preserving open space in the community and providing passive recreation opportunities. As a result of the grant, active recreation cannot be programmed for this site, but parking, restrooms, picnic facilities and other similar facilities are possible for the site in order to provide the infrastructure needed to support passive recreation activities. An initial conceptual trails plan was completed in 1997 by King County and included a number of community meetings to obtain feedback on the potential use of the site. King County transferred ownership of the 42-acre park to the city in June 2008.

The purpose of the city's master planning process is to update the conceptual plan for the park based on existing conditions, environmental systems and current public interests. The overall

goal of the Recommended Master Plan (Exhibit A) is to balance passive recreation and educational opportunities at the site with

the restoration of the natural environment. This is accomplished through a central trail system that connects through the site, across Swamp Creek, and to the Sammamish River. The trail system will weave together the different types of ecosystems that could be created on the site from emergent wetlands and off-channel rearing habitat to upland forested environments. Overlooks along the trail will provide visual access to the water, with more limited physical access in specific locations along Swamp Creek and the Sammamish River. A small upland improvement area is provided to support the passive recreation, education and restoration improvements, including an 8-stall parking lot, restroom, informal play area and picnic areas.

Attachment #1

The following report summarized the existing conditions, master planning process, master plan design, phasing, funding and potential permits associated with the Swamp Creek Park Master Plan.

Existing Conditions

Swamp Creek Park is located between NE 175th Street and the Sammamish River, near the heart of downtown Kenmore. Swamp Creek bisects the park into the central area of the park, between the creek and NE 175th Street, and a peninsula area between the creek and the Sammamish River (Exhibit B). The park is also the confluence of Swamp Creek with the Sammamish River. The park consists of a mixed deciduous and evergreen forest with a highly invasive understory of blackberries, knotweed, ivy and other invasive species commonly found in the area. The tree canopy is a combination of native and non-native species. Native species include Douglas Fir, Sitka Spruce, Western Red Cedar and Western Hemlock, along with Big Leaf Maple, Alder and other varieties. There are also a number of ornamental trees, like groves of American Walnut and Black Locust, as well as a remnant Blueberry patch. More than half of the site is covered in wetland areas.

Unimproved pedestrian access into the site also occurs at various locations along NE 175th Street. There is currently an unimproved pedestrian access to the east of Swamp Creek, just east of the existing bridge along NE 175th Street. There is currently no vehicular access into the site, but informal on-street parking is allowed along NE 175th Street.

Adjacent land uses include single and multi-family residences to the east, west and south of the site. Commercial properties dominate the area to the north, across NE 175th Street. The Burke Gilman Trail is also located parallel to the park between NE 175th Street and SR522.

Master Planning Process

The master planning process for Swamp Creek Park included a review of the existing site conditions with an informal evaluation of the potential wetland areas on the site. Potential grant funding sources were evaluated and the permitting process was reviewed to determine the opportunities and constraints of the site.

The city also conducted a public process that generally included two meetings with a Steering Committee and two Open Houses to obtain feedback from the general public. Participants at the Open Houses were also asked to suggest new names for the park to better distinguish this park from the city's Wallace Swamp Creek Park. The Steering Committee was comprised of city staff representing public works, operations and maintenance, and park interests. Representatives from the State Department of Fish & Wildlife and the Department of Ecology also participated, along with community interest groups like the Audubon Society, and individual neighbors.

The following outlines the general process used to develop the Swamp Creek Park Master Plan:

1. Meeting with Steering Committee to determine overall goals of the project and specific opportunities and constraints of the site (Exhibit C)
2. Development of Master Plan Options based on existing conditions, the previous conceptual plan and Steering Committee comments.
3. Public Open House to review the existing conditions and proposed Master Plan Options (Exhibit D).
4. Meeting with Steering Committee to review results of the Open House and propose a Preferred Master Plan (Exhibit E).
5. Public Open House to review the Preferred Master Plan (Exhibit F).
6. Develop a Recommended Master Plan to present to City Council based on Open House comments (Exhibit A).
7. Conduct SEPA process on Recommended Master Plan.
8. Develop Final Master Plan based on results of SEPA process.
9. Present Final Master Plan to City Council for adoption.

The Open Houses were attended by approximately 10 to 20 residents. Main topics of discussion during each Open House included how much access to the water should be allowed along Swamp Creek and Sammamish River, whether or not a creek crossing should be included in the plan, where entrances should be located along NE 175th Street, and where trails should be located. There was general agreement from most participants that the site should be restored and much of the area should be left natural, but a balance should occur between pedestrian access and educational opportunities with the protection of the

park's natural resources. The majority of the participants at both meetings felt that there should be a creek crossing and physical access to the water should be allowed, as well as visual access. Within water access areas, however, the design should be done in a way to help direct access and limit the disturbance along the shoreline to the area intended for access.

OPEN HOUSE #1 (Exhibit D)

During the first Open House, two design options for upland improvements were shown along with three different access and enhancement options. Upland improvements included a parking area, restroom, picnic shelter, informal play area and picnic areas. Access and enhancement options included trails, overlooks, water access, wetland restoration, wetland creation areas, upland habitat and shoreline restoration along Swamp Creek and the Sammamish River. Participants were asked to vote for which options they preferred.

The options for access and enhancement opportunities that received most votes kept access areas away from adjacent residents as much as possible, provided a creek crossing, and limited access on the peninsula to only the east end of the peninsula. Providing a creek crossing and access to the water were both rated as extremely or somewhat important by a majority of the participants.

For upland improvements, an overwhelming majority of participants at the Open House preferred the option that located improvements centrally between the two adjacent residential communities, and kept the disturbance to the site as minimal as possible. The circular parking lot (8 stalls) was preferred because

of its smaller footprint, and permeable surfacing was desired as much as possible. Within the upland improvement areas, parking and a restroom were the most important features to participants, followed by picnic areas, with a picnic shelter and informal play area the least important of the proposed improvements.

OPEN HOUSE #2 (Exhibit F)

Comments at the second Open House, where the Preferred Master Plan was presented, were generally centered around the potential impacts of the proposed improvements on immediately adjacent neighbors, while trying to determine the best balance between access to the site and preserving the integrity of the proposed natural systems. There was also considerable discussion on the different ways to allow pedestrian access to Swamp Creek and the Sammamish River without disturbing large areas of the shoreline. While alternate trail locations were discussed, the majority of participants were in support of the Preferred Master Plan as it was shown. The potential phasing options were also presented. The main comment on the phasing plan was that restoration and pedestrian access improvements on the peninsula should be divided into two phases to allow for greater flexibility in how, or when, that area is developed. One phase would begin at the entrance to the peninsula area on NE 175th Street and extend to the overlook and creek crossing area. The other phase would include the restoration of the remainder of the peninsula area.

Master Plan

The recommended master plan for Swamp Creek Park (Exhibit A) will restore the site's ecological function as the confluence of Swamp Creek with the Sammamish River, both salmon-bearing waters. The design includes significant improvements for off-channel rearing habitat, wetland and shoreline planting, in-creek features and upland habitat areas. Invasive species will be removed and restored with native vegetation to improve wildlife habitat and protect sensitive shoreline environments.

Wetland areas will be reconstructed and expanded, with an expected wetland buffer requirement of 150 feet from the edge of the wetland. Opportunity areas have also been identified to allow for wetland or shoreline mitigation needs from other city projects on this site. The shoreline environment will be re-graded to provide a gentler slope along the banks of Swamp Creek and the Sammamish River.

A trail system will weave in and around the restoration areas, connecting the park to adjacent neighborhoods and the Burke-Gilman Trail. The main trail will connect the east and west pedestrian entrances along NE 175th Street through the middle of the site, with overlook areas and points to access the water along the way. A second trail system would begin on the east side of Swamp Creek adjacent to NE 175th Street and connect to the peninsula area with another overlook and water access point. The two trail systems will be connected through a pedestrian bridge across Swamp Creek.

Upland park improvements will provide vehicular parking, pedestrian access, restrooms and picnic areas to support the restoration, education and passive recreation at the park. The upland improvements are located in the northwest corner of the park. An informal, natural play area may also be considered, blending into the surrounding environment.

Phasing

Site improvements at Swamp Creek Park have been divided into two categories – park amenities and restoration (Exhibit A).

PARK AMENITY PHASES

The overall strategy for implementing park amenities is to develop the trail system first, with upland improvements in the northwest corner generally to follow. Beginning with the main entrances to the park and moving toward the center, it is anticipated that many of the trails could be developed in close coordination with the restoration improvements, maximizing the value of the entire system.

The first priority for park amenity improvements, Phase A, will be to improve the entrances to the park with a small trailhead, generally including signage, a kiosk and/or other more defined gateway treatment. Phase A also includes the first small segment of trail from the entrance near the center of the park to the small overlook area. Phase B will expand the trail system from the entrances to the proposed water access points on Swamp Creek. Phase C will connect the first two phases with a boardwalk

through the wetland area in the middle of the site. Phase D provides a third park entrance east of Swamp Creek with trail access to the Sammamish River and a creek crossing to join the previously constructed trail sections.

Within the upland improvement area, providing for off-street parking and restrooms is the first priority, followed by picnic areas. A picnic shelter and an informal play area are expected to be the last phase of the proposed park amenity improvements.

RESTORATION PHASES

The overall strategy for restoration improvements at Swamp Creek Park is to begin in the upland areas of the site near the east and west entrances to the park, and continue towards the wetland area in the interior of the site. Phase 1 of the restoration improvements begins near the east entrance to the park and Phase 2 begins at the west entrance, continuing towards the center of the site. Phase 3 will begin at the third entrance to the park east of Swamp Creek and continue to the overlook and water access area, connecting to the creek crossing. Phase 4 includes the remainder of the peninsula area.

Restoration improvements are centered on the removal of invasive species that currently dominate the site and restoring habitat value to the variety of ecosystems in the park. Restoration elements would include the installation of small habitat features in upland buffer areas, such as brush piles, bird boxes and other similar features. Upland areas will be restored with native shrub and forested wetland/riparian plantings. Wetland restoration areas and areas where new wetlands are created would include major invasive plant removal and reestablishment of native plant

communities. Significant habitat features, such as snags and large woody debris would also be installed along the creek and river banks. The creation of small hummocks, or mounds, will create areas with more diverse scrub shrub and riparian forested habitat.

At the confluence of Swamp Creek and the Sammamish River, restoration activities would potentially lower the entire area by two to four feet and include the installation of significant large woody debris and habitat features throughout area. Hummocks and islands would be created, surrounded by semi-permanently flooded emergent marsh and scrub shrub habitats. The rest of the peninsula area would also be regraded with some areas potentially excavated by up to five feet.

The creation of off-channel rearing habitat could occur along Swamp Creek and Sammamish River, while habitat in the higher upland areas would be retained and enhanced. The shoreline along Swamp Creek and the Sammamish River would also be planted with significant trees and native understory vegetation to create a riparian forest component. Large woody debris would be installed along the creek corridor and the river bank. The shorelines would also be bioengineered to establish a more natural, gentle slope into the water.

Funding

It is anticipated that the park amenities will be constructed with a combination of city funding sources and potential recreation

grant opportunities, such as the Washington State Recreation and Conservation Office (RCO). Restoration activities will be funding almost exclusively through various grant resources and with a significant amount of volunteer effort. A matrix of potential grant resources is included as Exhibit G.

Estimated costs for construction, operations and maintenance of the park is included as Exhibit H. Construction of park amenities is estimated at approximately \$1.4 million, with \$500,000 for upland improvements in the northwest corner of the site and \$850,000 for proposed trail, overlook and water access improvements. Construction costs for the restoration improvements are estimated at \$11.9 million, with the cost of each phase between \$2 million and \$4 million. These costs are based on current 2010 estimated construction costs and do not include contingency or escalation.

Consideration also needs to be given to the operation and maintenance (O/M) costs associated with the proposed improvements. The long-term O/M cost for trails, overlooks and water access areas is approximately \$17,000 annually. Estimated long-term O/M costs for upland improvement areas in the northwest corner of the site is \$58,000 annually.

In restoration areas, O/M costs are generally higher after initial planting in order to control the recurrence of invasive vegetation while the native planting is trying to establish. This can take anywhere from three to five years. The estimated annual cost of O/M for the first one to five years after the construction of restoration areas is approximately \$227,000, or \$8,000 per acre. Once established, long-term O/M costs for restoration areas is

reduced to an as-needed basis only and can often be accomplished with volunteer organizations. However, on-going monitoring may still be required for up to five or ten years in restoration areas, often depending on the requirements for monitoring of restoration areas associated with any grant funding received or through the permit process.

Permitting

The City of Kenmore planning department provided a general overview of potential code requirements that may apply to Swamp Creek Park based on the proposed improvements. The analysis reviewed the proposed improvements against the Critical Area Rules in the Kenmore Zoning Code, the current and proposed Shoreline Master Program, and the Land Use Permit process. An exhaustive review of each of these documents was not conducted and additional requirements, permits or conditions may apply once permits are submitted for each phase of development. In general, the following conditions or requirements may apply to the proposed development of Swamp Creek Park based on current or proposed regulations as noted below:

Current Critical Area Rules (no changes proposed):

- Would need variance to put trails in wetland and creek/river buffers.
- Trails in wetland would require Reasonable Use Exemption (RUE) permit.

- Wildlife viewing structures and fishing access could be in buffer.
- Creek crossing likely allowable with critical areas report.
- May need habitat management plan.
- Need geotechnical report to address seismic hazard area.
- May be flood hazard requirements (anchoring, etc.).

Current Shoreline Master Program:

- No structure can exceed 35' in height.
- Parking facilities will require vegetation retention or planting.
- Sign size requirements apply.
- Conflict between Critical Areas rules and Shoreline rules with regard to trails and public access seems to allow the recreational facilities in the wetland and creek/river buffers if mitigation ensures critical areas protection.
- Shoreline Substantial Development Permit required.

Proposed Shoreline Master Program:

- Assessment of potential effects on channel migration required.
- Trails and recreation uses are permitted if water-oriented, passive and low-impact, all other recreational uses are prohibited.
- New public access improvements may be allowed within critical areas or buffers if impacts are mitigated and they are planned along with a habitat restoration project and it is demonstrated that the ecological functions of the overall system would be substantially improved.

Attachment #1

- Trails shall generally be located at least 50' from the Ordinary High Water Mark (OHWM), but may extend closer to the water if necessary to reduce impacts on critical areas or adjacent properties or to access a creek crossing, spur trails may be extended to the water's edge but such access areas should be limited.
- Shoreline Substantial Development Permit required.

Current Land Use Permit Process:

- Reasonable Use Exemption (RUE) permit needed for trails in wetlands.
- Shoreline Substantial Development permit needed.
- Critical areas report, mitigation report, habitat management plan, geotechnical report, flood hazard assessment needed.

Proposed Land Use Permit Process:

- Shoreline Substantial Development permit needed.
- Critical areas report, mitigation report, habitat management plan, geotechnical report, flood hazard assessment needed.

Conclusion

1. It is recommended that the Swamp Creek Master Plan be approved by City Council to move forward with a planning level SEPA process. Once SEPA is approved, the city will be in a position to obtain grant funding and begin development of the park.
2. A list of volunteers and volunteer organizations should be developed, along with a plan for organizing, directing and implementing volunteer projects at the site. The plan should include ways to notify volunteers and volunteer organizations of proposed events, equipment needs, supervisory roles and any liability limitations related to proposed volunteer efforts.
3. Continued use of volunteer assistance throughout each phase of development is recommended to continue the momentum of interest in improving habitat, access and passive recreation at the park.

Attachment #1

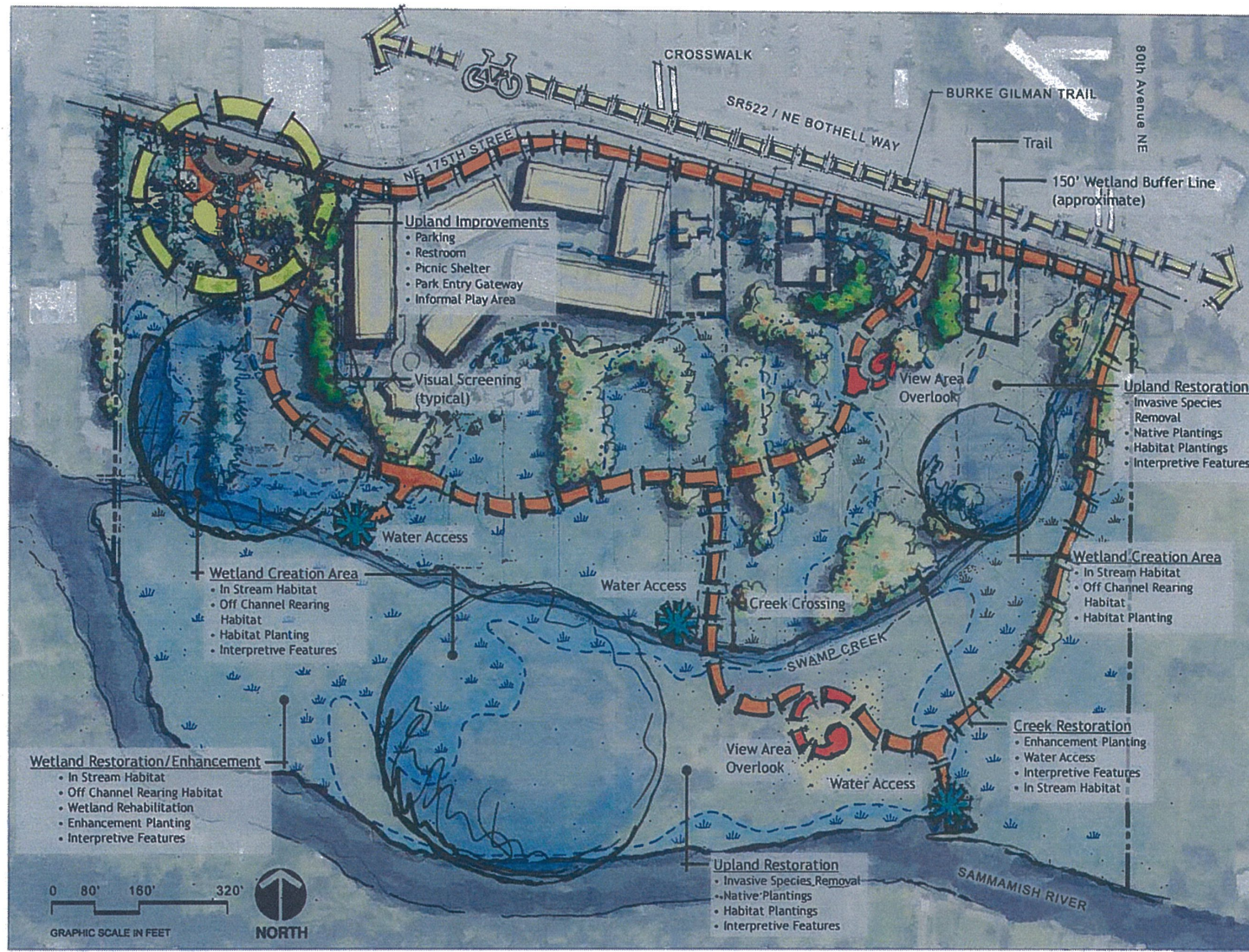


Exhibit A



HBB Landscape
Architecture
ESA Adolfsen

City of Kenmore
SWAMP CREEK PARK
RECOMMENDED MASTER PLAN
KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

SITE
PLAN

1



Exhibit A

KENMORE

HBB Landscape
Architecture

ESA Adolfsen

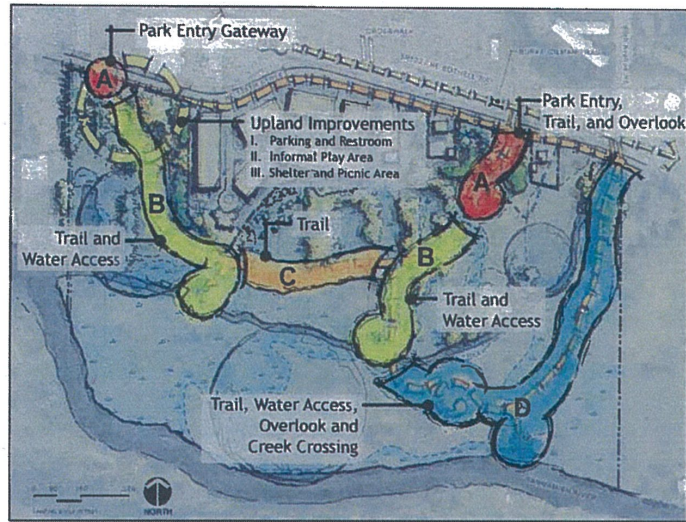
City of Kenmore
SWAMP CREEK PARK
RECOMMENDED MASTER PLAN
KENMORE, WASHINGTON

JANUARY 2010

UPLAND
IMPROVEMENTS
PLAN

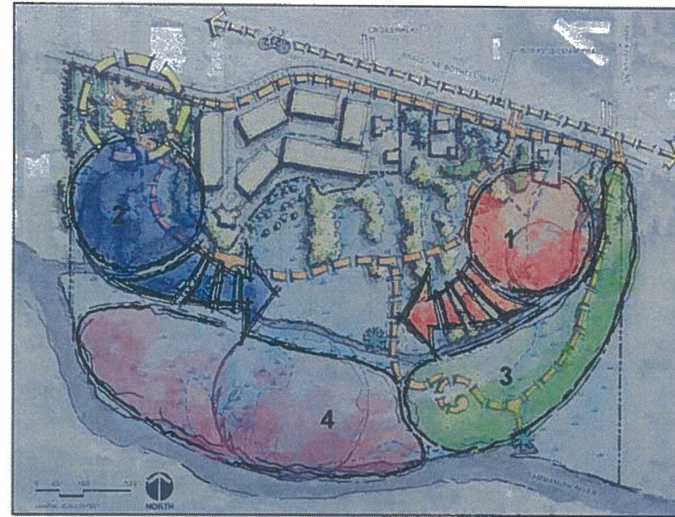
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Attachment #1



PARK AMENITY PHASING PLAN

The overall strategy for implementing park amenities at Swamp Creek Park is to develop the trail system first with upland improvements generally to follow. Beginning with the main entrances to the park and moving toward the center, it is anticipated that many of the trails could be developed in close coordination with the restoration improvements, maximizing the value of the entire system. The first priority for park amenity improvements will be to provide improved entrances to the park (Phase A). The second priority will be to provide trail access to Swamp Creek (Phase B). Phase C will connect the first two phases with a boardwalk over the wetland area. Phase D will build a third park entrance east of Swamp Creek with trail access to the Sammamish River and a creek crossing to join the previously constructed trail sections.



RESTORATION PHASING PLAN

The overall strategy for restoration improvements at Swamp Creek Park is to begin in the upland areas near the East and West entrances of the park and move toward the wetland area in the middle (Phases 1 and 2). Phase 3 will restore the peninsula between Swamp Creek and the Sammamish River up to the overlook and creek crossing. Phase 4 will restore the remainder of the peninsula. These phases would be implemented as grant funding allows.

Exhibit A



HBB Landscape
Architecture
ESA Adolffson

City of Kenmore
**SWAMP CREEK PARK
RECOMMENDED MASTER PLAN**
KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

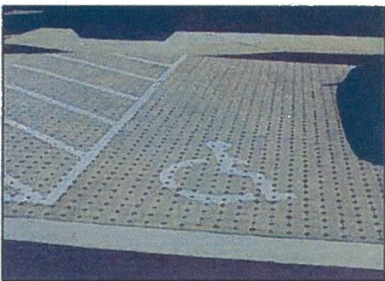
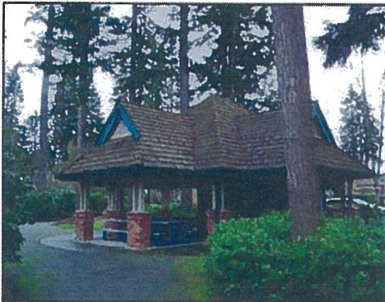
PHASING
PLANS

3

PARK ENTRY GATEWAY



RESTROOM, SHELTER & PARKING



INFORMAL PLAY AREA

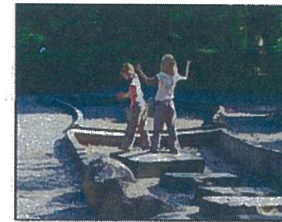


Exhibit A



HBB Landscape
Architecture

ESA Adolfsen

City of Kenmore **SWAMP CREEK PARK** RECOMMENDED MASTER PLAN KENMORE, WASHINGTON

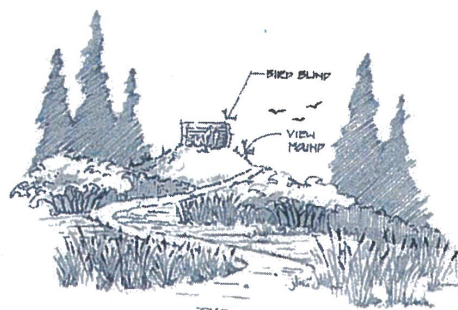
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JANUARY 2010

PHOTO
EXAMPLES

4

TRAIL & OVERLOOK



WATER ACCESS



WETLAND CREATION / RESTORATION

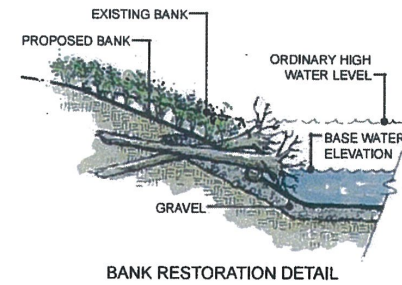
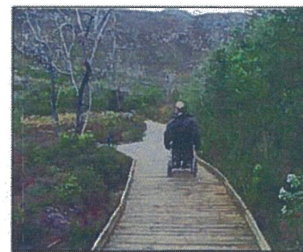
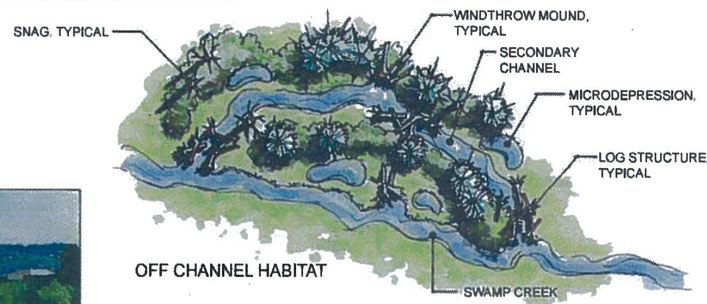
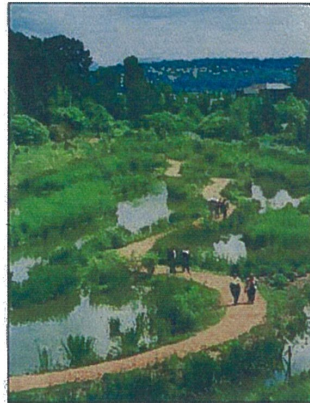


Exhibit A



HBB Landscape
Architecture
ESA Adolfsen

City of Kenmore
SWAMP CREEK PARK
RECOMMENDED MASTER PLAN
KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

PHOTO
EXAMPLES

5



City of Kenmore
SWAMP CREEK PARK
RECOMMENDED MASTER PLAN
KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

EXISTING
SITE
PHOTOS

6



Exhibit A



HBB Landscape
Architecture

ESAAdolfson

City of Kenmore
SWAMP CREEK PARK
RECOMMENDED MASTER PLAN
KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

EXISTING
SITE
PHOTOS

7

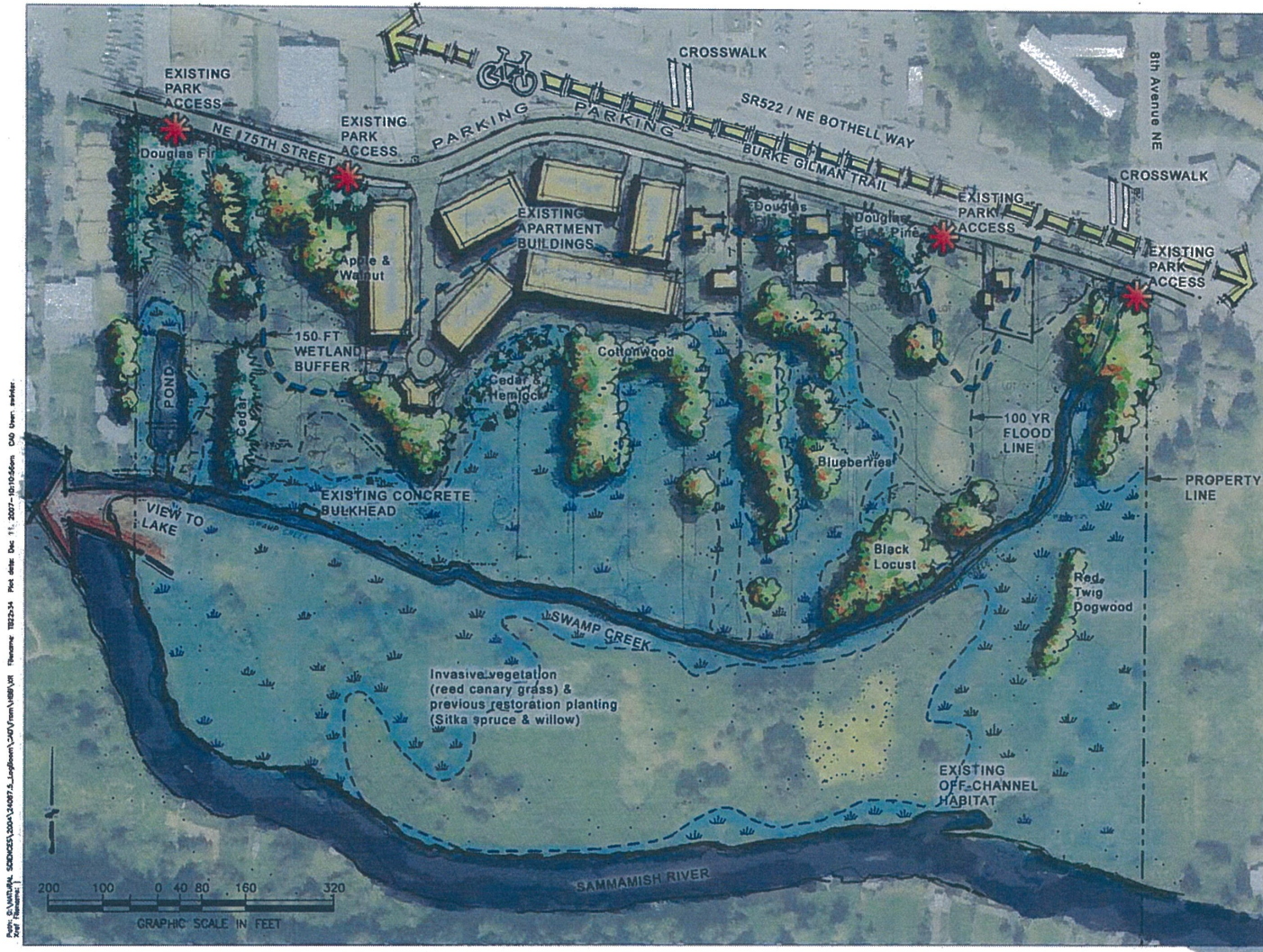


Exhibit B



HBB Landscape
Architecture

ESA Adolfsen

City of Kenmore
SWAMP CREEK PARK
RECOMMENDED MASTER PLAN

KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

SITE
ANALYSIS

SWAMP CREEK PARK MASTER PLAN

Steering Committee #1 – Meeting Notes

Date October 15, 2009

Date of Meeting October 7, 2009

Location Kenmore City Hall

Attendees

Juliet Vong, Jim Howard - HBB

Benn Burke – ESA Adolfsen

Bill Evans, Debbie Bent, Nancy Ousuey – City of Kenmore

Ron Loewen, Jennifer Gordon, Frederick Stouder – City of Kenmore

Jim Mattila, Gary Ulrich, Eric Adman - Citizen

Ginger Holser - WDFW

Stephen Stanley – Dept. of Ecology

Neil Zimmerman – Seattle Audubon

Items Discussed

The purpose of this design charrette meeting was to gather additional background information and identify opportunities for future development of the site. The following items were discussed.

GENERAL COMMENTS

1. City may consider a community-based contest to give the park a new name.
2. The Washington Water Trail Association has identified the Sammamish River as a designated water trail.
3. The city was awarded a \$100,000 King Conservation District grant for stream enhancement within the park.
4. Swamp Creek has overflowed its banks approximately 3 times in 20 years, generally cutting a direct channel south to the river through the peninsula.
5. Look at historic photos of the Sammamish River valley for the historic character of the site when considering restoration efforts. Site was originally under Lake Washington prior to construction of the locks.

SOUTH PENINSULA COMMENTS

6. Most comments favored low-impact trails and public access. Some concerns were raised that trails would impact habitat and off-leash dogs can create problems. Need to make sure habitat goals and trails are compatible.
7. The northeast section of Swamp Creek from the SR-522 Bridge to the stream bend has the best fish-spawning habitat. May want to limit access to this section of the stream.
8. Ideal habitat should have a level of complexity and diversity. Possible enhancements include scrub/shrub vegetation (Dogwood, Willow, Cottonwoods), upland (conifer trees), off channel habitat for fish, bird habitat, woody debris, reducing slope of stream banks, shade water, ponds with year round water, etc. Bellevue's Kelsey Creek Park is a good example of a similar ideal habitat.
9. Kirkland's Juanita Bay Park provides good public access with wetland boardwalks.

Exhibit C

10. Currently the southeast corner of the park has the lowest ecological function. Direct the overlook and trail access to this area of the Peninsula.
11. Look for park expansion opportunities to the east. (Conservation Easement, City ROW, etc.)
12. Avoid trails directly adjacent to shoreline as much as possible to minimize impacts.
13. Gathering spaces for groups should be included.
14. Concerns raised that canoes/kayak access points may be used by motorized boats and/or jet skis. Access to shoreline can be limited by careful grading of stream banks and placement of woody debris to block access by larger boats. May want water access points to be near overlooks to increase visual surveillance.
15. Limit the number of bridges crossing the creek and avoid crossing to the west where greater habitat value and restoration efforts are focused.

CENTER AREA

16. The adjacent Trail Walk Condominiums have views overlooking the park. The 1997 master plan showed a loop trail hugging close to Trail Walk property line. May also consider a boardwalk located further south within the wetland area to increase the buffer between the condominiums and trail.
17. A Metro sewer line crosses the park site. Pipe depths need to be confirmed.

UPLAND AREA

18. May want to consider parking (5-10 spaces), picnic tables, shelter building, and restroom. Not a high priority, add only if needed after the other improvements to the park are completed. Upland parking, buildings, etc. would need RCO review and approval.
19. Park is not an active park. Play equipment is not appropriate. However, a natural play development (climbing rock, balance log, etc.) could be considered.
20. Bike racks should be located near the park entry for Burke Gilman trail users.
21. Identification marker or gateway may be considered. City park signs should be located near 195th Street.
22. Existing understory vegetation adjacent to 195th Street should be cleared and grubbed to open views into the park and increase safety and security.

Action Items	By Whom	Date Due
Prepare master plan presentation graphics for public open house.	HBB	November

We believe the above record to be an accurate summary of decisions and related discussions. We would appreciate notification of exceptions to this record within ten (10) days of its receipt. Failing such notification, we will consider this a statement of fact with which you concur.

Copy to : Bill Evans – City of Kenmore; Benn Burke – ESA Adolfsen; File

Signed: Juliet Vong, ASLA LEED AP

Attachment #1

Page 154 of 301

Comment Summary SWAMP CREEK PARK MASTER PLAN

OPEN HOUSE #1 | 18 November 2009

STATION 1: Access & Enhancement

1. Which option do you like best?
 - a. Option A : 3
 - More open space – larger & undisturbed area.
 - Minus the restroom & parking lot.
 - b. Option B : 6
 - Keeps a large chunk of area undeveloped. Bridge will provide figure eight loop and views of the stream itself.
 - Habitat restoration is very important but trail view and enjoyment would be more valuable. Add the handicap water access.
 - Option B with water access near park development like the creek crossing with opportunities for bigger wetland. Definitely like options for viewpoints.
 - c. Option C : 6
 - Keep everything together with Option 1 (from question #6) for upland development.
 - But without connection between center and lower trail.
 - Water access close to parking. Access to both sides of swamp creek set back from the trail/walk.
 - Most interesting trails and separate viewing area from water access area.
 - Provides full controlled access, peninsula is quiet area, crossing location less disturbing.

2. Which option do you like the least?
 - a. Option A : 10
 - At this point, this might be good for beginning development – with the possibility of planning for future development in conjunction with more money and future help.
 - Prefer a plan which minimizes pathways to help preserve habitat.
 - To close to house.
 - Access only to north side with access to slough.
 - Like trail further from condos.
 - Least trails and water access.
 - Doesn't allow access to peninsula.

Attachment #1

Page 155 of 301

Comment Summary SWAMP CREEK PARK MASTER PLAN

OPEN HOUSE #1 | 18 November 2009

- b. Option B : 1
 - Prefer a plan which minimizes pathways to help preserve habitat.
 - c. Option C : 4
 - Too intrusive – break up open space.
 - Too much disturbance.
3. How important is it to provide a pedestrian bridge across Swamp Creek to maximize the trail network as shown in Options B and C?
- a. 1 – not important : 5
 - b. 2 – somewhat important : 3
 - c. 3 – extremely important : 7
4. How important is it to provide water access as shown on Options A, B and C?
- a. 1 – not important : 4
 - b. 2 – somewhat important : 6
 - c. 3 – extremely important : 5
5. Would you be willing to volunteer to help with clean-up or restoration planting efforts?
- a. Yes : 9

Attachment #1

STATION 2: Upland Improvements

6. Which option do you like the best?
- a. Option 1 : 12
 - Seems more centralized. Needs a bathroom.
 - Less is better.

Page 156 of 301

Comment Summary SWAMP CREEK PARK MASTER PLAN

OPEN HOUSE #1 | 18 November 2009

- Would like to see the more distant overlook face toward the Beaver dam and salmon stream, rather than away. Good, but no picnic areas away from the center. 2 water accesses (2 types) away from the condo complex allows for multiple relaxation sites and access to the whole park.
 - Minimizes structures. Prefer to double up surface access for drive/walk.
 - Improvements central, not next to one of the neighbors.
 - Development away from neighbors – parking lot looks smaller foot print.
 - Like all if it but also like porous parking surface in #2 and longer trail in #2.
- b. Option 2 : 1

7. Which option do you like the least?

- a. Option 1 : 1
- If a restroom/locate East of trail walk to be visible from bike trail.
- b. Option 2 : 10
- Too much.
 - Too much noise and viewing too close to condos. Option A (too close condo's and not much access to full park)
 - Prefer to double up surface access for drive/walk.
 - Too close to building A.
 - Closer to condos.
 - To busy, too much shelters, tables and separate structures.

8. Please rate the importance of including the following design elements as shown in Options 1 & 2.

	<u>Not</u> <u>Important</u>	<u>Somewhat</u> <u>Important</u>	<u>Extremely</u> <u>Important</u>
a. Parking	1	7	6
b. Restroom	2	5	7
c. Picnic Shelter	4	7	2
d. Picnic Tables	4	6	3
e. Informal Play Area	4	9	1

Comment Summary SWAMP CREEK PARK MASTER PLAN

OPEN HOUSE #1 | 18 November 2009

9. The city would like to rename the park. What suggestions do you have for a new park name?

- a. Sammamish Valley Park
- b. Animal/Native American
- c. Heron Habitat Trails Park
- d. Will think about it!
- e. Blue Heron Sanctuary
- f. Blueberry Grove Park
- g. Sammamish River Refuge
- h. Green Toe Trail
- i. Blueberry Park
- j. Sammamish Wetlands
- k. Something with Sammamish River in name
- l. Confluence Park

Attachment #1

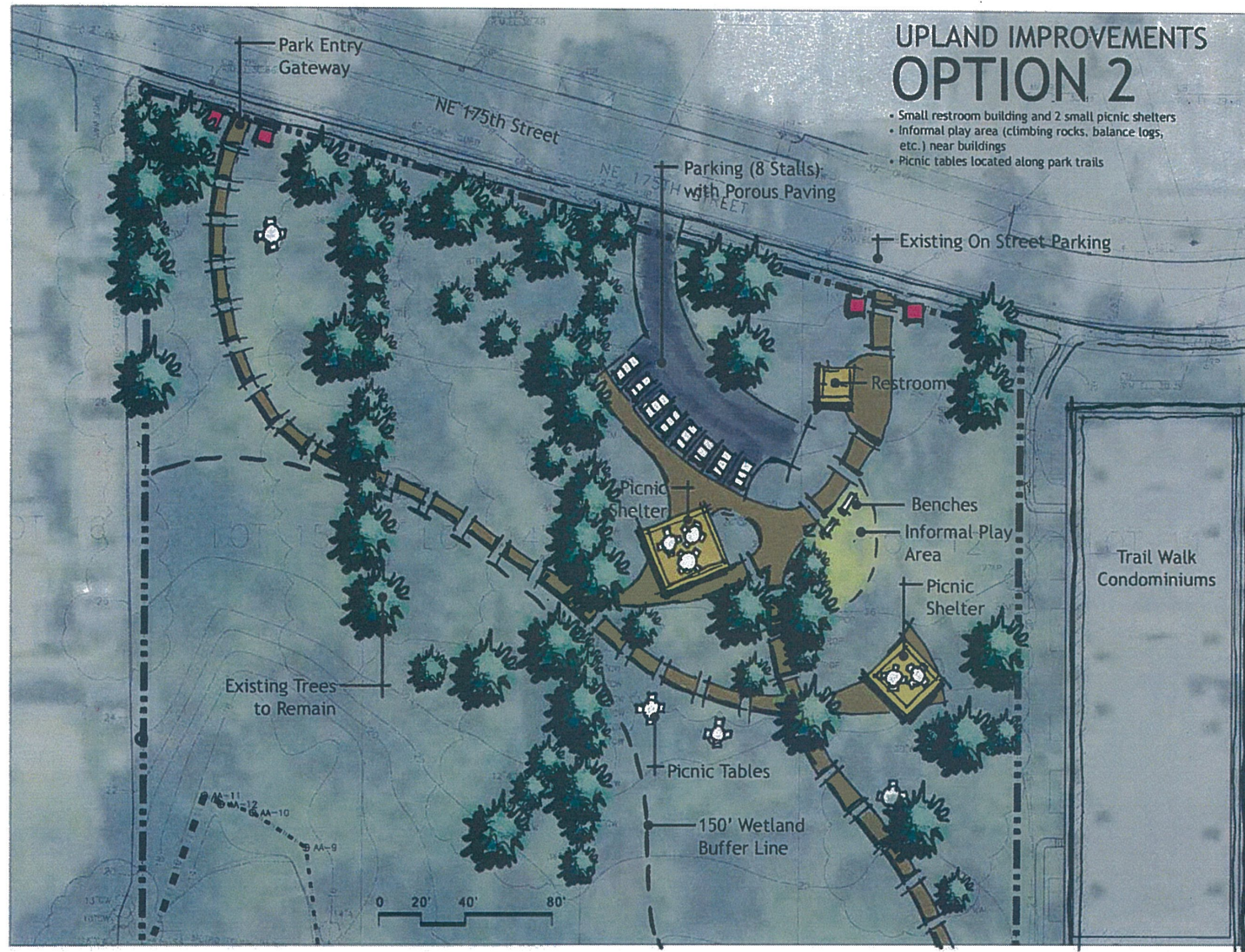


**SWAMP CREEK
PARK
MASTER PLAN**
CITY OF KENMORE
KENMORE, WASHINGTON

Attachment #1

Sheet Title
OPTION 1

Exhibit

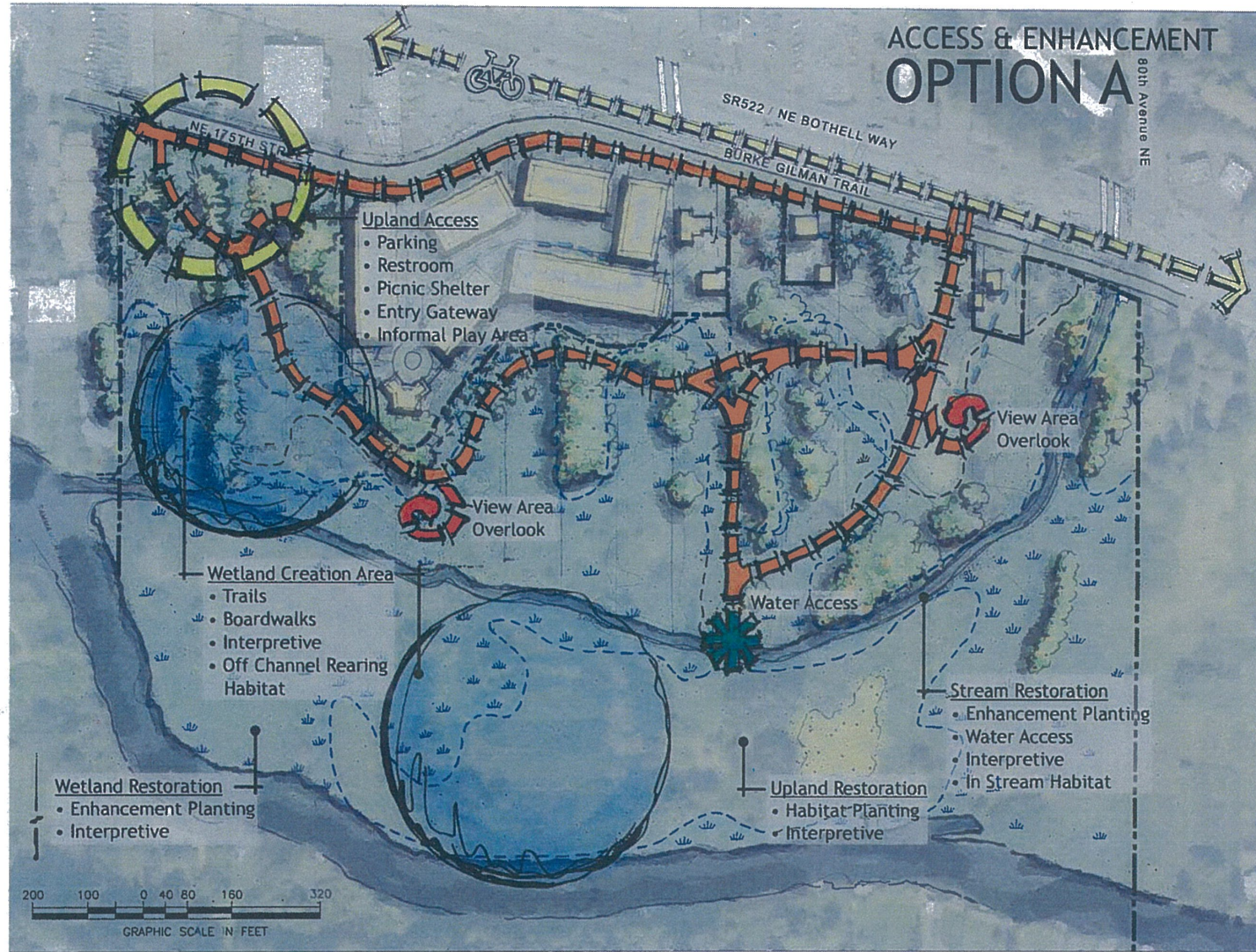


**SWAMP CREEK
PARK
MASTER PLAN**
CITY OF KENMORE
KENMORE, WASHINGTON

Sheet Title
OPTION 2

Exhibit

Attachment #1



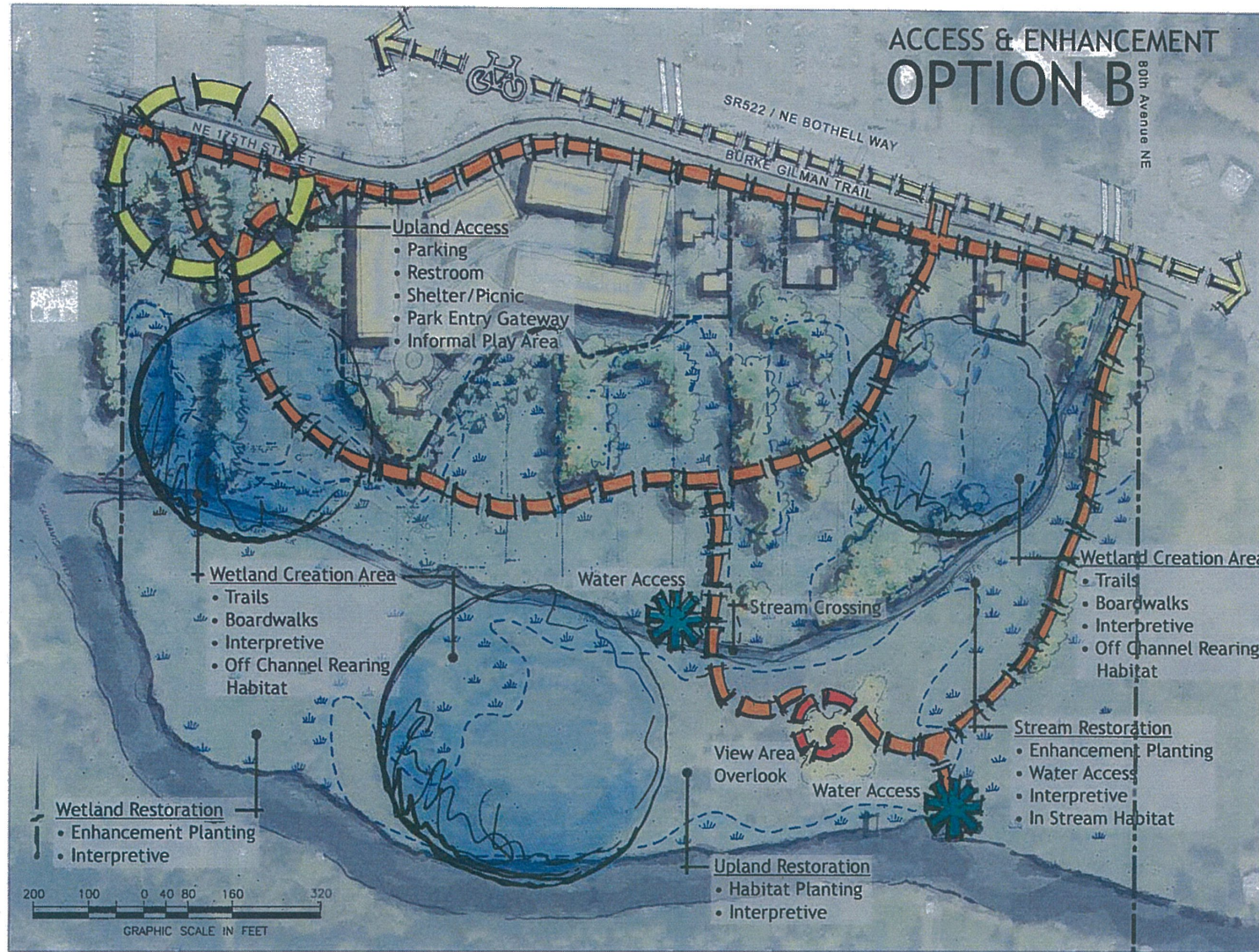
**SWAMP CREEK
PARK
MASTER PLAN**

CITY OF KENMORE
KENMORE, WASHINGTON

Attachment #1

Sheet Title
OPTION A

Exhibit



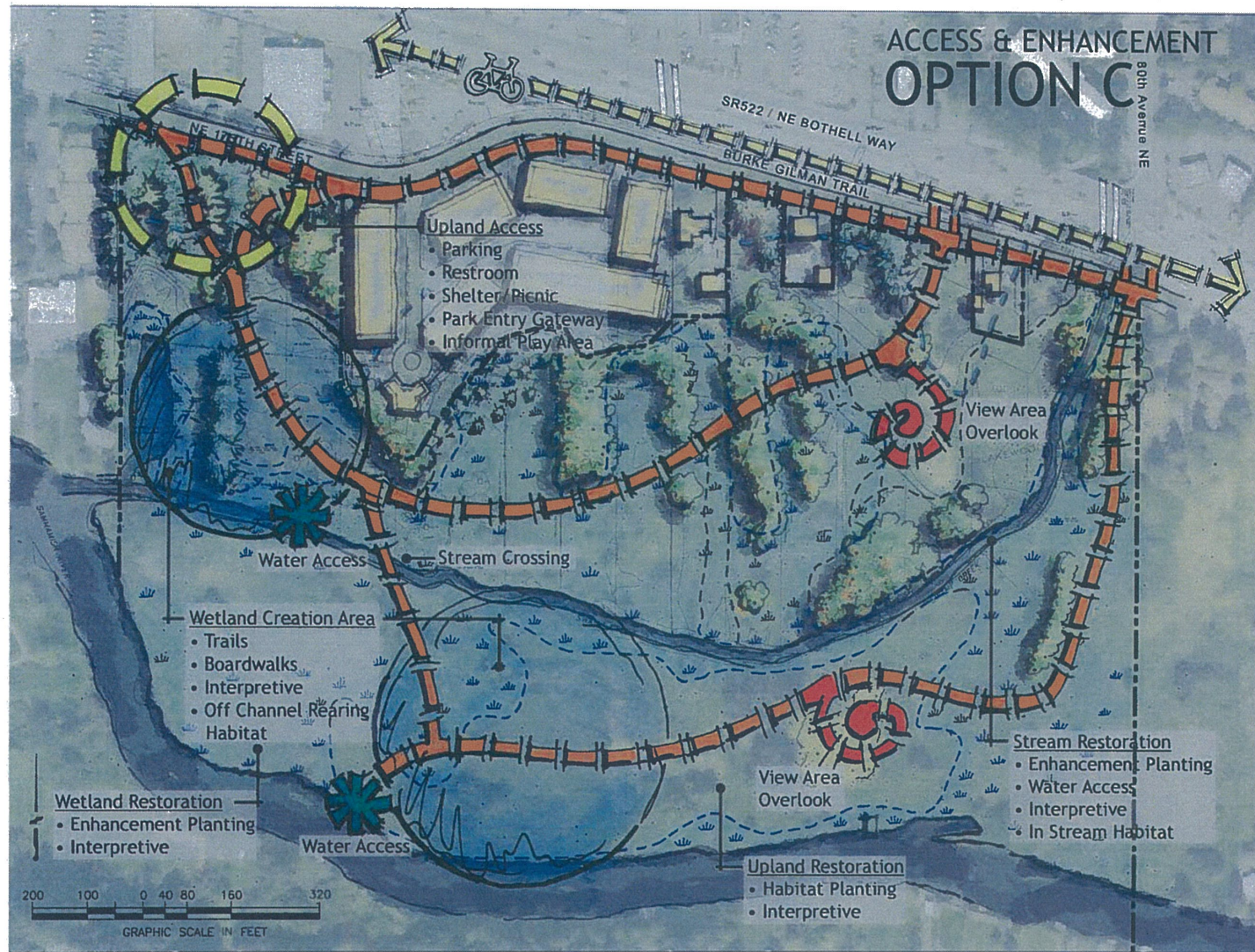
**SWAMP CREEK
PARK
MASTER PLAN**

CITY OF KENMORE
KENMORE, WASHINGTON

Attachment #1

Sheet Title
OPTION B

Exhibit



**SWAMP CREEK
PARK
MASTER PLAN**

CITY OF KENMORE
KENMORE, WASHINGTON

Attachment #1

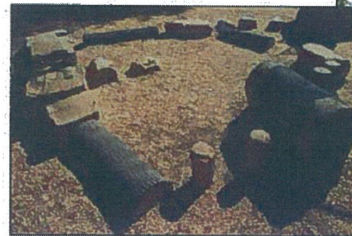
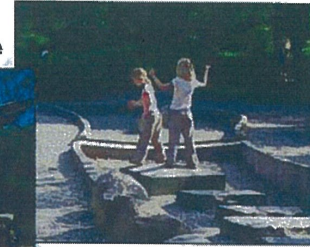
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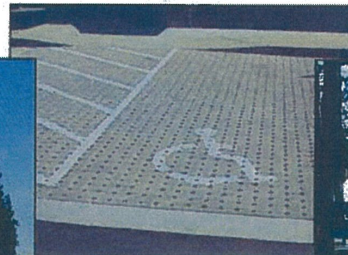
PARK/ENTRY GATEWAY



INFORMAL PLAY AREA



RESTROOM & PARKING



(POROUS PAVING)



(COMBINED RESTROOM & PICNIC SHELTER)

Exhibit D



SWAMP CREEK
PARK:
MASTER PLAN

CITY OF KENMORE
KENMORE, WASHINGTON

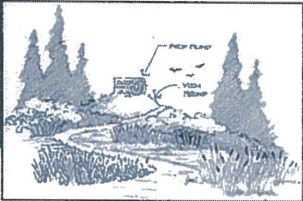
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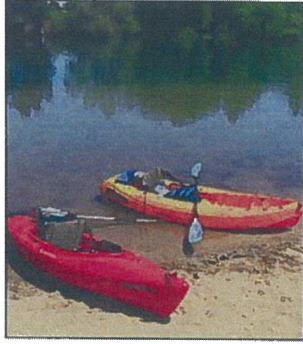
UPLAND
IMPROVEMENTS

Exhibit

TRAIL & OVERLOOK

WATER ACCESS



RESTORATION



WETLAND CREATION



Exhibit D



**SWAMP CREEK PARK:
MASTER PLAN**

CITY OF KENMORE
KENMORE, WASHINGTON

Attachment #1

Sheet Title

ACCESS & ENHANCEMENT

Exhibit

SWAMP CREEK PARK MASTER PLAN

Steering Committee #2 – Meeting Notes

Date 12 January 2010

Date of Meeting 6 January 2010

Location Kenmore City Hall

Attendees

Juliet Vong – HBB

Benn Burke – ESA Adolfson

Bill Evans – City of Kenmore

Gary Ulrich – City Resident

Ginger Holser – WDFW

Ron Loewen – City of Kenmore

Jennifer Gordon – City of Kenmore

Items Discussed

1. Interpretive opportunities could include the history (old fish wheel, photos, etc.), Audubon information/programs, restoration information, fish, etc.
2. Larger restroom structure with the shelter may allow for small indoor interpretive area if staffed by volunteers, like the Audubon Society does in other locations.
3. Boardwalks would likely be built a bit off the ground to help discourage people from going off the designated trail, other design features can also be used to help direct or discourage access.
4. Concern from people in the adjacent condos to have unrestricted access to the park from their property, may undermine some restoration activities.
5. Restoration priorities:
 - Upland areas through grant programs, beginning with area proposed for current grant;
 - Invasive removal (knotweed and ivy control easiest to tackle first, especially with volunteers);
 - Mitigation needed through other city projects.
6. Park priorities:
 - Trails and interpretive features;
 - Parking and restroom;
 - Informal play area;
 - Shelter and picnic areas.
7. Would like to see cost by phase with operations and maintenance costs and permitting strategies included.
8. Plan and photo boards good with minor revisions:
 - Different water access photo preferred to better resemble what the access point at Swamp Creek Park might look like;
 - ESA Adolfson to provide sketch for what the shoreline restoration might look like;
 - ESA Adolfson also has another photos of restoration to add to the photo boards;
 - Need phasing diagram and costs for public meeting.
9. Comment form for next open house should just be open for comments rather than ask specific questions.

We believe the above record to be an accurate summary of decisions and related discussions. We would appreciate notification of exceptions to this record within ten (10) days of its receipt. Failing such notification, we will consider this a statement of fact with which you concur.

Copy to Bill Evans, Benn Burke and file

Signed JULIET VONG, ASLA, LEED AP

Comment Summary SWAMP CREEK PARK MASTER PLAN

OPEN HOUSE #2 | 21 January 2009

1. Do you have any comments on the **preferred master plan**?

- Keep trail further away from homes
- Eliminate loop through wetland and make a giant perimeter trail
- Too much human presence through wetland, simple trails only
- Don't waste money on grand plans that won't be developed.
- I like it
- Buffer upland improvements from NE 175th Street more
- Buffer overlooks from residences

2. Do you have any comments on the **phasing plan**?

- Don't like trail and overlook near my home
- First do north loop trail with wetland restoration
Next Install east trail to river w/ hand launch
Then maintain on a regular schedule
Install bridge over creek
Install parking and bathrooms last
- Seems logical
- Split Phase 3 into two phases so can access the river sooner

3. Do you have any suggestions for a **new park name**?

- Crawdaddy Park
- Blue Heron Park
- Heron Open Space
- Heron Wetlands

Attachment #1

Page 167 of 301

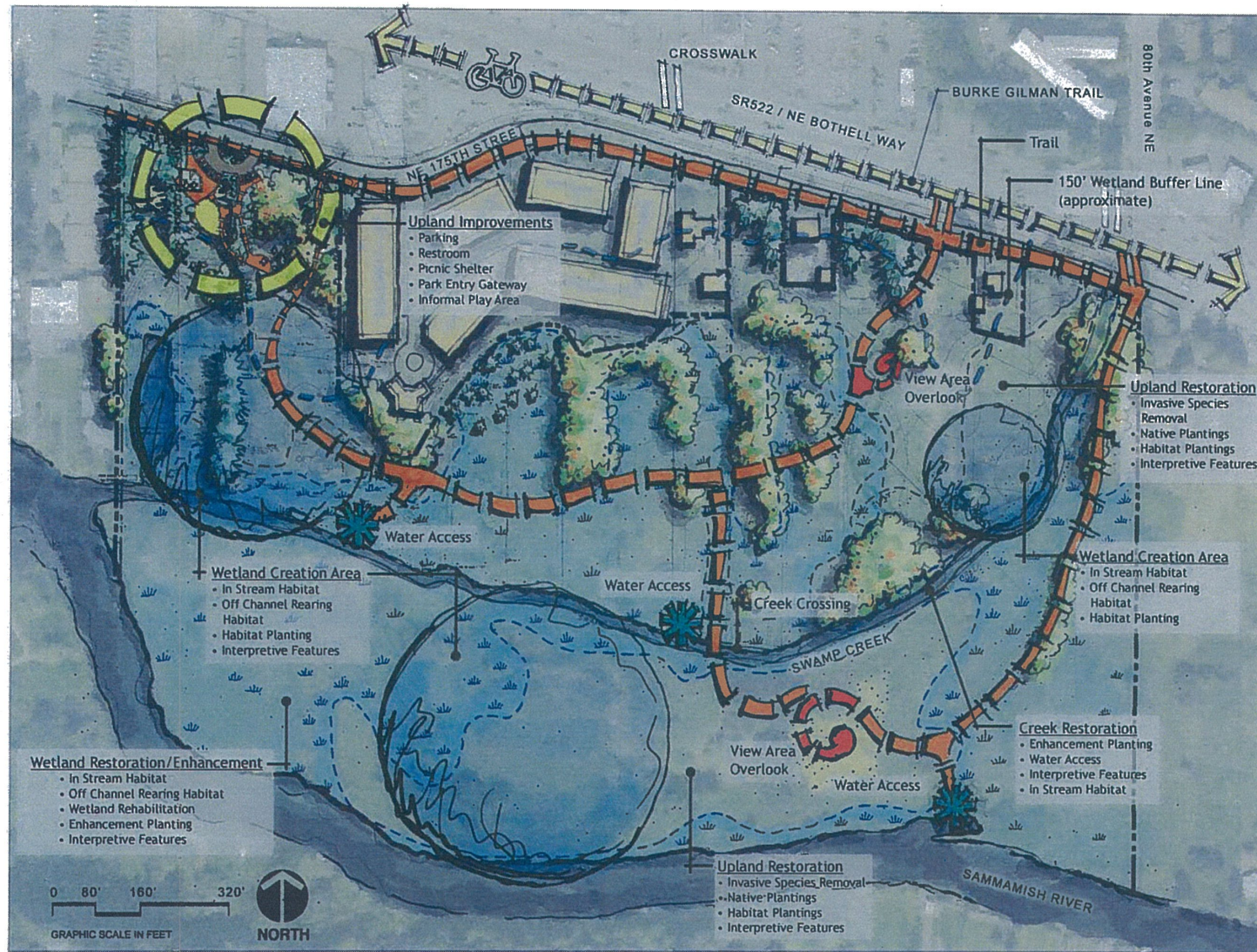


Exhibit F



HBB Landscape
Architecture
ESA Adolfsen

City of Kenmore
SWAMP CREEK PARK
PREFERRED MASTER PLAN
KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

SITE
PLAN

1



Exhibit F



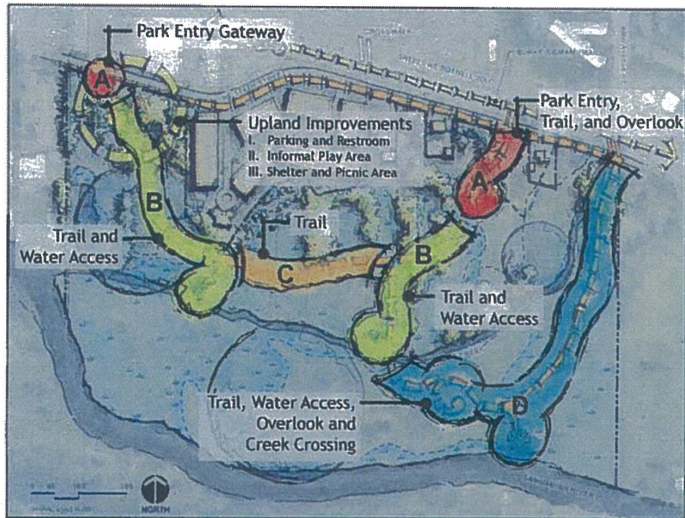
HBB Landscape
Architecture
ESA Adolfsen

City of Kenmore
SWAMP CREEK PARK
PREFERRED MASTER PLAN
KENMORE, WASHINGTON

Attachment #1

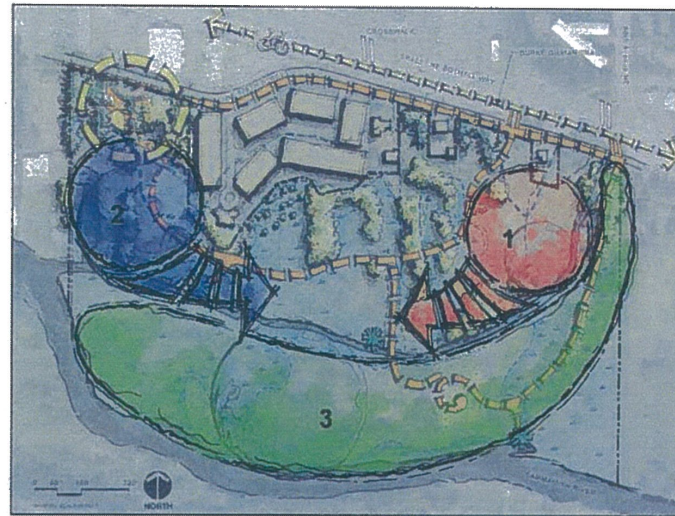
JANUARY 2010
UPLAND
IMPROVEMENTS
PLAN

2



PARK AMENITY PHASING PLAN

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RESTORATION PHASING PLAN

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Exhibit F



HBB Landscape
Architecture

ESA Adolfsen

City of Kenmore SWAMP CREEK PARK PREFERRED MASTER PLAN KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

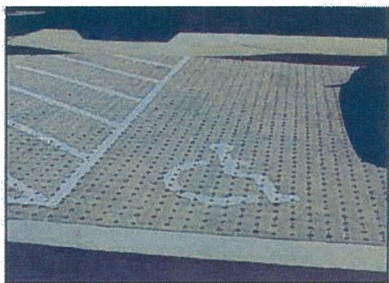
PHASING
PLANS

3

PARK ENTRY GATEWAY



RESTROOM, SHELTER & PARKING



INFORMAL PLAY AREA

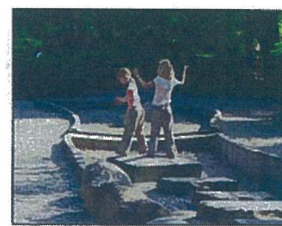
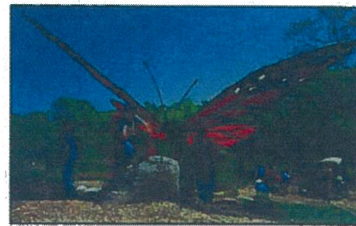


Exhibit F



HBB Landscape
Architecture

ESA Adolffson

City of Kenmore SWAMP CREEK PARK PREFERRED MASTER PLAN KENMORE, WASHINGTON

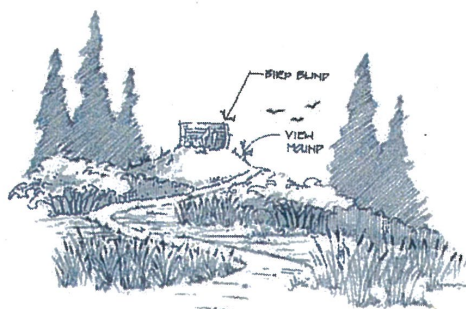
Attachment #1

JANUARY 2010

PHOTO
EXAMPLES

4

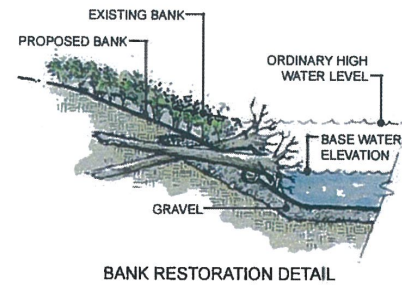
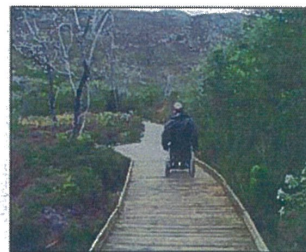
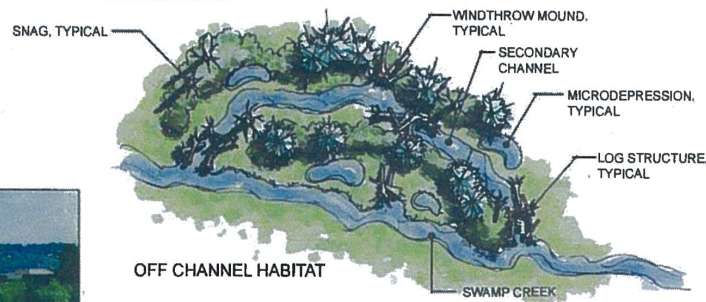
TRAIL & OVERLOOK



WATER ACCESS



WETLAND CREATION / RESTORATION



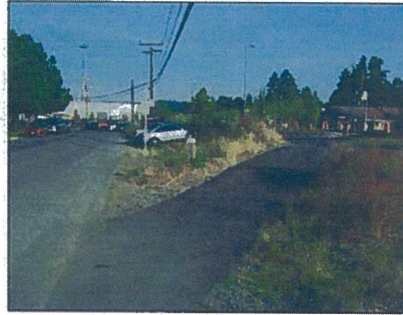
City of Kenmore
SWAMP CREEK PARK
PREFERRED MASTER PLAN
KENMORE, WASHINGTON

JANUARY 2010

PHOTO
EXAMPLES

5

Attachment #1



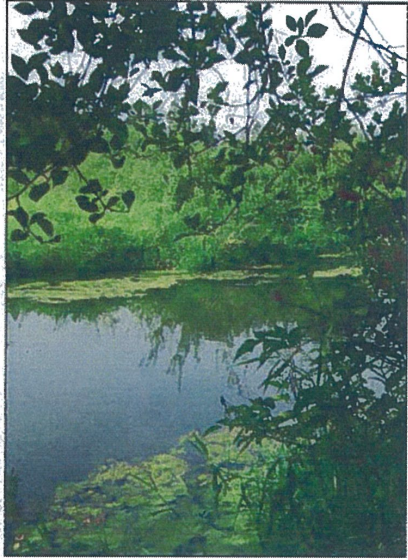
City of Kenmore
SWAMP CREEK PARK
PREFERRED MASTER PLAN
KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

EXISTING
SITE
PHOTOS

6



City of Kenmore
SWAMP CREEK PARK
PREFERRED MASTER PLAN
KENMORE, WASHINGTON

Attachment #1

JANUARY 2010

EXISTING
SITE
PHOTOS

7

Exhibit G

GRANT OPPORTUNITY MATRIX

Grant Program	Review Agency	Eligible Projects	Min	Max	Match	Limitations	Comment
Washington Wildlife and Recreation Program (WWRP)							
Land and Water Conservation Fund *	RCO	acquisition and/or development of public outdoor recreation areas	\$25,000.00	\$500,000.00	50%	Public Entities Only, Deed restrictions apply	Swamp Creek Park projects likely eligible.
Recreational Trails Program	RCO	development of nature trails	\$5,000.00	\$75,000.00	up to 20%, may be in kind and/or non-cash	Public Entities, subject to future federal transportation authorizations.	Intended more for back country trails, but also involves development of nature trails. Several project elements appear consistent, particularly money for educational component (\$10K limit on educational grants).
Community Salmon Fund	NFWF/KCO	Salmon habitat enhancement work sponsored by or involving community groups.	none	varies annually, usually \$50 to \$75K	up to 20%, may be in kind and/or non-cash	Must be sponsored by or directly involve community groups.	City obtained this grant for Wildlife Shores. Several Project elements could be eligible for these moneys.
Salmon Recovery Fund	RCO	Salmon and salmon habitat enhancement projects	none stated	varies annually, usually \$2+ Million	up to 15%, may be in kind and/or non-cash	Public Entities, project must be identified and coordinated in WRIA Plan	Swamp Creek Park is identified as a "core" enhancement site in the WRIA plan.
Section 206 of the Water Resources Development Act of 1996	Corps of Engineers	Wide range of actions intended on restoring, improving, or protecting aquatic habitat for plants, fish and wildlife.	none stated	\$100K - Planning	Cost sharing with local partner, up to 50%	Must have non-federal sponsor	Not a lot of money for this program over the past decade, but improving.
			none stated	\$5M Implementation	Cost sharing with local partner, up to 35%	Corps selects, plans, and designs projects	A lot of control is lost to the Corps, but usually only way to do large projects that otherwise involve Corps - levees, large wetlands, dredging for restoration, etc.
Section 1135 CAP	Corps of Engineers	Same as 206, but must be assorted with a federal project (like Lake Washington)	none stated	\$100K - Planning	Cost sharing with local partner, up to 50%		See Section 206 comments above.
			none stated	\$5M Implementation	Cost sharing with local partner, up to 25%		
King Conservation District grant funds	King County	Salmon and habitat improvement projects					
Waterworks	King County		none stated	varies annually, usually \$50 to \$75K	usually up to 30%	Must be in King County Metro Service Area, public entities	More for water quality type projects, but does fund wetland and stream projects with water quality nexus.
Wild Places in Urban Spaces	King County	Urban wildlife habitat, reforestation	none stated	\$10,000.00	none stated	Incorporated areas in King County, community groups	Also has a non competitive grant program. Not for use by City, but citizen-lead projects in park would be good match.

Exhibit H

Swamp Creek Park Master Plan

City of Kenmore

Date: February 4, 2010

SUMMARY OF ESTIMATED COST**Restoration Improvements - Construction**

Phase 1: Fringe Wetland and Buffer Enhancement	\$	1,673,116.20
Phase 2: Wetland Enhancement Areas	\$	2,437,969.32
Phase 3: Riparian Forest/Wetland-Upland Habitat Enhancement	\$	4,500,682.58
Phase 4: Channel Confluence/Wetland Rehabilitation	\$	3,329,501.24
Subtotal Restoration Improvements Construction	\$	11,941,269.34

Park Amenities - Construction

Phase A: Pedestrian Access (Entrances, Trail & Overlook)	\$	52,924.31
Phase B: Pedestrian Access (Connections to Creek)	\$	337,929.26
Phase C: Pedestrian Access (Central Wetland Boardwalk)	\$	163,514.16
Phase D: Pedestrian Access (Peninsula Area)	\$	295,006.80
Upland Improvements	\$	508,877.51
Subtotal Park Amenities Construction	\$	1,358,252.04

Total Park Construction Cost *	\$	13,299,521.37
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*** NOTES:**

1. Costs represent 2010 construction costs and are based on the final Swamp Creek Park Master Plan, dated February 2010. Information contained in the Master Plan is conceptual in nature and costs will vary as more specific site information, and installation is completed. As such, a contingency of 10% - 20% is recommended until more detailed information is available. This contingency has not been included in the estimated operations and maintenance costs below. An escalation factor of approximately 3% per year should also be added to the costs below once implementation is scheduled.

Attachment #1

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Exhibit H

RESTORATION AREA CONSTRUCTION - Phasing Costs

Item	Quantities	Unit Cost	Item Total
Phase 1			
1. Fringe Wetland and Buffer Enhancement <i>Invasive weed control; installation of small habitat features in buffer (brush piles, bird boxes, etc.); revegetation with shrub and forested wetland/riparian plantings.</i>	350,000 s.f	\$ 4.00 /s.f	\$ 1,400,000.00
		Subtotal	\$ 1,400,000.00
Mobilization (2%)			\$ 28,000.00
		Subtotal	\$ 1,428,000.00
Sales Tax (9.5%)			\$ 135,660.00
Phase 1 Base Bid Total			\$ 1,563,660.00
Design Fees (5%)			\$ 78,183.00
Administration/Permit Fees (2%)			\$ 31,273.20
Phase 1 Total Project Cost			\$ 1,673,116.20
Phase 2			
2. Wetland Enhancement Areas (Wetland Creation Area) <i>Minor excavation, primarily for invasive plant control; installation of significant habitat features and large woody debris along stream banks; creation of some small hummocks to create areas with more diverse scrub shrub and riparian forested areas.</i>	340,000 s.f	\$ 6.00 /s.f	\$ 2,040,000.00
		Subtotal	\$ 2,040,000.00
Mobilization (2%)			\$ 40,800.00
		Subtotal	\$ 2,080,800.00
Sales Tax (9.5%)			\$ 197,676.00
Phase 2 Base Bid Total			\$ 2,278,476.00
Design Fees (5%)			\$ 113,923.80
Administration/Permit Fees (2%)			\$ 45,569.52
Phase 2 Total Project Cost			\$ 2,437,969.32
Phase 3			
3. Riparian Forest/Wetland-Upland Habitat Enhancement (Upland Restoration) <i>Excavation varies from 0-5 feet; creation of off channel rearing habitat along both Swamp Creek and Sammamish River; retention of some higher upland areas for planting of significant trees and understorey to create a riparian forest component; installation of significant large woody debris, primarily along stream and river banks.</i>	350,000 s.f	\$ 10.00 /s.f	\$ 3,500,000.00
4. River/Creek Bank Enhancement (Swamp Creek, both sides)	1,100 l.f.	\$ 160.00 /l.f.	\$ 176,000.00

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Exhibit H

5. River/Creek Bank Enhancement (Sammamish River, one side)	1,125 l.f.	\$	80.00 /l.f.	\$	90,000.00
<i>Includes only bank stabilization and large woody debris installation - bank plantings and buffer enhancement included in other area above; install approximately 6 pieces of large woody debris per 100 feet of bank; east bank vertical bank; bioengineered toe control.</i>					
	Subtotal	\$		\$	3,766,000.00
Mobilization (2%)		\$		\$	75,320.00
	Subtotal	\$		\$	3,841,320.00
Sales Tax (9.5%)		\$		\$	364,925.40
Phase 3 Base Bld Total		\$		\$	4,206,245.40
Design Fees (5%)		\$		\$	210,312.27
Administration/Permit Fees (2%)		\$		\$	84,124.91
Phase 3 Total Project Cost		\$		\$	4,500,682.58
Phase 4					
6. Channel Confluence/Wetland Rehabilitation (Wetland Restoration)	210,000 s.f.	\$	12.00 /s.f.	\$	2,520,000.00
<i>Excavation to lower entire area by 2-4 feet; installation of significant large woody debris and habitat features throughout area; creation of hummocks and islands surrounded by semi-permanently flooded emergent marsh and scrub shrub dominated habitats.</i>					
7. River/Creek Bank Enhancement (Swamp Creek, both sides)	1,100 l.f.	\$	160.00 /l.f.	\$	176,000.00
8. River/Creek Bank Enhancement (Sammamish River, one side)	1,125 l.f.	\$	80.00 /l.f.	\$	90,000.00
<i>Includes only bank stabilization and large woody debris installation - bank plantings and buffer enhancement included in other area above; install approximately 6 pieces of large woody debris per 100 feet of bank; east bank vertical bank; bioengineered toe control.</i>					
	Subtotal	\$		\$	2,786,000.00
Mobilization (2%)		\$		\$	55,720.00
	Subtotal	\$		\$	2,841,720.00
Sales Tax (9.5%)		\$		\$	269,963.40
Phase 4 Base Bld Total		\$		\$	3,111,683.40
Design Fees (5%)		\$		\$	155,584.17
Administration/Permit Fees (2%)		\$		\$	62,233.67
Phase 4 Total Project Cost		\$		\$	3,329,501.24
Total Restoration Area Construction Cost *				\$	11,941,269.34

*** NOTES:**

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Exhibit H

RESTORATION AREA O/M - Projected Phasing Costs for Initial 1-5 Years

1. Annual Landscape Maintenance	350,000 s.f	\$ 0.15 /s.f	\$ 52,500.00
2. Annual Monitoring	2 ea.	\$ 5,000.00 /ea.	\$ 10,000.00
Phase 1 Total Annual O/M Cost			\$ 62,500.00
Phase 2			
3. Annual Landscape Maintenance	340,000 s.f	\$ 0.15 /s.f	\$ 51,000.00
4. Annual Monitoring	2 ea.	\$ 5,000.00 /ea.	\$ 10,000.00
Phase 2 Total Annual O/M Cost			\$ 61,000.00
Phase 3			
5. Annual Landscape Maintenance	350,000 s.f	\$ 0.15 /s.f	\$ 52,500.00
6. Annual Monitoring	2 ea.	\$ 5,000.00 /ea.	\$ 10,000.00
Phase 3 Total Annual O/M Cost			\$ 62,500.00
Phase 4			
7. Annual Landscape Maintenance	210,000 s.f	\$ 0.15 /s.f	\$ 31,500.00
8. Annual Monitoring	2 ea.	\$ 5,000.00 /ea.	\$ 10,000.00
Phase 4 Total Annual O/M Cost			\$ 41,500.00
Total Annual Restoration O/M Cost*			\$ 227,500.00

*** NOTES:**

1. Following completion of restoration work, the first five years of maintenance will be the most intense until native plants are established and of sufficient size to begin to restrict invasive plant growth. the Community Work Program (CWP) and various volunteer organizations will be used as much as possible to perform the maintenance work. It is estimated that maintenance will occur twelve times per year utilizing hand operated mechanical equipment.

Attachment #1

Exhibit H

PARK AMENITIES CONSTRUCTION - Phasing Costs for Pedestrian Access

(trails, overlooks and water access areas)

Item	Quantities	Unit Cost	Item Total
Phase A (Entrances, Trail & Overlook)			
1. Park Entry Gateway	1 ea.	\$ 20,000.00 /ea.	\$ 20,000.00
2. Trail (Crushed Surfacing, 5' Wide)	300 l.f.	\$ 35.00 /l.f.	\$ 10,500.00
3. Overlook	1 ea.	\$ 10,000.00 /ea.	\$ 10,000.00
		Subtotal	\$ 40,500.00
Mobilization (2%)			\$ 810.00
		Subtotal	\$ 41,310.00
Sales Tax (9.5%)			\$ 3,924.45
Phase A Base Bid Total			\$ 45,234.45
Design Fees (15%)			\$ 6,785.17
Administration/Permit Fees (2%)			\$ 904.69
Phase A Total Project Cost			\$ 62,924.31
Phase B (Connections to Creek)			
4. Trail (Crushed Surfacing, 5' Wide)	800 l.f.	\$ 35.00 /l.f.	\$ 28,000.00
5. Trail (Boardwalk, 5' Wide)	850 l.f.	\$ 200.00 /l.f.	\$ 170,000.00
6. Water Access	2 ea.	\$ 25,000.00 /ea.	\$ 50,000.00
		Subtotal	\$ 248,000.00
Mobilization (2%)			\$ 4,960.00
		Subtotal	\$ 252,960.00
Sales Tax (9.5%)			\$ 24,031.20
Phase B Base Bid Total			\$ 276,991.20
Design Fees (20%)			\$ 55,398.24
Administration/Permit Fees (2%)			\$ 5,539.82
Phase B Total Project Cost			\$ 337,929.26
Phase C (Central Wetland Boardwalk)			
7. Trail (Boardwalk, 5' Wide)	600 l.f.	\$ 200.00 /l.f.	\$ 120,000.00
		Subtotal	\$ 120,000.00
Mobilization (2%)			\$ 2,400.00
		Subtotal	\$ 122,400.00
Sales Tax (9.5%)			\$ 11,628.00
Phase C Base Bid Total			\$ 134,028.00

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Exhibit H

Design Fees (20%)	\$	26,805.60
Administration/Permit Fees (2%)	\$	2,680.56
Phase C Total Project Cost	\$	163,514.16

Phase D (Peninsula Area)

8. Trail (Crushed Surfacing, 5' Wide)	900 l.f.	\$ 35.00	/l.f.	\$	31,500.00
9. Trail (Boardwalk, 5' Wide)	500 l.f.	\$ 200.00	/l.f.	\$	100,000.00
10. Water Access	1 ea.	\$ 25,000.00	/ea.	\$	25,000.00
11. Overlook	1 ea.	\$ 10,000.00	/ea.	\$	10,000.00
12. Bridge & Abutment Walls	1 ea.	\$50,000.00	/ea.	\$	50,000.00
	Subtotal			\$	216,500.00
Mobilization (2%)				\$	4,330.00
	Subtotal			\$	220,830.00
Sales Tax (9.5%)				\$	20,978.85
Phase D Base Bid Total				\$	241,808.85
Design Fees (20%)				\$	48,361.77
Administration/Permit Fees (2%)				\$	4,836.18
Phase D Total Project Cost				\$	295,006.80

Total Pedestrian Access Construction Cost*	\$ 849,374.53
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PARK AMENITIES CONSTRUCTION - Phasing Costs for Upland Improvements

Item	Quantities	Unit Cost	Item Total
1. Demolition, Site Preparation & Stormwater	1 l.s.	\$30,000.00 l.s.	\$ 30,000.00
2. Parking (Permeable Asphalt)	4,300 s.f.	\$8.00 /s.f.	\$ 34,400.00
3. Restroom/Shelter	1 l.s.	\$200,000.00 l.s.	\$ 200,000.00
4. Informal Play Area	1 l.s.	\$30,000.00 l.s.	\$ 30,000.00
5. Benches (8' length)	6 ea.	\$1,000.00 /ea.	\$ 6,000.00
6. Picnic Tables (5' square)	4 ea.	\$1,500.00 /ea.	\$ 6,000.00
7. Picnic Tables - ADA (8' length)	2 ea.	\$2,000.00 /ea.	\$ 4,000.00
8. Trash/Recycle Receptacles	4 ea.	\$350.00 /ea.	\$ 1,400.00
9. Bike Rack	1 ea.	\$1,500.00 /ea.	\$ 1,500.00
10. Pathways (5' Conc Sidewalk)	4,350 s.f.	\$10.00 /s.f.	\$ 43,500.00
11. Grading	1 l.s.	\$20,000.00 l.s.	\$ 20,000.00
12. Planting/Irrigation	1 l.s.	\$30,000.00 l.s.	\$ 30,000.00
	Subtotal		\$ 406,800.00
Mobilization (2%)			\$ 8,136.00
	Subtotal		\$ 414,936.00
Sales Tax (9.5%)			\$ 39,418.92
Upland Improvements Base Bid Total			\$ 454,354.92

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Exhibit H

Design Fees (10%)	\$	45,435.49
Administration/Permit Fees (2%)	\$	9,087.10
Upland Improvements Total Project Cost	\$	508,877.51

Total Upland Improvement Construction Cost*	\$	508,877.51
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PARK AMENITIES O/M - Projected Phasing Costs for Initial 1-5 Years**Pedestrian Access (trails, overlooks and water access areas)**

Item	Quantities	Unit Cost	Item Total
Phase A (Entrances, Trail & Overlook)			
1. Annual Landscape Maintenance	10,000 s.f.	\$ 0.40 /s.f.	\$ 4,000.00
Phase A Total Annual O/M Cost			\$ 4,000.00
Phase B (Connections to Creek)			
2. Annual Landscape Maintenance	31,000 s.f.	\$ 0.20 /s.f.	\$ 6,200.00
Phase B Total Annual O/M Cost			\$ 6,200.00
Phase C (Central Wetland Boardwalk)			
3. Annual Landscape Maintenance	6,000 s.f.	\$ 0.20 /s.f.	\$ 1,200.00
Phase C Total Annual O/M Cost			\$ 1,200.00
Phase D (Peninsula Area)			
4. Annual Landscape Maintenance	30,000 s.f.	\$ 0.20 /s.f.	\$ 6,000.00
Phase D Total Annual O/M Cost			\$ 6,000.00
Total Pedestrian Access O/M Cost*			\$ 17,400.00

PARK AMENITIES O/M - Projected Phasing Costs for Initial 1-5 Years**Upland Improvements**

Item	Quantities	Unit Cost	Item Total
1. Annual Landscape Maintenance	90,000 s.f.	\$ 0.65 /s.f.	\$ 58,500.00
Upland Improvements Total Annual O/M Cost			\$ 58,500.00

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Exhibit H

Total Upland Improvements O/M Cost*

\$ 58,500.00

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2. Following completion of restoration work, the first five years of maintenance will be the most intense until native plants are established and of sufficient size to begin to restrict invasive plant growth, the Community Work Program (CWP) and various volunteer organizations will be used as much as possible to perform the maintenance work. It is estimated that maintenance will occur twelve times per year utilizing hand operated mechanical equipment.

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

Subject/Topic: Ordinance Amending the Capital Improvement Program to Allocate Funds for the SR 522 West A (61st to 65th Avenues) Project Proposed Council Action/Motion: Adoption of Ordinance 14-0386 Amending the 2013-2018 Capital Improvement Program to Allocate Additional Funding for Capital Project T-6 SR 522 West A (61st to 65th Avenues)	For Council Meeting Agenda of: 07/28/2014 Department: <u>Engineering</u> Prepared by: <u>Kent Vaughan</u> To Be Presented By: <u>Kent Vaughan, Kris Overleese and Joanne Gregory</u> <table style="width:100%; border: none;"> <tr> <td style="text-align: right;">Initial & Date</td> <td></td> </tr> <tr> <td style="text-align: right;">Approved by Department Head:</td> <td><u>KMO 1/23/14</u></td> </tr> <tr> <td style="text-align: right;">Approved by City Attorney:</td> <td><u>NA</u></td> </tr> <tr> <td style="text-align: right;">Approved by Finance Director:</td> <td><u>Greg 1/22/14</u></td> </tr> <tr> <td style="text-align: right;">Approved by City Manager:</td> <td><u>Bob</u></td> </tr> </table> Exhibits/Attachments: Attachment A - Ordinance 14-0386 with Exhibit A Attachment B - Revised SR 522 West A CIP Sheet Attachment C - Revised Six-Year Cash Flow Projections for Transportation Impact Fee Fund and the REET Fund Attachment D - May 19, 2014 Agenda Item Amending the CIP	Initial & Date		Approved by Department Head:	<u>KMO 1/23/14</u>	Approved by City Attorney:	<u>NA</u>	Approved by Finance Director:	<u>Greg 1/22/14</u>	Approved by City Manager:	<u>Bob</u>														
Initial & Date																									
Approved by Department Head:	<u>KMO 1/23/14</u>																								
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<table style="width:100%; border: none;"> <tr> <td style="width:40%;">Expenditure Required:</td> <td style="width:30%;">Amount Budgeted</td> <td style="width:30%;">Appropriation Required</td> </tr> <tr> <td colspan="3">See Fiscal Consideration Below</td> </tr> </table>		Expenditure Required:	Amount Budgeted	Appropriation Required	See Fiscal Consideration Below																				
Expenditure Required:	Amount Budgeted	Appropriation Required																							
See Fiscal Consideration Below																									
<u>INFORMATION/BACKGROUND:</u> Project Status Update: Design and right-of-way for the SR 522 West A (61st to 65th Avenues) – “West A” – are scheduled to be completed by the end of August 2014. The 95% Plans, Specifications, and Estimate (PS&E) were submitted to the City June 2, 2014. Bid-ready contract documents are scheduled for delivery on August 29th, 2014. ROW Certification review of closed acquisition files started the week of July 14. Out of 22 larger parcel acquisitions for West A, there were 16 Settlements, 2 Voluntary Possession & Use Agreements and 4 Condemnations. The City intends to advertise the project for bids in October/November 2014. The purpose of this report is to discuss project funding and staff’s recommendation to Adopt Ordinance 14-0386 (Attachment A). Project Budget: The total project budget for West A is estimated to be \$13,591,350. Please refer to Table 1 below and Attachment B for details. Table 1. SR 522 West A Project Budget Summary <table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <tr style="background-color: #d3d3d3;"> <th></th> <th>Current CIP</th> <th>July 2014</th> <th>Δ Increase</th> </tr> <tr> <td>Administration</td> <td>150,000</td> <td>300,000</td> <td>150,000</td> </tr> <tr> <td>Design</td> <td>393,500</td> <td>830,700</td> <td>437,200</td> </tr> <tr> <td>Right-of-Way</td> <td>2,850,000</td> <td>2,153,350</td> <td>(696,650)</td> </tr> <tr> <td>Construction</td> <td>7,900,000</td> <td>10,307,300</td> <td>2,407,300</td> </tr> <tr style="font-weight: bold;"> <td>Total Project Budget</td> <td>\$11,293,500</td> <td>\$13,591,350</td> <td>2,297,850</td> </tr> </table>			Current CIP	July 2014	Δ Increase	Administration	150,000	300,000	150,000	Design	393,500	830,700	437,200	Right-of-Way	2,850,000	2,153,350	(696,650)	Construction	7,900,000	10,307,300	2,407,300	Total Project Budget	\$11,293,500	\$13,591,350	2,297,850
	Current CIP	July 2014	Δ Increase																						
Administration	150,000	300,000	150,000																						
Design	393,500	830,700	437,200																						
Right-of-Way	2,850,000	2,153,350	(696,650)																						
Construction	7,900,000	10,307,300	2,407,300																						
Total Project Budget	\$11,293,500	\$13,591,350	2,297,850																						

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The increase in project budget is mostly attributable to:

- Increased design costs: In 2013, the City terminated the Lochner contract and hired HDR to complete the Plans, Specifications, and Estimate (PS&E) and to retain the services of Universal Field Services to complete the right-of-way acquisition for the project. HDR assessed the Lochner 90% plans at an overall completion level of 60%, based on industry standards. The design also had several constructability issues with drainage and a retaining wall that were re-evaluated and re-designed.
- Increased construction costs: In June 2014, HDR submitted its 95% Plans, Specifications, and Estimate (PS&E) for the project. The 95% engineer's estimate of \$8,276,223 (HDR 2014) increased substantially from the 90% engineer's estimate of \$6,734,126 (Lochner 2012). The difference in cost (\$1,542,097) is a result of bid item price increases over this time period due to inflation, and the temporary traffic control and utility undergrounding costs being largely underestimated. It should be noted that undergrounding costs are not typically eligible for grant funding, and the majority of these costs are paid with local funds.
- Increased construction indirect costs: Construction management and construction contingency are typically estimated at 15% and 10% respectively of the estimated construction cost. These estimated costs increased proportionally with the higher 95% engineer's estimate of probable costs.

To obligate and assure the availability of the \$1.1M in federal construction funds, design and right-of-way must be completed. In addition, a regional Transportation Improvement Program (TIP) Modification application to Puget Sound Regional Council (PSRC) must be submitted no later than August 15, 2014 in order for PSRC and WSDOT to process the request in advance of FHWA's October 1st, 2014 deadline to obligate the funds. The TIP modification must illustrate that the required City funds are programmed and adopted into the City's Capital Improvement Program to provide reasonable assurance that City funds will be available over the term of the CIP. Ordinance 14-0386 allocates the necessary City funds to West A over the years 2015-2016 by amending the current Capital Improvement Program (Attachment A).

Other Options:

Aside from adopting the Ordinance, the City appears to have two options:

- Option 1: Remove utility undergrounding, aesthetic and other improvements from the project to bridge the funding gap. With Option 1, re-design would be required and the \$1.1M would be at risk. This option would require FHWA to move the \$1.1M in funds from this federal fiscal year to the next (which begins on October 1st). The obligation deadline for these funds has already been extended twice. WSDOT staff has indicated that for the above reasons it would be unlikely that FHWA would approve a request to extend the obligation date a third time and the City would forfeit the money. Option 1 may result in additional design cost, and could result in the repayment of grant funds used to design and acquire property rights for a project element that was eliminated from the project (for example, utility undergrounding: the expense in designing the system and the funds used to acquire property rights for utility vaults and equipment would need to be returned).
- Option 2: Elect not to move forward with the project. Option 2 would result in the forfeiture of the \$1.1M in funds, and require that the City repay all of the grant funds expended to date.

Staff Recommendation:

Staff recommends the adoption of Ordinance 14-0386 amending the 2013-2018 Capital Improvement Program to allocate additional funding for Capital Project T-6 SR 522 West A (61st to 65th Avenues) Project.

FISCAL CONSIDERATION:

Staff is projecting a need for an additional \$1,820,855 in City funds to complete the West A project. Please refer to Table 2 below for details.

Table 2. SR 522 West A Projected Revenues

	Funding Source	Current CIP	July 2014	Δ Increase
LOCAL	General Fund		340,885	340,885
	Real Estate Excise Tax (REET)	680,000	1,180,000	500,000
	Traffic Impact Fees	1,180,000	2,160,000	980,000
	Surface Water Utility*	633,500	633,500	0
	Subtotal Funding Percentage	2,493,500 22%	4,314,385 32%	1,820,885
	Funding Source	Current CIP	Proposed	Δ Increase
STATE	Department of Ecology (DOE)		475,125	475,125
	Transportation Improvement Board (TIB)	5,200,000	5,201,840	1,840
	Subtotal Funding Percentage	5,200,000 46%	5,676,965 42%	476,965
FEDERAL	STP (U) Federal Funds (ROW)	2,500,000	1,912,900	(587,100)
	STP (U) Federal Funds (ROW Transfer to Construction)		587,100	587,100
	Federal Discretionary Funds (61-SR522 Intersection)	1,100,000	1,100,000	0
	Subtotal Funding Percentage	3,600,000 32%	3,600,000 26%	0
	Totals	\$11,293,500	\$13,591,350	2,297,850

*The originally programmed \$633,500 in SW Utility Funds is proposed to remain in the project budget, in addition to the secured DOE Grant for surface water improvements.

In the revised CIP, the additional City contribution of \$1.82M in the years 2015 and 2016 is programmed from available Transportation Impact Fees (\$980,000), Real Estate Excise Tax (REET) (\$500,000), and General Fund resources (\$340,885). Also the timing of the City funds is modified from the previously approved CIP to match the anticipated timing of ROW acquisition completion and construction; utilizing grants funding first, where

appropriate.

To accommodate the \$980,000 in additional resources from Transportation Impact Fees, Project T22 Simonds Road-Inglemoor HS Right Turn Lane is removed from the six year CIP.

In the REET Fund, \$300,000 programmed in 2017 for Project T8, SR522 West B, has been moved to 2018 and reduced to \$200,000. In anticipation of possible future funding opportunities for the West B Project, staff recommends maintaining the West B project in the CIP but programmed in the outer years. In addition, maintaining a positive cash balance in the REET fund required moving \$30,000 programmed for 2017 street overlay to 2018. Because 2017 and 2018 make up a biennial budget period, this has no impact on the overlay project.

Attached are 6 year cash flow projections for the Transportation Impact Fee Fund and the REET Fund (Attachment C) modified for these changes.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

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.

Goal #2: To continue to seek transportation funding and mitigation for State impacts on the city's transportation system, air and water quality, and noise to include but not limited to SR 522, Sammamish River Bridge, local roads and Lake Washington sediment depths.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 14-0386**

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON, RELATING TO THE 2013-2018 SIX-YEAR
CAPITAL IMPROVEMENT PROGRAM; AMENDING THE
2013-2018 SIX-YEAR CAPITAL IMPROVEMENT PROGRAM;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN
EFFECTIVE DATE.**

WHEREAS, on November 26, 2012, the City Council adopted Ordinance No. 12-0350, which adopted the 2013-2018 Six-Year Capital Improvement Program ("CIP"); and

WHEREAS, by Ordinance No. 13-0367, Ordinance No. 14-0376, and Ordinance No. 14-0383, the City Council amended the 2013-2018 Six-Year Capital Improvement Program to reflect revised amounts of revenue and appropriations; and

WHEREAS, the City Council desires to further amend the 2013-2018 CIP to reflect a change in funding available for Transportation Project T-6 relating to the SR522 West A 61st to 65th Street Project;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment. The 2013–2018 Capital Improvement Program is amended to reflect the adjustments set forth on Exhibit "A," entitled "City of Kenmore, Washington Capital Improvement Program for the Years 2013-2018," attached hereto and incorporated by reference.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 28TH DAY OF JULY, 2014.

CITY OF KENMORE

Mayor David Baker

ATTEST/AUTHENTICATED:

Patty Safin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

EXHIBIT A

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

EXPENDITURES	2013 Adopted	2014 Adopted	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2013-2018 Totals
PARKS							
P 1 Twin Springs(Portal 44)	\$0	\$0	\$45,000	\$360,000	\$0	\$0	\$405,000
P 2 Tolt Pipeline Trail Phase One	120,000	0	0	0	0	0	120,000
P 6 Moorlands Park Improvements	60,000	0	450,000	450,000	0	0	960,000
P 9 Northshore Summit Park	659,000	0	0	0	0	0	659,000
P 10 Park Land Acquisition	0	0	0	0	0	0	0
P 11 Log Boom Park Pedestrian Bridge Replacement	0	95,000	150,000	0	0	0	245,000
P 13 Skate Park Relocation & Improvements	0	20,000	250,000	0	0	0	270,000
P 17 Tolt Pipeline Trail Phase Two	0	0	30,000	190,000	0	0	220,000
P 18 Rhododendron Park Boat Shed & Boardwalk Trail	90,000	392,000	0	0	0	0	482,000
P18a Rhododendron Park Float	73,500	0	0	0	0	0	73,500
P 19 Log Boom Park Waterfront	0	0	30,000	75,000	75,000	1,000,000	1,180,000
P 19a Log Boom Park Float	72,500	0	0	0	0	0	72,500
P 21 Kenmore Village Public Square	50,000	100,000	800,000	0	0	0	950,000
P 22 City Hall Plaza Improvements	0	0	75,000	0	0	0	75,000
P 23 Squires Landing Trail	0	0	0	0	40,000	200,000	240,000
P 24 Sammamish River Boat Launch Restroom	65,000	0	0	0	0	0	65,000
Total Parks	\$1,190,000	\$607,000	\$1,830,000	\$1,075,000	\$115,000	\$1,200,000	\$6,017,000
TRANSPORTATION							
T 6 SR 522 West A 61st to 65th	463,300	2,135,450	7,541,200	3,451,400	0	0	13,591,350
T 7 61st Ave NE & 181st Traffic Signal	1,132,387	0	0	0	0	0	1,132,387
T 8 SR 522 West B 57th to 61st with BGT Wall	0	0	0	410,000	8,285,000	215,000	8,910,000
T 22 Simonds Road-Inglemoor HS Right Turn Lane	25,000	0	70,000	445,000	0	0	540,000
T 26 Wayfinding Signage and Banners	20,000	20,000	20,000	20,000	20,000	20,000	120,000
T 27 Sidewalk Program	174,950	100,000	100,000	100,000	100,000	100,000	674,950
T 31 City Safety Improvements	250,000	0	0	0	0	0	250,000
T 35 Juanita Drive/68th Ave NE Overlay	636,725	0	0	0	0	0	636,725
T 36 City Gateways	75,000	225,000	0	0	0	0	300,000
T 37 West Samm Bridge **	461,000	0	1,270,000	2,280,000	1,140,000	7,630,000	12,781,000
Total Transportation	\$3,213,362	\$2,480,450	\$8,931,200	\$6,261,400	\$9,545,000	\$7,965,000	\$38,396,412
** This project extends to 2020 with additional budget of \$7,680,000							
SURFACE WATER							
SW 1 Tributary 0057 Channel Relocation	\$0	\$889,750	\$0	\$0	\$0	\$0	\$889,750
SW 2 80th Ave NE Ditch Improvements	0	0	40,000	75,000	0	0	\$115,000
SW 3 Juanita Dr NE Ditch Grading Ph 1	75,000	0	0	0	0	0	\$75,000
SW 7 NE 187th Street Bypass	467,011	40,000	71,000	0	0	0	\$578,011
SW 8 61st Ave NE Sidewalk Embankment Repair	55,000	0	0	0	0	0	\$55,000
SW 9 Swamp Creek Regional Basin Study	0	0	0	0	0	0	\$0
SW 12 74th Avenue NE Culvert Replacement	0	0	0	0	0	0	\$0
SW 13 NE 155th Street Outfall Revision	0	0	50,000	0	0	0	\$50,000
SW 16 Arrowhead Drive Conveyance Improvements	0	0	0	106,000	116,100	0	\$222,100
SW 17 Little Swamp Creek Relocation Project	0	0	0	0	56,500	50,000	\$106,500
SW 19 NE 192nd ST Culvert Replacement	0	20,000	106,000	0	0	0	\$126,000
SW 20 Small Works Projects	50,000	50,000	50,000	50,000	50,000	50,000	\$300,000
Total Surface Water	\$647,011	\$999,750	\$317,000	\$231,000	\$222,600	\$100,000	\$2,517,361
TOTAL EXPENDITURES	\$5,050,373	\$4,087,200	\$11,078,200	\$7,567,400	\$9,882,600	\$9,265,000	\$46,930,773

EXHIBIT A

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

REVENUES	2013 Adopted	2014 Adopted	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2013-2018 Totals
Real Estate Excise Tax (Transportation)	\$675,287	\$592,120	\$511,175	\$278,805	\$0	\$200,000	\$2,257,387
Real Estate Excise Tax - West Samm Bridge	0	0	174,000	307,000	78,000	0	\$559,000
Real Estate Excise Tax - Set Aside Sidewalks	174,950	100,000	100,000	100,000	100,000	100,000	674,950
Real Estate Excise Tax - Surface Water	55,000	0	0	0	0	0	55,000
Transportation Impact Fee Revenue	0	0	1,930,600	229,400	250,000	0	2,410,000
Transportation Impact Fee Revenue - West Samm Bridge	0	0	100,000	200,000	200,000	330,000	830,000
Park Impact Fee Revenue	659,000	310,000	45,000	972,345	0	0	1,986,345
Real Estate Excise Tax (Parks)	215,000	197,000	255,000	75,000	115,000	200,000	1,057,000
Kenmore Village Sale	50,000	100,000	800,000	0	0	0	950,000
King County Levy	120,000	0	30,000	27,655	0	0	177,655
Parks Grants	0	0	700,000	0	0	1,000,000	1,700,000
Department of Ecology Grant	0	47,250	427,875	0	0	0	475,125
Surface Water Utility Funds	767,011	840,500	710,900	434,850	222,600	100,000	3,075,861
King County Flood District Grant	0	150,000	0	0	0	0	150,000
State/Transportation Improvement Board	187,230	508,600	2,997,650	1,508,360	2,000,000	0	7,201,840
Federal Grants/Allocations	253,170	1,196,730	1,200,000	950,100	0	0	3,600,000
Street Fund	661,725	0	0	0	0	0	661,725
Street Fund - West Samm Bridge	86,000	0	0	0	0	0	86,000
Sammamish River Bridge Fund	80,000	0	0	0	0	0	80,000
Other Agencies Reimbursements	0	25,000	20,000	0	0	0	45,000
Other Grant Funding	900,000	0	0	354,650	0	0	1,254,650
State Transportation Package	0	0	0	55,350	6,035,000	15,000	6,105,350
General Fund	20,000	20,000	80,000	300,885	20,000	20,000	460,885
Strategic Opportunity Fund	146,000	0	0	0	0	0	146,000
Unfunded West Samm Bridge Replacement Resources**	0	0	996,000	1,773,000	862,000	7,300,000	10,931,000
TOTAL REVENUES	\$5,050,373	\$4,087,200	\$11,078,200	\$7,567,400	\$9,882,600	\$9,265,000	\$46,930,773

** This project extends to 2020 with additional funding requirements of \$7,680,000



Attachment B

City of Kenmore Capital Improvement Program

Project Name: SR 522 West A (61st to 65th Avenues NE Including 61st Avenue NE approaches)
Project No. T- 6

Project Location: NE Bothell Way (SR 522) from 61st to 65th Avenues NE, including SR 522 / 61st Avenue NE north and south legs.

Project Manager: Kent Vaughan

Project Description: SR 522 West A project limits include SR 522 from 61st Avenue NE to 65th Avenue NE (0.47 Miles), and 61st Avenue NE from NE 175th Street to NE 181st Street. The West A project includes widened travel and Business Access and Transit (BAT) lanes, additional turning lanes at the key intersection (61st-522), signal improvements, illumination, access management, retaining walls, center medians from 62nd Avenue NE to 65th Avenue NE, re-channelized left/u turns at 61st, 64th and 65th Avenues, sidewalks, drainage improvements, landscaping, utility conversion from aerial to underground, and 61st Avenue NE street and channelization improvements.

Background: The SR 522 West project was previously known as the SR 522 Phase 1, Stage 2 Project. SR 522 West project limits are 57th Avenue NE to 65th Avenue NE (0.7 Miles) in the City of Kenmore. SR 522 West project is divided into two phases, West A and West B. SR 522 West improvements are intended to improve vehicle and pedestrian safety and reduce traffic delays throughout the corridor.

Funding Status:

The West A project is fully funded. Funding sources include \$1,100,000 in FHWA Discretionary funds (to complete signal upgrades at 61st Avenue NE), \$5,201,840 in TIB funds, \$2,500,000 in Federal STP(U) funds (for SR 522 West right-of-way acquisition), and \$475,125 in DOE funds (to improve the stormwater treatment facilities). Local funds include Transportation Impact Fees, REET and Surface Water Utility funds.

Environmental Review Status:

Exempt	Mitigated DNS	EIS
☐	☐	☒

The SR 522 West NEPA document was updated and approved by FHWA in 2012. A SEPA addendum was completed and approved by the City in 2013.

Potential Project Issues: The \$1.1M in FHWA Discretionary funds must be obligated by October 1, 2014. To obligate the funds, the design must be completed and right-of-way certified for West A by the end of August 2014.

The \$475k in DOE funds must also be expended by June 2015.

Operations: This project will result in increased street lighting electrical and maintenance costs, landscaping maintenance and storm water maintenance, and water for irrigation.





Attachment B

City of Kenmore Capital Improvement Program Project Name: SR 522 West A (61st to 65th Avenues NE Including 61st Avenue NE approaches)

CURRENT DOLLARS

Year	2013	2014	2015	2016	2017	2018	Total
Expenses							
Project Administration			\$ 100,000	\$ 50,000			\$ 150,000
Design*	\$ 170,650	\$ 751,950					\$ 922,600
ROW/ Acquisition**	\$ 292,650	\$ 1,383,500	\$ 535,300				\$ 2,211,450
Construction			\$ 6,905,900	\$ 3,401,400			\$ 10,307,300
Total	\$ 463,300	\$ 2,135,450	\$ 7,541,200	\$ 3,451,400			\$ 13,591,350
Revenue							
REET	\$ 22,900	\$ 367,120	\$ 511,175	\$ 278,805			\$ 1,180,000
General			\$ 60,000	\$ 280,885			\$ 340,885
Impact Fees			\$ 1,930,600	\$ 229,400			\$ 2,160,000
State-DOE		\$ 47,250	\$ 427,875				\$ 475,125
TIB	\$ 187,230	\$ 508,600	\$ 2,997,650	\$ 1,508,360			\$ 5,201,840
SWM		\$ 15,750	\$ 413,900	\$ 203,850			\$ 633,500
Federal Discretionary			\$ 737,000	\$ 363,000			\$ 1,100,000
Federal STP(U) ROW	\$ 253,170	\$ 1,196,730	\$ 463,000				\$ 1,912,900
Federal STP(U) Construction				\$ 587,100			\$ 587,100
Total	\$ 463,300	\$ 2,135,450	\$ 7,541,200	\$ 3,451,400	\$ -	\$ -	\$ 13,591,350

* Includes \$91,900 in 2013-14 project administration cost.

** Includes \$58,100 in 2013-14 project administration cost.

SCHEDULE

	2013				2014				2015				2016				2017				2018		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Right of Way																							
Final Design																							
Construction																							
Closeout																							

CITY OF KENMORE, WASHINGTON
Transportation Impact Fee Fund Projection
For The Years 2013-2018
July 2014 Update

DESCRIPTION	Actual 2013	Projection 2014	Proposed 2015	Proposed 2016	Proposed 2017	Proposed 2018
Beginning Cash	\$240,536	\$664,394	\$1,229,025	\$55,939	\$61,577	\$51,018
Revenues:						
Interest Earnings	2,157	364	12,290	559	616	510
Trans Impact Fees: Spencer68 Ph I	0	138,349	415,047	0	0	0
Transp. Impact Fees	421,701	425,918	430,177	434,479	438,824	443,212
Total Revenues	\$423,858	\$564,631	\$857,514	\$435,038	\$439,441	\$443,724
Transfers Out for Roads:						
T 6 SR 522 West A 61st Ave NE	0	0	1,930,600	229,400	0	0
T 8 SR 522 West B 57th to 61st with BGT	0	0	0	0	250,000	0
T 37 West Samm Bridge	0	0	100,000	200,000	200,000	330,000
Subtotal - Transfers for Roads	\$0	\$0	\$2,030,600	\$429,400	\$450,000	\$330,000
Net Income/(Loss)	\$423,858	\$564,631	(\$1,173,086)	\$5,638	(\$10,559)	\$113,724
Ending Cash	\$664,394	\$1,229,025	\$55,939	\$61,577	\$51,018	\$164,742

CITY OF KENMORE, WASHINGTON
REET Fund Projection
For The Years 2013-2018
July 2014 Update

DESCRIPTION	Actual 2013	Projected 2014	Proposed 2015	Proposed 2016	Proposed 2017	Proposed 2018
Beginning Cash	\$1,965,805	\$1,984,875	\$1,377,909	\$487,313	\$152,060	\$29,215
Revenues:						
REET 1	440,943	390,000	393,900	397,839	401,817	405,836
REET 2	440,943	390,000	393,900	397,839	401,817	405,836
Interest Earnings	12,312	5,573	13,779	4,873	1,521	292
Total Revenues	\$894,198	\$785,573	\$801,579	\$800,551	\$805,155	\$811,963
Transfers Out for Parks :						
P 6 Moorlands Park Imp	0	60,000	75,000	0	300,000	0
P 11 Log Boom Park Ped Bridge Repl	0	95,000	80,000	0	0	0
P 13 Skate Park	0	20,000	220,000	0	0	0
P 18 Rhody Park Boat Shed & Boardwalk Trail	76,822	0	82,000	0	0	0
P 24 Samm River Boat Launch Restroom	23,701	41,299	0	0	0	0
Transfer Levy to Park Improvement-Tolt	11,306	108,694	0	0	0	0
Subtotal - Transfers for Parks	111,829	324,993	457,000	0	300,000	0
Transfers Out for Roads:						
SR 522 Ph II Slip-lining	0	120,000	0	0	0	0
T6 SR 522 West A 61st to 65th	22,900	367,120	511,175	278,805	0	0
T7 61st Ave & 181st St Signal, Left turn	285,875	1,000	0	0	0	0
T8 SR522 West B 57th to 61st with BGT Wall	0	0	0	0	300,000	200,000
T27 Sidewalks	36,377	117,573	100,000	100,000	100,000	100,000
T 31 City Safety Improvements	0	30,000	0	0	0	0
T36 City Gateways	18,147	281,853	0	0	0	0
T37 New West Samm Bridge	0	95,000	174,000	307,000	78,000	0
Street Fund (overlays)	400,000	0	450,000	450,000	450,000	450,000
Subtotal - Transfers for Roads	763,299	1,012,546	1,235,175	1,135,805	628,000	750,000
Transfers Out for SWM:						
SW 8 61st Ave NE Sidewalk Embankment Rep	0	55,000	0	0	0	0
Subtotal - Transfers for SWM	\$0	\$55,000	\$0	\$0	\$0	\$0
Net Income/(Loss)	\$19,070	(\$606,966)	(\$890,596)	(\$335,254)	(\$122,845)	\$61,963
Ending Cash	\$1,984,875	\$1,377,909	\$487,313	\$152,060	\$29,215	\$91,178

Subject/Topic: Ordinance Amending the Capital Improvement Program to Allocate Funds for West Sammamish River Bridge Project	For Council Meeting Agenda of: May 19, 2014 Department: Finance & Engineering Prepared by: Joanne Gregory/Kris Overleese, PE Initial & Date Approved by Department Head: Kuo 5/8/14 Approved by City Attorney: via email Approved by Finance Director: Jmg 5/8/14 Approved by City Manager: ROK	
Proposed Council Action/Motion: Adoption of Ordinance 14-0383 Amending the 2013-2018 Capital Improvement Program to Allocate Funding for the West Sammamish River Bridge Project	Exhibits/Attachments: Attachment A: February 24, 2014 Agenda item Attachment B: Ordinance 14-0383	
Expenditure Required \$0	Amount Budgeted \$461,000	Appropriation Required \$1,389,000
<u>INFORMATION/BACKGROUND:</u> On February 24, 2014, staff presented options for the West Sammamish River Bridge replacement and Council took action creating a Capital Improvement Project for bridge replacement (T-37). Attachment A is the agenda bill information for that item. The adopted Ordinance 14-0376 creating the project showed an overall City contribution budget of \$461,000 (preliminary engineer studies) but showed design, right of way and construction in the later years as unfunded. Staff did provide backup documentation for a recommended City match for design, right of way, and first year of construction (2018) but this was not included in the amended CIP ordinance (see Attachment A, Exhibit E). To be the most competitive for grants, it is recommended that matching City funds be programmed and adopted into the Capital Improvement Program. Ordinance 14-0383 allocates the City funds over the years 2015 to 2018 by amending the current Capital Improvement Program (Attachment B). The numbers are the same as previously demonstrated and equal \$1,389,000 between 2015 and 2018. To provide reasonable assurance that the funds will be available over the term of the CIP, it was necessary to remove project T-5: 68 th Ave NE, SR522 to Samm Slough Project (the queue jump) from the program. This was also noted in the February 24, 2014 Agenda bill discussion and the current amendment will also include this change. The amendments to the CIP are highlighted in blue on Exhibit A to Ordinance 14-0383.		
<u>FISCAL CONSIDERATION:</u> For the years 2015 through 2018, Ordinance 14-0383 allocates \$1,389,000 in City funds for the West Sammamish River Bridge Project (T37). The revenue exists from Impact Fees (\$830,000) and Real Estate Excise Tax (\$559,000) and relies upon the removal of Project T5: 68 th Ave NE, SR522 to Samm Slough Project (the queue jump) from the program. Both revenue sources exist based on staff conservative projections of historical revenue generation.		

Programming these funds within the Capital Improvement Program, as we do with all current capital projects (parks, surface water and transportation), will allow staff to demonstrate on grant applications that the funds are reasonably secure.

Cash projections for the Real Estate Excise Tax Fund and the Transportation Impact Fee Fund are attached to the February 24, 2014 agenda item.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Comprehensive Plan - Goal T-1: Develop and Maintain an Efficient, Safe, and Environmentally Sensitive Road System that Supports Desired Development Patterns.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 14-0383**

**AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON,
RELATING TO THE 2013-2018 SIX-YEAR CAPITAL
IMPROVEMENT PROGRAM; AMENDING THE 2013-2018 SIX-
YEAR CAPITAL IMPROVEMENT PROGRAM; PROVIDING FOR
SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, on November 26, 2012, the City Council adopted Ordinance No. 12-0350, which adopted the 2013-2018 Six-Year Capital Improvement Program ("CIP"); and

WHEREAS, by Ordinance No. 13-0367 and Ordinance No. 14-0376, the City Council amended the 2013-2018 Six-Year Capital Improvement Program to reflect revised amounts of revenue and appropriations; and

WHEREAS, the City Council desires to further amend the 2013-2018 CIP to reflect a change in funding available for Transportation Project T-37 relating to the West Sammamish River Bridge Project;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment. The 2013–2018 Capital Improvement Program is amended to reflect the adjustments set forth on Exhibit "A," entitled "City of Kenmore, Washington Capital Improvement Program for the Years 2013-2018," attached hereto and incorporated by reference.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 19TH DAY OF MAY, 2014.

CITY OF KENMORE

Mayor David Baker

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.

EXHIBIT A

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

EXPENDITURES	2013 Adopted	2014 Adopted	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2013-2018 Totals
PARKS							
P 1 Twin Springs(Portal 44)	\$0	\$0	\$45,000	\$360,000	\$0	\$0	\$405,000
P 2 Tolt Pipeline Trail Phase One	120,000	0	0	0	0	0	120,000
P 6 Moorlands Park Improvements	60,000	0	450,000	450,000	0	0	960,000
P 9 Northshore Summit Park	659,000	0	0	0	0	0	659,000
P 10 Park Land Acquisition	0	0	0	0	0	0	0
P 11 Log Boom Park Pedestrian Bridge Replacement	0	95,000	150,000	0	0	0	245,000
P 13 Skate Park Relocation & Improvements	0	20,000	250,000	0	0	0	270,000
P 17 Tolt Pipeline Trail Phase Two	0	0	30,000	190,000	0	0	220,000
P 18 Rhododendron Park Boat Shed & Boardwalk Trail	90,000	392,000	0	0	0	0	482,000
P18a Rhododendron Park Float	73,500	0	0	0	0	0	73,500
P 19 Log Boom Park Waterfront	0	0	30,000	75,000	75,000	1,000,000	1,180,000
P 19a Log Boom Park Float	72,500	0	0	0	0	0	72,500
P 21 Kenmore Village Public Square	50,000	100,000	800,000	0	0	0	950,000
P 22 City Hall Plaza Improvements	0	0	75,000	0	0	0	75,000
P 23 Squires Landing Trail	0	0	0	0	40,000	200,000	240,000
P 24 Sammamish River Boat Launch Restroom	65,000	0	0	0	0	0	65,000
Total Parks	\$1,190,000	\$607,000	\$1,830,000	\$1,075,000	\$115,000	\$1,200,000	\$6,017,000
TRANSPORTATION							
T 5 68th Ave NE SR522 to Sammamish Slough	\$0	\$0	\$0	\$110,000	\$320,000	\$2,440,000	\$2,870,000
T 6 SR 522 West A 61st to 65th	4,428,500	4,865,000	2,000,000	0	0	0	11,293,500
T 7 61st Ave NE & 181st Traffic Signal	1,132,387	0	0	0	0	0	1,132,387
T 8 SR 522 West B 57th to 61st with BGT Wall	0	0	0	410,000	8,285,000	315,000	9,010,000
T 22 Simonds Road-Inglemoor HS Right Turn Lane	25,000	0	70,000	445,000	0	0	540,000
T 26 Wayfinding Signage and Banners	20,000	20,000	20,000	20,000	20,000	20,000	120,000
T 27 Sidewalk Program	174,950	100,000	100,000	100,000	100,000	100,000	674,950
T 31 City Safety Improvements	250,000	0	0	0	0	0	250,000
T 35 Juanita Drive/68th Ave NE Overlay	636,725	0	0	0	0	0	636,725
T 36 City Gateways	75,000	225,000	0	0	0	0	300,000
T 37 West Samm Bridge **	461,000	0	1,270,000	2,280,000	1,140,000	7,630,000	12,781,000
Total Transportation	\$7,203,562	\$5,210,000	\$3,460,000	\$3,255,000	\$9,545,000	\$8,065,000	\$36,738,562
** This project extends to 2020 with additional budget of \$7,680,000							
SURFACE WATER							
SW 1 Tributary 0057 Channel Relocation	\$0	\$889,750	\$0	\$0	\$0	\$0	\$889,750
SW 2 80th Ave NE Ditch Improvements	0	0	40,000	75,000	0	0	\$115,000
SW 3 Juanita Dr NE Ditch Grading Ph I	75,000	0	0	0	0	0	\$75,000
SW 7 NE 187th Street Bypass	467,011	40,000	71,000	0	0	0	\$578,011
SW 8 61st Ave NE Sidewalk Embankment Repair	55,000	0	0	0	0	0	\$55,000
SW 9 Swamp Creek Regional Basin Study	0	0	0	0	0	0	\$0
SW 12 74th Avenue NE Culvert Replacement	0	0	0	0	0	0	\$0
SW 13 NE 155th Street Outfall Revision	0	0	50,000	0	0	0	\$50,000
SW 16 Arrowhead Drive Conveyance Improvements	0	0	0	106,000	116,100	0	\$222,100
SW 17 Little Swamp Creek Relocation Project	0	0	0	0	56,500	50,000	\$106,500
SW 19 NE 192nd ST Culvert Replacement	0	20,000	106,000	0	0	0	\$126,000
SW 20 Small Works Projects	50,000	50,000	50,000	50,000	50,000	50,000	\$300,000
Total Surface Water	\$647,011	\$999,750	\$317,000	\$231,000	\$222,600	\$100,000	\$2,517,361
TOTAL EXPENDITURES	\$9,040,573	\$6,816,750	\$5,607,000	\$4,561,000	\$9,882,600	\$9,365,000	\$45,272,923

EXHIBIT A

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

REVENUES	2013 Adopted	2014 Adopted	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2013-2018 Totals
Real Estate Excise Tax (Transportation)	\$987,387	\$290,000	\$250,000	\$0	\$0	\$300,000	\$1,827,387
Real Estate Excise Tax - West Samm Bridge	0	0	174,000	307,000	78,000	0	\$559,000
Real Estate Excise Tax - Set Aside Sidewalks	174,950	100,000	100,000	100,000	100,000	100,000	674,950
Real Estate Excise Tax - Surface Water	55,000	0	0	0	0	0	55,000
Transportation Impact Fee Revenue	442,500	380,000	435,000	222,500	250,000	0	1,730,000
Transportation Impact Fee Revenue - West Samm Bridge	0	0	100,000	200,000	200,000	330,000	830,000
Park Impact Fee Revenue	659,000	310,000	45,000	972,345	0	0	1,986,345
Real Estate Excise Tax (Parks)	215,000	197,000	255,000	75,000	115,000	200,000	1,057,000
Kenmore Village Sale	50,000	100,000	800,000	0	0	0	950,000
King County Levy	120,000	0	30,000	27,655	0	0	177,655
Parks Grants	0	0	700,000	0	0	1,000,000	1,700,000
Surface Water Utility Funds	830,511	1,144,750	547,000	231,000	222,600	100,000	3,075,861
King County Flood District Grant	0	150,000	0	0	0	0	150,000
State/Transportation Improvement Board	0	4,100,000	1,100,000	0	2,000,000	0	7,200,000
Federal Grants/Allocations	3,600,000	0	0	0	0	0	3,600,000
Street Fund	661,725	0	0	0	0	0	661,725
Street Fund - West Samm Bridge	86,000	0	0	0	0	0	86,000
Sammamish River Bridge Fund	80,000	0	0	0	0	0	80,000
Other Agencies Reimbursements	12,500	25,000	55,000	222,500	0	0	315,000
Other Grant Funding	900,000	0	0	354,650	205,000	1,916,250	1,254,650
State Transportation Package	0	0	0	55,350	6,035,000	15,000	6,105,350
General Fund	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Strategic Opportunity Fund	146,000	0	0	0	0	0	146,000
Unfunded West Samm Bridge Replacement Resources**	0	0	996,000	1,773,000	862,000	7,300,000	10,931,000
TOTAL REVENUES	\$9,040,573	\$6,816,750	\$5,607,000	\$4,561,000	\$9,882,600	\$9,365,000	\$45,272,923

** This project extends to 2020 with additional funding requirements of \$7,680,000



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

Subject/Topic: Adoption of Memorial Signage Policies Proposed Council Action/Motion: Approval of Resolution 14-243.	For Council Meeting Agenda of: July 28, 2014 Department: Engineering & Environmental Services Prepared by: Ryan Miller Approved by Department Head: Approved by City Attorney: Approved by Finance Director: Approved by City Manager: <u>Initial & Date</u> <i>KMO 7/18/14</i> <i>via email</i> <i>Greg 7/18/14</i> <i>Greg 7/18/14</i> Exhibits/Attachments: Attachment A: Resolution 14-243 which includes the City Roadside Memorial Policies
Expenditure Required: NA Amount Budgeted \$NA Appropriation Required \$NA	
<u>INFORMATION/BACKGROUND:</u> The family of a person fatally injured in an accident has requested a memorial sign in the City of Kenmore, similar to those provided by other agencies in the area. No such City policy exists. Staff investigated the memorial sign policies and practices of the Washington Department of Transportation, King County Road Services, and the City of Kirkland. This information was used to develop the attached Resolution and associated policy and application (Attachment A) for Council consideration. The policy provides the opportunity to have a memorial sign placed near the accident site with a plaque stating the name of the deceased. Signs remain in place for five years, and the sign may be claimed by family members when it is removed. The message on the sign depends on the nature of the accident, for example, PLEASE DRIVE SAFELY or WATCH FOR PEDESTRIANS. The cost of one sign and one plaque is approximately \$300 and is to be paid by the applicant. This is consistent with costs charged by other agencies. Maintenance of the sign is the financial responsibility of the applicant. If the sign is damaged or vandalized, a replacement sign can be installed for an additional \$300 from the applicant. Family members or their representatives may apply for signs. This is described in the policy. In addition to memorial signs, the policy covers informal and short-term memorials that are often spontaneously placed at the site of fatal accidents. It provides guidelines to ensure safe conditions for drivers and pedestrians in the area while allowing an expression of grief by those affected by the accident. A 6-month period is allowed if all guidelines are met and provides for immediate removal if the City deems it necessary to ensure safety.	

FISCAL CONSIDERATION:

Costs for the fabrication, installation, and maintenance of memorial signage will be covered by the applicant. However, each memorial sign requires dedication of some staff time for administration which will not be covered in the cost borne by the applicant.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

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

CITY OF KENMORE
WASHINGTON

RESOLUTION NO. 14-243

**A RESOLUTION OF THE CITY COUNCIL OF KENMORE,
WASHINGTON, ESTABLISHING ROADSIDE MEMORIAL
POLICIES.**

WHEREAS, the City of Kenmore recognizes the public's desire to commemorate victims of fatal crashes on City of Kenmore streets; and

WHEREAS, the City of Kenmore desires to authorize roadside memorial signs to commemorate victims of such crashes; and

WHEREAS, guidelines for such memorial signs are necessary to maintain public safety; and

WHEREAS, the City of Kenmore desires to adopt the City of Kenmore Roadside Memorial Policies to govern and address placement, design, location, installation, cost, and placement duration of memorial signs.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. Adoption of the Policies. The City Council adopts the "City of Kenmore Roadside Memorial Sign Policies" as set forth in Attachment A.

Section 2. The Public Works Department shall administer the Policies on behalf of the City.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, AT A REGULAR MEETING THEREOF THIS 28th DAY OF JULY, 2014.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

City of Kenmore Roadside Memorial Policies

A. Purpose

1. The purpose of the Memorial Sign Policy is to:
 - a. Provide families of persons fatally injured in crashes with an opportunity to sponsor a memorial sign to be erected near the scene of the crash;
 - b. Ensure that memorial signs, short term and anniversary memorials are located and installed in a safe and consistent manner; and
 - c. Increase the public's awareness of the need to drive safely.

B. Definitions

1. Deceased: Any person who was fatally injured in a vehicle crash.
2. Immediate family member: A spouse, domestic partner, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, stepfather, grandparent, step grandparent or lineal descendent of the deceased.
3. Single crash site: The site of all vehicle crashes that occur within 1,000 feet from each other, regardless of when they occur.
4. Sidewalk: Includes any structure or form of street improvement in the space between the street margin and the roadway, known as the sidewalk area.
5. Representative: A person authorized by and acting in the interest of an immediate family member

C. Long-term memorial application procedure

1. An immediate family member or their representative may apply to sponsor a sign memorializing the deceased.
2. The applicant must complete and return a memorial sign application on forms furnished by the City. The documentation provided by applicant must establish that the deceased died as a result of a vehicle crash at a specific location in the City of Kenmore.
3. In the absence of the accident report, the applicant may produce other information or documents that are equally reliable. The City, in its sole discretion, shall determine whether other information or documents provided in lieu of an accident report are sufficiently reliable.
4. Sign applications will not be accepted for private streets.
5. A person may file an application under this policy to memorialize a fatality in a crash that occurred not more than two years prior to the application date.

D. City review of long-term memorial sign application

1. The City shall review all applications to ensure they are complete and accurate. The City may request more information from the applicant if the application is not complete or if the City needs additional information to process the application. The City shall deny any application that does not meet the criteria set forth in this Policy or does not contain the information required in this Policy or in the application.

2. Within 45 days after the City receives a correctly completed application submitted pursuant to this policy, the City shall complete its review of the application and inspect the proposed site for the memorial sign and shall send a written decision to the applicant indicating why or why not the application is accepted and indicating the proposed location of the sign.

E. Location, placement, and ownership of long-term memorial signs

1. Once an application has been approved, the applicant must pay the fee set forth in the City of Kenmore Public Works fee schedule to cover the cost of administration, fabrication, installation, and maintenance of the memorial sign and any name plaque that may be requested.
2. The City will select, purchase, install, remove, and retain ownership of memorial signs.
3. 24" by 24" signs will be installed in accordance with applicable City policies and standards for signs. This includes posts, hardware, materials, vertical, longitudinal, and lateral positioning. 24" by 12" name plaques shall be installed directly below the sign.
4. Memorial signs shall be placed only in a City right-of-way, on the right side of the roadway, facing oncoming traffic. Signs will not be installed in the median of any City roadway.
5. Memorial signs shall be placed in close proximity to where the accident occurred at a location where the City determines it is safe and practical to do so.
6. Only one sign will be installed per intersection or per 1,000 feet of roadway for each direction of traffic. However, a memorial sign will not be placed in a location where the memorial sign obstructs the visibility of an existing traffic sign, or traffic signal or impairs sight distance below adopted City standards. Signs will not be placed where these signs cause any concern or obstruction to any public appurtenance.
7. The City will not replace the sign should it be vandalized, damaged, or found missing; however, the applicant may apply for a new sign, including payment of the fee set forth by the City of Kenmore Public Works. Any replacement signs will continue the five year period (section E8) that began timing with the original sign.
8. Unless it is determined that public safety requires the sign to be removed, the City of Kenmore will allow the sign to remain in the right-of-way for five years after its placement, or until the City determines that the condition of the sign has deteriorated to a point where it is no long serviceable, whichever occurs first. The City shall remove and retain ownership of the sign after removal. The City may properly dispose of the sign unless applicant has requested, in writing on the application, possession of the sign after its removal. The applicant shall be responsible for promptly obtaining the sign from the City after its removal. Any signs left unclaimed after 45 days will be disposed of. The request to take possession of the sign is incumbent on the applicant.

F. Wording on long-term memorial signs

1. One of the following six messages, related to the cause of the crash, is available for standard memorial sign installation. The City, in its discretion, shall determine whether the requested message is related to the cause of the crash:
 - a. *Please don't drink and drive.*
 - b. *Please drive safely.*

- c. *Seat belts save lives.*
- d. *Watch for pedestrians.*
- e. *Watch for bicyclists.*
- f. *Watch for motorcyclists.*
- 2. A secondary plaque displays the message *In Memory Of*, together with the victim's name (See Schematic below). No more than three name plaques may appear below a single memorial sign.

G. Multiple long term memorial sign applications

- 1. Only one sign will be installed per single crash site. Should a sign already exist, an additional name plaque may be added to an existing sign upon City approval. Multiple deceased names may appear on one sign.
- 2. The City may approve applications for an additional memorial sign at an existing crash site under the following circumstances:
 - a. Additional name plaques can be attached to the existing sign installation; or
 - b. A second memorial sign can be installed across the roadway from the first sign installation so that the second sign installation faces the traffic approaching from the opposite direction.

H. Informal short-term memorials and anniversary memorials

- 1. The placement of informal memorials shall be allowed in the right-of-way for up to 6 months after an accident with the following conditions:
 - a. The memorial does not exceed three feet in height (except bicycles) and up to nine square feet in surface area and is contained in the right-of-way.
 - b. The memorial is placed off the roadway paved area (if no sidewalk exists) OR at the back of sidewalk.
 - c. The memorial does not cause unsafe conditions for passing motorists, pedestrians or bicyclists or for people who are maintaining or visiting the memorial. At the sole discretion of the City, items may be rearranged or removed to improve safety.
 - d. Those visiting and/or maintaining the memorial comply with all other applicable laws.
- 2. At the end of the 6-month period, the City may remove any items from the memorial site.
- 3. The placement of an anniversary memorial shall be allowed in the right-of-way for up to seven days after each anniversary of the vehicle crash, for up to four years. At the end of the seven-day period, the City may remove any items from the memorial site. Anniversary memorials are subject to the conditions described in item 1.
- 4. Unattended candles shall not be allowed at memorial sites and may be immediately removed by the City.
- 5. Nothing in items 1 thru 4 shall prevent the City, at its sole discretion, from removing a memorial immediately in response to a threat to public safety.
- 6. Any durable materials removed by the City will be held for 45 days. At the end of this period if the materials have not been claimed they will be disposed of.

Subject:

Hand-powered Watercraft Public Programming Services

Prepared by: Rob Karlinsey

Initial & Date

POK 7/10

RK V/A email

Quesada

NILS & RIL

17 July 2014

Exhibits/Attachments: Contract 14-C1298
Request for Proposals
Proposal from Northshore Canoe
and Kayak Club

Appropriation Required: N/A

Also in keeping with the City Council's goal to improve access to the waterfront, the City recently produced and

IX. E. Approve Contract No. 14-C1298 with Northshore Canoe ...

sent out a Request for Proposals for Hand-powered Watercraft Services at Squires Landing Park (See attached RFP). The City advertised the RFP in the Seattle Times and in the Kenmore Reporter. In response to the RFP, the City received a proposal from the Northshore Canoe and Kayak Club (NCKC) to provide hand-powered watercraft programming and activities at Squires Landing Park. NCKC's proposal can be viewed as an umbrella proposal that covers several hand-powered watercraft organizations and disciplines. These disciplines include canoeing and kayaking, dragon boat paddling, and potentially rowing and standup paddle boarding.

As a result of the proposal submitted by NCKC, the City Manager negotiated the attached agreement (Contract 14-C1298) with NCKC. In the agreement, the City allows NCKC, its dbas, subcontractors, and affiliated organizations to use facilities, including boat storage, at the Park property in return for providing hand-powered watercraft activities and programming for the public. Key points of the agreement are as follows:

- NCKC will be granted the non-exclusive right to operated and conduct hand-powered watercraft programming and activities at the Park and may use two of the three bays of the Park's detached three car garage for boat storage. When a minimum of 25 youth members are registered and enrolled in NCKC classes and programs, NCKC may expand to the third bay of the garage. The agreement also contemplates that as the NCKC programs and activities expand, NCKC may occupy the mobile home on the property in the future; the details of such an arrangement would be negotiated later and when appropriate. However, the agreement states that the City may remove the mobile home from the property at any time for any reason.
- NCKC's prices and membership fees charged to participants must be comparable to or lower than those generally charged in the area for similar membership levels.
- NCKC shall initially provide recreational programming and instruction to youth on a weekly basis for at least three hours per week from April 1 through September 30 of each year. NCKC shall provide boats, paddles, life jackets, etc.
- NCKC shall provide at least 20 low cost scholarships (at least 50% reduction in cost of classes) to youth and families whose household income is at or below 50% of the King County median household income. The availability of these scholarships shall be made known through NCKC's brochures and marketing materials.
- NCKC shall keep the Park free of litter and debris and shall perform at least two park clean up (including weeding, trimming, raking, etc.) events per year.
- NCKC shall promote the City of Kenmore and shall prominently bear the "Kenmore" name in its club and team names.
- NCKC is required to provide to the City an annual report on its activities and programs for the preceding calendar year. The report is due by February 15 of each year.
- NCKC must make safety the top priority, the details and requirements of which are outlined in the attached agreement.
- Term: The agreement shall be begin on July 29, 2014 and end on December 31, 2015. The agreement shall be automatically extended for additional one-year terms unless either party gives written notice of termination to the other party on or before October 1 of the calendar year prior to the end of the initial term of the agreement or the end of any one-year term.

Under a separate agreement for recreational programming, NCKC has already been utilizing a storage container at Rhododendron Park for boat storage (the YMCA shares this container with NCKC. The YMCA is using the container for kayak storage for its summer day camp at Rhododendron Park). This agreement with NCKC for the storage container expires at the end of August, so there will likely be a brief overlap between the container agreement and the attached agreement.

The board members and volunteers associated with NCKC and this proposal are enthusiastic and have solid experience and skill in hand-powered watercraft. Most of the board members and volunteers are Kenmore residents. The City Council will have the opportunity to meet several of these volunteers during the presentation of this agreement at the July 28 City Council meeting.

FISCAL CONSIDERATION:

The costs of acquiring and owning the Park property were presented and discussed at the time the City approved the purchase and sale agreement. The City will not receive revenue from this agreement. Instead, the City and the public will see public recreational programming and waterfront activities in return for NCKC using the Park facilities.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Council Goals 1 and 5: Advance the public's access and connection to the waterfront

Contract 14-C1298

AGREEMENT FOR PUBLIC RECREATIONAL PROGRAMMING

THIS AGREEMENT made and entered into this _____ day of _____ 2014, by and between the CITY OF KENMORE, a municipal corporation, hereinafter referred to as "City", and Northshore Canoe and Kayak Club, a State of Washington nonprofit corporation (UBI# 603311491), hereinafter referred to as "NCKC."

WITNESSETH:

City hereby grants to NCKC the right, license, and privilege to utilize a detached garage and a portion of the City-owned Squires Landing Park property located near the Sammamish River at 7353 NE 175th Street in Kenmore ("Park") in the manner and for the purposes hereinafter specified. In this Agreement, NCKC shall mean NCKC and its dba's, programs, subcontractors, and affiliated organizations through which recreational programming is being provided and coordinated by NCKC. The following terms, conditions, and covenants shall govern this Agreement:

GRANT OF USE

NCKC is granted the non-exclusive right to operate and conduct hand-powered watercraft boating activities, classes and programs for the public at the Park, in the area of the Park depicted on Exhibit A (the "Premises"). In consideration of services to be provided by NCKC to the public, NCKC is granted non-exclusive use of two of the three bays of the detached garage ("garage") (shown on Exhibit A) for storing hand-powered watercraft and associated equipment. NCKC also may store up to two Dragon Boats as specified in the "Equipment Storage" section of this Agreement. Upon written approval by the City Manager, NCKC may use the third bay of the garage when a minimum of twenty-five (25) youth members are registered and active members of and are enrolled in NCKC classes and programs. NCKC's use of other areas in the Park, including the dock, shall not be exclusive; such areas shall remain and be available for use by City and the public. City shall not charge NCKC for these activities and uses, for the reason stated in the "Programs and Activities" section of this Agreement. Prices and membership fees charged by NCKC to participants for hand-powered watercraft activities in the Park must be comparable and competitive with (or lower than) those generally charged in the area for similar membership levels.

This Agreement contemplates that as NCKC's membership and programming significantly grows, NCKC may, subject to the Rules Governing Operation section below and the discretion of the city manager, occupy the mobile home on the Premises for purposes of furthering NCKC's handpowered watercraft programs and activities. At such time, the city manager and NCKC will negotiate and come to agreement on maintenance and improvement responsibilities for the mobile home, as well as use and

other terms such as increasing the number of low cost scholarships for low income participants.

Notwithstanding the foregoing, the City may remove the mobile home from the property at any time and for any reason.

Subject to availability, NCKC may use City Hall meeting rooms no more than once monthly and no longer than three (3) hours in duration for each meeting for board, membership, team, and promotional meetings; provided, that City meetings shall take priority over NCKC meetings, regardless of whether the NCKC meeting was previously scheduled. NCKC must schedule its use of the City Hall meeting rooms through the City Manager or his/her designee.

TERM OF AGREEMENT

This Agreement shall begin on July 29, 2014 and end on December 31, 2015. Subject to the termination provisions below, this Agreement shall be automatically extended for additional one-year terms unless either party gives written notice of termination to the other party on or before October 1 of the calendar year prior to the end of the initial term of this Agreement or the end of any one-year term.

LICENSING AND OTHER REQUIREMENTS

NCKC shall, at its own expense, obtain all necessary licenses, permits and approvals for its activities and operation. NCKC shall possess a City business registration at all times while doing business in the City.

PROGRAMS AND ACTIVITIES PROVIDED BY NCKC

In consideration for NCKC's use of the garage, Park and City Hall meeting rooms at no cost, NCKC shall provide recreational programming and instruction to youth, defined as persons less than eighteen (18) years of age ("youth"). NCKC may also provide the same or similar services to adults. The programming and instruction shall include weekly hand-powered watercraft instruction at the Park, which shall be offered for at least three hours per week from April 1 through September 30. NCKC shall use a well-rounded, multi-discipline approach, allowing and making room for various forms of paddling programs and activities to operate under the NCKC umbrella.

Instruction shall include recreational paddling activities and water safety instruction, for which NCKC shall provide boats, paddles, life jackets and other necessary equipment. Additional details on programming and NCKC's affiliated organizations and subcontractors is provided in Exhibit B of this Agreement.

NCKC shall provide at least twenty (20) low cost scholarships (i.e. at least fifty percent (50%) reduction in the cost of classes, programs and NCKC memberships), on a first-come, first-served basis, to youth and families whose household income is at or below fifty percent (50%) of the King County median household income. The scholarships must

be available for the duration of this Agreement. In its brochures and marketing materials, NCKC shall advertise and make the scholarships known to potential participants.

NCKC shall organize two semiannual Park cleanup days per year. These Park cleanup days must be for a minimum of three (3) hours each and must be under the direction of City. Park cleanup activities shall include such tasks as weeding, edging, raking, trimming and removing vegetation, spreading mulch or topsoil, picking up litter, and performing other Park maintenance tasks. On an ongoing basis, NCKC must keep the Park free of litter and debris.

NCKC shall be responsible for its administrative functions, including bookkeeping, collecting membership dues and program fees, recruiting and managing staff and volunteers, maintaining membership and class rosters, accounts payable, etc.

ADVERTISING AND PROMOTION

City shall promote and advertise NCKC classes, programs and events at least once yearly in City's Newsletter; provided, that the City shall determine the timing and space allocated to such advertising in its sole discretion. City shall also include a link on City's website to NCKC. From time to time City may announce NCKC programs, classes, and events through City's various communications outlets.

NCKC shall also promote the City of Kenmore in its advertising and media. Any competitive teams operating through NCKC and pursuant to this Agreement shall prominently bear the "Kenmore" name. For example, NCKC's canoe and kayak racing team shall be "Kenmore Canoe and Kayak Club" or the equivalent, with "Kenmore" as a primary and prominent part of the name. NCKC may use City's logo for its teams, programs, classes and events.

Subject to changes in City's sign code, NCKC may place one sign on the water (southern) side of the Park. The sign shall be no more than five square feet in size and must meet City's sign code requirements. The look, content and location of the sign shall be approved in writing and in advance by the City Manager. The sign's location shall not interfere with public use and enjoyment of the Park.

Also subject to changes in City's sign code, NCKC may also place one A-frame sign on City property (not in the right of way) near and visible from NE 175th Street. Current City code (subject to change) allows an A-frame sign no larger than six square feet. The look, content and location of the A-frame sign shall be approved in writing and in advance by the City Manager.

EVENTS

NCKC is encouraged to organize special events in the City, including regattas, triathlons, and the like. NCKC shall obtain the proper permits, licenses and approvals for such

events. Once approved, City will help promote the event by including it in City Newsletter (with the timing and space allocated to such promotion determined by the City in its sole discretion) and by announcing it on City's web page, email listserv, and social media.

REPORTING

By February 15, NCKC shall submit to City an annual report, which shall provide relevant information about the prior calendar year, including but not limited to data on number of youth participants and members, number of adult participants and members, volunteer hours, number and types of classes and programs, enrollment in each of the classes and programs, and number of discounted memberships and classes for low income youth and families.

INDEPENDENT CONTRACTOR

This Agreement is not a contract of employment and NCKC is an independent entity with respect to its business, use and activities hereunder. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties. Any assistants, volunteers, or other help used by NCKC are and shall be deemed to be employees of NCKC and not employees of City. NCKC shall be responsible in full for any payment due its employees, including workers compensation and related costs.

INSURANCE

For all of its business, use and activities under this Agreement, NCKC (and its affiliated organizations and subcontractors) shall obtain and maintain for the duration of this Agreement, policies of Commercial General Liability with combined single limits of not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate with an insurer having no less than an AM Best rating of A VII and authorized to do business in the State of Washington. A \$2,000,000 products/completed operations aggregate is required for contractors that prepare food. The insurance policies shall be written on an occurrence basis. City shall be named as an additional insured and a copy of the endorsement naming City as an additional insured shall be attached to the Certificate of Insurance. NCKC shall provide a Certificate of Insurance with applicable Additional insured endorsements for both the CGL coverage and products/completed operations with the City prior to NCKC using the Park facilities and areas and/or providing services.

HOLD HARMLESS/INDEMNIFICATION

NCKC shall defend, indemnify and hold City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of NCKC with respect to any and all activities conducted by NCKC, use of the Park and construction of modifications or improvements under this Agreement, except for injuries and damages caused by the sole negligence of City.

City shall defend, indemnify and hold the NCKC, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of City in carrying out its administrative duties under this Agreement, except for injuries and damages caused by the sole negligence of NCKC.

RULES GOVERNING OPERATION

NCKC may only operate during daylight hours, but in any event no sooner than 7:00 a.m. and no later than 8:00 p.m. During all hours of operation, NCKC shall maintain on duty adequate personnel to comply with all terms and conditions of this Agreement.

NCKC's use of the Park shall be non-exclusive. During NCKC's use of the Park and provision of classes, programs, and events, the public shall be welcome to use the Park, including but not limited to the boat ramp and dock, and NCKC members, staff, and coaches shall in no way treat the public as if they are not welcome to freely use the Park for picnics, launching from the dock, and other activities that maximize the full use and enjoyment of the Park. NCKC members, staff, and coaches shall at all times be courteous and friendly to all those who use the Park. NCKC is not authorized to act on behalf of City to enforce laws and Park rules. If NCKC members or staff believe a member of the public is violating a law or Park rule in the Park, NCKC shall call the police or contact City immediately.

To maximize the use of the dock for the launching of handpowered watercraft, City may post "No Fishing from Dock" signs. NCKC and its members, staff and coaches shall not monopolize the dock or boat ramp and shall keep the dock and boat ramp reasonably clear for other boats. NCKC shall not moor boats at the dock overnight. Depending on usage and conflicts that may arise, City may adopt additional rules regarding use and public enjoyment of the dock and boat ramp.

NCKC shall at all times keep its area of business, use and activities free of clutter and litter and debris, stains and spills related to the business, use and activities. All trash generated by NCKC's business, use and activities shall be collected and disposed of as soon as possible by NCKC.

NCKC shall not make modifications to the Park or its structures and facilities that change outward appearance or that alter structural integrity of any buildings or facilities, including the dock; provided that NCKC may make such modifications with proper permitting and the advance written permission of the City Manager. NCKC, at its cost, may fasten pictures and storage racks to the interior walls of the garage, provided that NCKC will obtain proper permits for any work or improvements (if needed) and that NCKC will bear full responsibility for any loss, damage, or injury from the use or malfunction of such interior work or improvements.

The City reserves the right to enter and inspect the garage and any other structures and facilities in the Park at any time and without advance notice.

NCKC shall not place any type of signage or advertisement of its business, use and activities on the Park without written permission from City and, if such permission is granted, until appropriate permits, licenses and approvals are obtained.

NCKC shall not have the right to designate parking at the Park for NCKC staff or customers. City will post no parking signs or place cones or barricades to allow appropriate access to the garage at all times. City reserves the right to change, add, remove, or otherwise establish rules for the Park, including but not limited to parking, hours of operation, signage, and facility reservations.

City reserves the right to repair, remove, change, relocate, add to, or modify any of the structures in the Park at any time, including the dock, garage, and manufactured home. City reserves the right to remove or modify existing structures, including the garage, and to construct new structures. NCKC recognizes that any such removal, change, modification or construction may render any or all of the Park facilities unusable for a period of time. Any such removal, change, modification or construction and resulting inability to use the Park facilities shall not be a breach of this Agreement.

EQUIPMENT STORAGE

NCKC may store its boats and other equipment in the garage. NCKC may store equipment at other locations in the Park with the prior written consent of the City Manager (for example, NCKC may request to store its boat trailer(s) in the trailer storage area near the northwest corner of the property); notwithstanding the foregoing, NCKC may store up to two Dragon Boats along the west edge of the Park, as shown in Exhibit A of this agreement. Any storage structure for the Dragon Boats, temporary or permanent, must be approved in writing and in advance at the sole discretion of the City Manager and in compliance with permit and approval requirements. City shall not be responsible for lost, stolen, or damaged boats and equipment. City's insurance does not provide coverage for lost, stolen, or damaged boats and equipment, and NCKC is encouraged to obtain its own insurance coverage.

All NCKC-owned equipment, supplies, and other items must be removed from the Park within seven (7) days of the last day of this Agreement.

SAFETY AND SAFETY EQUIPMENT

NCKC must operate the classes, programs and activities and use the Park and facilities (and the water specialty activities, in particular) according to USA Canoe/Kayak standards. When in or on the water, every youth must, at all times and without

exception, wear a personal flotation device that is U.S. Coast Guard approved and meets additional "safe for use" guidelines. No fewer than two NCKC staff (or one coach and a parent/guardian) must supervise water activities at any given time when youth are on the water. All NCKC adult staff, volunteers, and parents who provide training, supervision, and/or regularly or semi-regularly interact with participants who are youth or vulnerable adults must successfully pass a Washington State Patrol criminal background check that shows no criminal history that would call into question their ability to interact with youth and vulnerable adults.

Participants must be taught how to properly enter and exit the water and navigate their crafts. All participants shall hold a current Seattle Parks Float Test (or equivalent). NCKC shall comply with all Washington State and U.S. Coast Guard water safety laws. NCKC must have written rules and procedures for water activities, including an emergency action plan specific to the Park location. In addition, NCKC staff must be First Aid and CPR-certified, and NCKC must provide First Aid kits on site and accessible to staff and members. The standards and requirements of this section have been promised to City by NCKC, according to standards that are known to and understood by NCKC. City shall not be required to enforce these standards and requirements, and shall not be responsible for NCKC's adherence (or lack of adherence) to them.

When youth are paddling on the water, NCKC shall have adult, on-water supervision at all times. On-water supervision means that the adult shall be in a water craft that can follow youth and allow the adult supervisor to keep youth within view and respond to their needs.

TERMINATION OF AGREEMENT

In the event NCKC breaches any term of this Agreement, or in the event NCKC violates any local, City, County, State or Federal laws applicable to its business, use, and activities hereunder, City may terminate this Agreement upon ten (10) days written notice to NCKC. However, the City Manager or designee may order NCKC to cease operations immediately at any time should the City Manager or designee determine such operations are detrimental to public safety, health or welfare. In the event of termination, NCKC agrees City shall have the right to dispose of all property used by NCKC in its operations that has not been removed by NCKC by the ending date of this Agreement.

EXTENT OF AGREEMENT/MODIFICATION

This Agreement is the final and completely integrated Agreement between the Parties regarding its subject matter and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may only be amended by written instrument properly signed by both Parties.

SUCCESSORS AND ASSIGNS

NCKC shall not assign, transfer, or otherwise dispose of this Agreement or any part of this Agreement without the written prior consent of the City.

NONDISCRIMINATION

NCKC shall ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bonafide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

CITY OF KENMORE, WASHINGTON

NCKC

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A

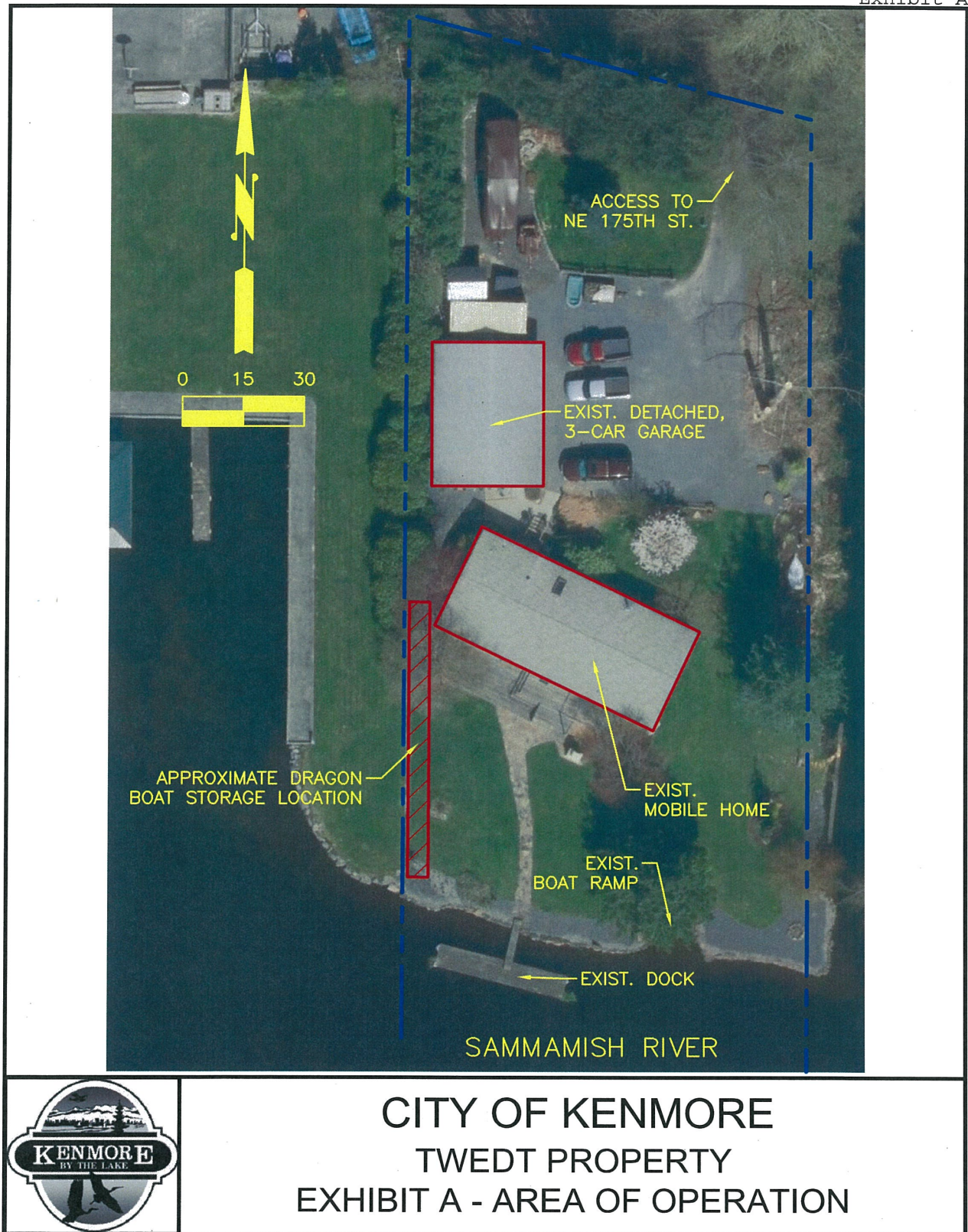


EXHIBIT B
PROGRAMS AND AFFILIATED ORGANIZATIONS

NCKC may provide activities, classes, and programs at the Park either directly or through affiliated organizations and/or subcontractors. The City Manager is authorized to approve any new organizations or subcontractors, not identified below, under the NCKC umbrella. Any such new additions shall be approved by the City Manager in writing and in advance, shall provide the same insurance coverages as required of NCKC in this Agreement, and shall comply with the terms of this Agreement. In any case, NCKC shall be the responsible, umbrella organization with which City interacts and holds all affiliated organizations and subcontractors accountable under this Agreement.

The following organizations and programs as authorized to operate as affiliated organizations and subcontractors under the direction and coordination of NCKC:

Kenmore Waterfront Activities Center (KWAC). As a dba of NCKC, KWAC will provide the coordination of the programs and activities at the Park. KWAC will coordinate boat and equipment storage in the garage as well as scheduling and coordination of various classes and activities.

Kenmore Canoe and Kayak Club. As a dba of NCKC, Kenmore Canoe and Kayak Club will provide instruction to youth on how to paddle kayaks and canoes. The Club will also provide competitive coaching and racing opportunities for youth. The Club may also provide such opportunities for adults.

Seattle Flying Dragons. As an affiliated organization of or subcontractor to NCKC, the Seattle Flying Dragons shall provide Dragon Boat paddling opportunities in City, subject to Dragon Boat availability. Any City-based Dragon Boat racing team(s) shall prominently bear the "Kenmore" name.

George Pockock Rowing Foundation (GPRF). GPRF is not able to provide rowing activities or programming at the Park at this time. However, should City install a dock long enough for GPRF's needs, GPRF may provide activities and programming at that time.

Request for Proposals



**City of Kenmore, Washington
REQUEST FOR PROPOSAL (RFP)
June 4, 2014**

RFP 14-C1298

Handpowered Watercraft Recreational Services

The City of Kenmore is accepting proposals from organizations to provide handpowered watercraft (such as kayak, canoe, stand-up paddle board, row boat, and crew boat) recreational services (for example: classes, clinics, camps, trips, tours, events, and competitive teams) (hereafter, "recreational programming" or "Services") at a waterfront property in Kenmore, Washington. The City prefers having one organization that is responsible for managing multiple services. A locally-based organization with an emphasis on youth programs is desirable.

The City has entered into a purchase and sale agreement with the owner of a 0.65 acre waterfront property located at 7353 NE 175th Street in the City (see Exhibit A). If the City acquires the property, it will be open for general public use in addition to any recreational programming. The property is located at the confluence of the Sammamish River and Swamp Creek and has approximately 100 lineal feet of waterfront, not counting the adjacent city owned lagoon on the east side of the property. A manufactured home of approximately 1,600 square feet, a detached 860 square foot three-car garage, and a 34 foot by 6 foot floating dock are located on the property.

All written proposals must include the following:

1. A cover page that includes the name, address, phone number, email address, and primary contact person of the organization, or if multiple organizations will provide and manage the Services, such information for all organizations.
2. A description of the organization responsible for overall management of recreation programming, including status as a profit/nonprofit entity, mission, and governance structure. Also, the same description for all organizations who will provide recreational programming.
3. A list of all individuals, including resumes, in the organization who will be directly involved in overall management of recreational programming. In addition, a list of all individuals (including resumes) for other organizations who will be overseeing and administering recreational programming. Include a description of the lead individuals' experience in hand-powered watercraft instruction and supervision.
4. The proposal of services to be provided. This proposal shall include a detailed description of the following for each organization:
 - a. Services to be provided and a schedule of when those services will be available to the public. Describe any requirements for

- participation in Services, such as age, experience, certification, membership, etc.
 - b. Benefits to City residents resulting from the Services.
 - c. How the services will be marketed and promoted.
 - d. How the Services will highlight and benefit the City.
 - e. How the organization will utilize the property's features and facilities, including the buildings and dock, and how the organization will ensure continued public use when the organization has Services operating on the site.
 - f. Approximate cost of each type of Service.
 - g. Number of scholarships, discounts, or no-cost services to be provided to residents of the City, and a description of eligibility requirements, all consistent with the contract template for the Services at Exhibit B to this RFP.
 - h. The organization's demonstrated commitment to safety, including how the organization and its members will approach safety and the safety requirements for instructors, coaches, members, and patrons.
 - i. Description of property maintenance and utility services expected to be provided by the City; requested subsidy (if any) from the City; and description of the benefit the City and its residents will realize in return for that subsidy.
 - j. Conversely, a description of the utility and maintenance costs the organization proposes to pay; and/or the rent amount the organization proposes to pay the City in exchange for using the property.
 - k. A description of any improvements and/or property maintenance services the organization will provide that are considered essential to operations; or conversely, any improvements to the property that the organization requests the City to complete prior to the organization providing services.
 - l. A statement that all staff involved in the delivery of Services to youth and/or vulnerable populations will be subject to full background checks.
 - m. Preliminary budget for the Services, including anticipated revenues and expenditures.
5. A list of at least two references for each organization's board members (or company owner(s)) and lead instructors or coaches. References must include the name and contact information of employers, past/present clients, and/or reputable members of the community.
 6. Each organization's insurance coverage, which must satisfy the types, amounts, and proof of insurance as described in the contract template at

Exhibit B to this RFP, together with the name and address of each organization's insurance agent.

Evaluation of the proposals will be based on the following:

- Breadth and diversity of proposed Services.
- Organizational experience and expertise related to the provision of proposed Services.
- Schedule for implementing the Services.
- Demonstration and validation of the organization's commitment to safety.
- Cost to the City and to recreational programming participants.
- Local ties to the City and demonstration of ability to promote the City.
- The organization's approach and ability to be inclusive and affordable to the broader community, including but not limited to discounts and/or no cost enrollments to eligible participants.
- Positive feedback from references.
- Proof of required insurance coverage.

The contract template for the Services to be provided is in Exhibit B to this RFP. By submitting a proposal, the organization(s) agrees to the terms and conditions of the contract template. The selected organization(s) must provide proof of being established as a legitimate organization recognized by and in good standing with the State of Washington.

An optional pre-submittal walkthrough of the property has been scheduled for June 17, 2014 at 8:30 am. Those attending the walk-through should park and meet on NE 175th Street near the property driveway entrance. Do not walk to the property unless escorted by a City employee.

The City of Kenmore requests that all proposals be submitted before **noon on June 27th, 2014.**

Interested organizations may apply at no cost by visiting our website at www.kenmorewa.gov and clicking on "Hand Powered Watercraft Recreational Services RFP" under News Updates on the right side of the screen. For questions, call 425-398-8900 or email rkarlinsey@kenmorewa.gov.

Proposals shall be submitted to:

City of Kenmore
Hand Powered Watercraft Services RFP
18120 68th Avenue NE
Kenmore, WA 98028

Or emailed to: rkarlinsey@kenmorewa.gov (Emailed proposals should be attachments in MS Word or PDF format.)

In accordance with Title VI of the Civil Rights Act of 1964, the City hereby assures that no business or person shall, on the basis of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be otherwise discriminated against under the City's programs, activities, or services. In addition, the selected organization, with regard to the work performed during the contract, shall affirmatively support non-discrimination practices, including in the selection and retention of subcontractors and in the procurement of material and equipment.

Exhibit A

Site Map





Exhibit B

Contract Template

Contract No. 14-C1298

AGREEMENT FOR PARK PROPERTY USE AND RECREATIONAL PROGRAMMING

THIS AGREEMENT made and entered into this _____ day of _____ 2014, by and between the CITY OF KENMORE, a municipal corporation, hereinafter referred to as "City", and _____, hereinafter referred to as "_____."

WITNESSETH:

City hereby grants to _____ the non-exclusive right, license, and privilege to utilize _____ facilities at City-owned property located at 7353 NE 175th Street in Kenmore, hereinafter referred to as "the Park," in the manner and for the purpose hereinafter specified. The following terms, conditions, and covenants shall govern this Agreement:

GRANT OF USE

_____ is granted the non-exclusive right to operate and conduct the activities and services described at Exhibit A, Scope of Services, for the public at the Park (the "Services"). These Services shall occur at the Park at the location depicted on Exhibit B (the "Premises"). The City shall not charge _____ for conducting and carrying out the Services in the Park, for the reason stated in the Exhibit A. Prices charged by the _____ to participants for the Services in the Park must be comparable and competitive with (or lower than) those generally charged in the area for similar Services.

TERM OF AGREEMENT

This Agreement shall be begin on _____, 2014 and end on _____.

LICENSING AND OTHER REQUIREMENTS

_____ shall, at its own expense, obtain all necessary licenses for the Services. _____ shall possess a City business registration at all times while doing business in the City. Any modifications or improvements to designated use area required by regulatory agencies or any modifications or improvements mutually agreed upon by _____ and the City shall be installed at the sole expense of _____ and requires advance written approval from the City Manager or his/her designee. It is the responsibility of _____ to obtain all applicable permits needed to install the modifications or improvements. The modifications and improvements shall become the property of the City upon completion of installation;

provided that _____ shall be entitled to utilize the modifications and improvements in accordance with this Agreement while this Agreement is in effect.

SERVICES PROVIDED BY THE _____

In consideration for _____'s use of the Park facilities at _____ cost, _____ shall provide the Services as described in Exhibit B. _____ shall provide handpowered watercraft and related and necessary equipment, such as paddles, oars, and personal flotation devices, to carry out the Services.

_____ shall provide at _____ discounted/free scholarships (i.e. discounted/no fee classes and/or club memberships), on a first-come, first-served basis, to families whose household income is at or below the King County median household income level. The scholarships will be available for the duration of this agreement. In its brochures and marketing materials, _____ shall advertise and make the scholarships known to potential participants.

INDEPENDENT CONTRACTOR

This Agreement is not a contract of employment and _____ is an independent entity with respect to the business and Services hereunder. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties. Any assistants, volunteers, or other help used by _____ are and shall be deemed to be employees of _____ and not employees of the City. _____ shall be responsible in full for any payment due its employees, including workers compensation and related costs.

INSURANCE

_____ shall obtain and maintain for the duration of this Agreement, policies of comprehensive general liability with combined single limits of not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate with an insurer having no less than an AM Best rating of A VII and authorized to do business in the State of Washington. The insurance policies shall be written on an occurrence basis. The City shall be named as an additional insured and a copy of the endorsement naming the City as an additional insured shall be attached to the Certificate of Insurance.

_____ shall provide a Certificate of Insurance with the applicable additional insured endorsement prior to commencing the Services.

_____ 's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of _____ to the coverage provided by such insurance, or otherwise limit the City's resource to any remedy available at law or in equity.

The insurance policy shall contain or be endorsed to contain that the _____, insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance or insurance pool coverage shall be excess of the _____'s insurance and shall not contribute with it.

HOLD HARMLESS/INDEMNIFICATION

_____ shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of _____ with respect to any and all Services conducted by _____, use of the Park and construction of modifications or improvements under this Agreement, except for injuries and damages caused by the sole negligence of the City.

City shall defend, indemnify and hold the _____, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the City in carrying out its administrative duties under this Agreement, except for injuries and damages caused by the sole negligence of the _____.

RULES GOVERNING CONCESSION OPERATION

_____ may only operate during daylight hours, but in any event no sooner than 7:00 am and no later than 6:00 pm. During all hours of operation, _____ shall maintain on duty adequate personnel to comply with all terms and conditions of this Agreement.

_____ shall at all times keep its area of business and use free of clutter and litter and debris, stains and spills related to the business and use. All trash generated by _____'s operation shall be collected and disposed of as soon as possible by _____.

_____ shall not place any type of signage or advertisement of its Services and use without written permission from the City and, if such permission is granted, until appropriate permits are obtained.

_____ shall not have the right to designate parking at the Park for _____ staff or participants.

EQUIPMENT STORAGE

The _____ may store its handpowered watercraft and all equipment and supplies related to the Services in _____ and no other location in the

Park. The City is not responsible for lost, stolen, or damaged handpowered watercraft, supplies and equipment.

All _____-owned handpowered watercraft, equipment and supplies must be removed from the Park within seven (7) days of the last day of this Agreement.

SAFETY AND SAFETY EQUIPMENT

_____ will operate the Services and use the Park area and facilities (and the water specialty activities, in particular) according to _____ standards. When in or on the water, every child will, at all times and without exception, wear a personal flotation device that is Coast Guard approved and meets additional "safe for use" guidelines. _____ staff trained in _____ water safety standards must be present and on guard at all times during water activities, and no fewer than two _____ staff will be supervising water activities at any given time. Patrons and users must be provided in-depth safety instructions and taught how to properly enter and exit the water, and navigate their crafts. _____ shall comply with all Washington State and US Coast Guard water safety laws. _____ must have written rules and procedures for water activities, including an emergency action plan specific to the Park location. In addition, _____ staff must be First Aid and CPR-certified, and First Aid kits must be located on site and accessible to staff. The standards and requirements of this section have been promised to the City by _____, according to standards that are known to and understood by _____. The City shall not be required to enforce these standards and requirements, and shall not be responsible for _____'s adherence to them.

TERMINATION OF AGREEMENT

In the event _____ breaches any term of this Agreement, or in the event _____ violates any local, City, County, State or Federal laws applicable to its operations and activities hereunder, the City may terminate this Agreement upon ten (10) days written notice to _____. However, the City Manager or his/her designee may order _____ to cease operations or the Services immediately at any time should the City Manager or his/her designee determine such operations or Services are detrimental to public safety, health or welfare. In the event of termination, _____ agrees the City shall have the right to dispose of all property used by _____ in its operations and Services that has not been removed by _____ by the ending date of this Agreement. Notwithstanding the foregoing, each Party reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving twenty (20) days notice.

EXTENT OF AGREEMENT/MODIFICATION

This Agreement is the final and completely integrated Agreement between the Parties regarding its subject matter and supersedes all prior negotiations, representations or

agreements, either written or oral. This Agreement may only be amended by written instrument properly signed by both Parties.

SUCCESSORS AND ASSIGNS

_____ shall not assign, transfer, or otherwise dispose of this Agreement or any part of this Agreement without the written prior consent of the City.

NONDISCRIMINATION

_____ shall ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bonafide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

CITY OF KENMORE, WASHINGTON

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A
Scope of Services

Exhibit B

Area of Operation of Services



City Of Kenmore, Washington

REQUEST FOR PROPOSAL (RFP)

June 16, 2014

Handpowered Watercraft Recreational Services

ADDENDUM NO. 1

RFP 14-C1298 Addendum No. 1

Question: Will the selected organization get exclusive use of the property?

Answer: No. The public will be free to use the property, including the dock and parking. However, the City is willing to consider proposals where the selected organization will have exclusive (or shared with another organization) use of the house and/or the garage for storage and/or other uses that facilitate and promote recreational hand-powered watercraft programming for the public.

Question: Will the selected organization be required to share facilities and/or park property with other organizations?

Answer: The City prefers to deal with only one organization that will serve as an umbrella for multiple handpowered watercraft uses. However, it is possible that more than one organization may operate from the property, either in the near term or in the long term, and park facilities would need to be shared between the organizations. Again, the City prefers that one organization serve as an umbrella for multiple uses. Proposals drafted as such will be more likely to be selected.

Question: Will there be a bidders conference?

Answer: The pre-proposal submittal meeting is described in the RFP. This meeting is an on-site, optional pre-submittal walk-through meeting on June 17 at 8:30 am. (please follow the parking and other instructions in the RFP)

Question: Does the City have any arrangement for boat access or storage with the adjacent property owner directly to the west?

Answer: No.

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

Office: (425) 398-8900 · Fax: (425) 481-3236 · cityhall@kenmorewa.gov
www.kenmorewa.gov



City Of Kenmore, Washington

REQUEST FOR PROPOSAL (RFP)

RFP 14-C1298 Addendum No. 2

June 23, 2014

Handpowered Watercraft Recreational Services

ADDENDUM NO. 2

Question: What is the size of the detached garage on the property?

Answer: 864 square feet.

Question: What is the size of the manufactured home on the property?

Answer: 1,620 square feet.

Question: What are the City's maintenance and upkeep expectations for the selected organization?

Answer: The City is interested in and open to what may be proposed by the organizations that are responding to this RFP. One scenario may be that the selected organization performs routine yard maintenance such as litter pickup and keeping the lawn mowed, while the City would be responsible for keeping structures in good repair.

Question: Is there a cutoff date for questions?

Answer: Yes, the cutoff date and time for questions relating to this RFP is Noon on Tuesday, June 24th, 2014. Please submit questions in writing to rkarinsey@kenmorewa.gov.

Clarification on the Manufactured Home: The City is currently applying for a grant that would reimburse the City for a portion of the property acquisition cost. In the spring of 2015, the City will learn whether this grant will be awarded. If the City is successful in obtaining this grant, the conditions of the grant may require the City to remove the manufactured home from the property. The timeline for such removal is unknown, but it is likely that the home would be removed in less than two years after receiving the grant.

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

Office: (425) 398-8900 · Fax: (425) 481-3236 · cityhall@kenmorewa.gov
www.kenmorewa.gov

Northshore Canoe and Kayak Proposal

1. A cover page that includes the name, address, phone number, email address, and primary contact person of the organization, or if multiple organizations will provide and manage the Services, such information for all organizations.

Fong Ng
Seattle Flying Dragons – Marketing and Events
Operating location: -950 Westlake Ave N (Kenmore Air Terminal)
206-524-8888
sfdbc@live.com
fongng@macpds.com

2. A description of the organization responsible for overall management of recreation programming, including status as a profit/nonprofit entity, mission, and governance structure. Also, the same description for all organizations who will provide recreational programming.

The Seattle Flying Dragon Boat Club (SFDBC) is a club for people who enjoy getting out on the lake to paddle. Dragon boating is a boat of 20 paddlers, a drummer, and a steersperson paddling to cross the finish line faster than their competition. We work together to promote and grow the sport of dragon boat racing while helping each member achieve their optimum level of performance and enjoyment in a friendly atmosphere that promoted the benefits of lifetime paddling. The sport can accommodate a wide spectrum of skill and experience levels and age groups. Anyone can paddle. It's all about time on the water. The SFDBC paddles year round, four times per week. Paddlers can choose to compete in a variety of boats races in the spring and summer.

The SFDBC received 501C3 non-profit status in 2008. It is an all-volunteer organization with a 5-person Board of Directors.

3. A list of all individuals, including resumes, in the organization who will be directly involved in overall management of recreational programming. In addition, a list of all individuals (including resumes) for other organizations who will be overseeing and administering recreational programming. Include a description of the lead individuals' experience in hand-powered watercraft instruction and supervision.

Fong Ng (resume attached) is the Marketing and Events coordinator for SFDBC. His a paddler, coach and steersperson

Valerie Thomas is the Head Coach for SFDBC (resume attached). She oversees training of other coaches, ensuring appropriate levels of expertise in paddling instruction and supervision.

4. The proposal of services to be provided. This proposal shall include a detailed description of the following for each organization:

a. Services to be provided and a schedule of when those services will be available to the public. Describe any requirements for participation in Services, such as age, experience, certification, membership, etc.

Dragon Boating participants can be age 18 years or older (12 through 17 years old with guardian's permission). Currently, the club practices four days per week year-round at South Lake Union (M/W evening, Sat. early morning and Sunday late afternoon). The same practice model is planned for Kenmore in the long term. To start, we will offer one Sat 3p practice and increase that as determined by attendance and seasonal weather conditions. One boat (for up to 20 paddlers plus 1 steersperson) is initially planned for Kenmore. No experience or certification is necessary to participate in dragon boating. The club recommends participating in three free practice sessions before deciding whether or not to become a 'member' of a team. Membership is \$100 per year.

SFDBC provides life vests and paddles – and, of course, the boat, drummer and coach!

Seattle Fire Dragons (SFD) is a dedicated competitive race team *within* the SFCBC. The team is made up of members who want to train more intensively and race more competitively. Additional practices, volunteering, cardio and strength workouts are required.

b. Benefits to City residents resulting from the Services.

Access to high quality physical activity and sports is more important now than ever before. The U.S. department of Health and Human Services has shown that less affluent households are more likely to be physically inactive than affluent households, and inactivity is a major risk factor for obesity and poor health outcomes

There is often a lack of access to high quality, fun physical activity. The appeal of dragon boating is that people young and old can do it and it is a low-impact, full body workout. Participants in the SFCBC will enjoy both the fitness and camaraderie of paddling. It's a lot of fun!

c. How the services will be marketed and promoted

The SFDBC promotes participation primarily through the visibility of racing events. Secondary channels include fundraisers, event parties, and participation and involvement in mutually productive events (eg. SLT Cleanup, Row for the Cure, Center for Wooden Boats Festival, Seattle Maritime Festival, etc). The SFDBC also maintains an active website, Facebook page, and a Meetup site.

For Kenmore, the team would start with a cadre of existing members who live in north Seattle, Lake Forest Park, Bothell and Kenmore and build from there. KWAC would work with Fong Ng to determine the most appropriate methods to promote participation locally, but they would likely include providing materials to promote the program for City events such as the summer concert series, the KBoom Play Day, waterfront activities

fairs, and other parks and recreation-oriented events. When possible, SFCBC will send a representative to these events to personally promote the program. SFCBC will also provide short written program descriptions for inclusion in City recreation brochures, the City website, and City newsletters. SFCBC hopes that the City will promote rowing and other recreation opportunities through their newsletters, e-mail lists, website and brochures.

d. How the Services will highlight and benefit the City.

Having a dragon boat team from Kenmore would promote visibility for the City.

The boats will have the initials SFDBC (since we will be initially operating as a satellite location of SFDBC but eventually in the long term, as an independent organization with enough members, about 200 or more). The boat and team will be tentatively named Kenmore City Dragons (unless the City of Kenmore would prefer a different name).

The boat(s) would serve as a colorful reminder of our vibrant waterfront. Dragon boating will connect participants (and spectators) to the unique waterfront environment of the City.

Stemming from over 2400 years of Chinese tradition, modern dragon boating has become an international sport. Dragon boating is also the fastest growing water team sport in the world. There are nearly 50 million participants in China, over 300,000 in the UK and Europe – including the Czech Republic, Hungary, Poland, and Russia. There are now 100 U.S. cities with dragon boat clubs and it is also spreading to Australia, the Caribbean, Africa and the Pacific Basin. The Kenmore team would become part of this growing movement.

Source –International Dragon Boat Federation)
(http://www.idbf.org/about_history.php)

e. How the organization will utilize the property's features and facilities, including the buildings and dock, and how the organization will ensure continued public use when the organization has Services operating on the site.

SFCBC has secured the free use one boat for the duration of 1 year (from a private individual) for the Kenmore location. The current plan is to store and launch the boat from the Squires Landing Property site. Storage would be upside down on tires outside, covered with a tarp. Launching would be via the existing dock. SFCBC participants would also use the existing house restrooms and changing areas. The public would have access to the facilities at all times except the brief periods in which the boat is actively being launched or taken out of the water.

Should secured covered space become available, it would be a prudent choice to change the storage location.

f. Approximate cost of each type of Service.

As noted above, membership in SFDBC is \$100 per year. Other costs to are associated with travel and registration for races for individuals who want to participate in competitive team events.

g. Number of scholarships, discounts, or no-cost services to be provided to residents of the City, and a description of eligibility requirements, all consistent with the contract template for the Services at Exhibit B to this RFP.

At \$100/year, we believe SFDBC offers one of the lowest cost of entry and participation into a team water sports activity.

h. The organization's demonstrated commitment to safety, including how the organization and its members will approach safety and the safety requirements for instructors, coaches, members, and patrons.

The SFDBC will develop written safety policies akin to those for other waterfront activities provided by vendors for the City of Kenmore. Specifically, when in or on the water, everyone wears a personal flotation device that is Coast Guard approved and meets additional "safe for use" guidelines. Users will be provided safety instructions and taught how to properly enter and exit the water, and navigate the boat. SFDBC will comply with all Washington State and US Coast Guard water safety laws. SFDBC will have written rules and procedures for emergency action plan specific to the Park location. Although all SFDBC staff are First Aid and CPR-trained, our anticipated practice area is less than 5 minutes from the shoreline. Based on past experience, it is best to contact 911 if an emergency arises instead of trying to administer aid on the boat out on the water.

SFDBC also practices a 'huli' drill at least 3 times a year, usually during the summer months (due mainly to weather) – the paddlers on the boat capsizes the boat, and we practice bailing the boat, and getting everyone back into the boat using the proper techniques in the least amount of time.

i. Conversely, a description of the utility and maintenance costs the organization proposes to pay; and/or the rent amount the organization proposes to pay the City in exchange for using the property.

SFCBC understands that moorage, storage, and use of the facilities as outlined above at the new Squires Landing Property would be provided free of charge.

j. A description of any improvements and/or property maintenance services the organization will provide that are considered essential to operations; or

or conversely, any improvements to the property that the organization requests the City to complete prior to the organization providing services.

SFCBC does not require any improvements or modifications in order to operate with one dragon boat as proposed.

k. Preliminary budget for the Services, including anticipated revenues and expenditures.

The cost to SFDBC to initiate practices for one boat is about \$4000. These costs are largely for life vests, paddles and boat-related equipment and maintenance. The boat that is planned to be used in Kenmore has already been acquired. A portion of new member fees will be used to cover these up-front expenses. It is anticipated that enough new members will join within 2 years to cover these expenses. Operating costs for SFDBC practices are covered by member fees. Coaches train participants on a volunteer basis. SFCBC also conducts periodic fundraisers to stabilize their budget.

5. A list of at least two references for each organization's board members (or company owner(s)) and lead instructors or coaches. References must include the name and contact information of employers, past/present clients, and/or reputable members of the community.

See attached

6. Each organization's insurance coverage, which must satisfy the types, amounts, and proof of insurance as described in the contract template at Exhibit B to this RFP, together with the name and address of each organization's insurance agent.

See attached

Fong Ng.
PO Box 85097
Seattle, WA 98145
206-601-8888 cell
fongng@macpds.com

Work Experience

Retail Computer Sales & Service 1984 - present Owner of MacPDS, started in Aug 1984, Authorized Apple Value Added Reseller, providing sales, service and support for computer users and organizations of all sizes focusing on PC/Mac integration with an emphasis on network security

Education

University of Washington, B.S., Biology, 1984 & Microbiology, 1985.

City and Community Service

Member – Seattle Flying Dragon Boat Club since 2011

Member – Seattle Kaohsiung Sister City Association since 2012

Volunteer Coach and Tiller - Seattle Flying Dragon Boat Club since 2012

Volunteer Marketing Coordinator – Seattle Kaohsiung Sister City Association since 2012

Volunteer Marketing Coordinator – Seattle Flying Dragon Boat Club since 2013



**ace recreational
marine insurance**

Please retain the following important information for future reference.

Thank you for insuring with ACE Recreational Marine Insurance.

Your Policy Number	Y08431486	
Your Agent	ALAN R MOTT AGENCY INC P O BOX 1925 HUNTINGTON, NY 11743 Phone: 631-549-2628	
Customer Service	Please contact your insurance agent shown above.	
Reporting A Claim	You have two options for reporting a claim: 1) Contact your insurance agent shown above, or 2) Contact ACE Marine Claims directly at 800-945-7461	
Paying Your Premium	You have two options for paying your premium: 1) Pay your premium securely on line by using a credit card, or set up automatic electronic payments from your checking account. Visit: www.ACEPaymentServices.com 2) Pay by check using the payment stub and return envelope included with your premium invoice. If you have misplaced your invoice or return envelope, make your check payable to "ACE" and include your policy number on your check. Mail your payment to:	
	(Regular Payment)	(Overnight Payments Only)
	ACE USA Direct Bill Payment Dept. CH 14089 Palatine IL 60055-4089	Chicago Regional Lockbox Attn: Box #14089 5505 N. Cumberland Ave., Suite 301 Chicago IL 60656
Billing Inquiries	Please contact your insurance agent shown above or call ACE USA directly at: 877-490-7427	
Additional Information	To learn more about ACE Recreational Marine Insurance products and services and obtain valuable boating safety and loss prevention information, please visit: www.ACEMarineInsurance.com.	

MA-35598 (06/12)

Policy Change
**ace recreational
marine insurance**
Policy Number: YAR Y08431486
Policy Term: 12/14/2013 To 12/14/2014
Effective Date of Change: 12/16/2013
POLICY CHANGE
Agency Code, Name & Address
289954
ALAN R MOTT AGENCY INC
P O BOX 1925
HUNTINGTON, NY 11743

This is your Amended Declaration's Page. Please review Policy Change Summary MA-3857 for a description of change(s).

The Company Providing This Insurance
**ACE AMERICAN INSURANCE COMPANY
436 Walnut Street, P.O. Box 1000
Phila, PA 19106-3703**
The Named Insured Under This Policy:
Seattle Flying Dragon Boat Club
Address:
**PO Box 9014
Seattle, WA 98109**
The Vessel Covered By This Policy
(NAME)
Refer to Scheduled Vessel Endorsement (MA-2W80) for Individual Vessel Information
(YEAR BUILT) (LENGTH) (MAKE) (MODEL) (DOC. OR HULL IDENT. NO)
COVERAGE PROVIDED

PARTS	COVERAGES	AMOUNT OF INSURANCE	DEDUCTIBLE AMOUNT	NEW ANNUALIZED PREMIUM
A	Property Damage	\$ See MA-2W80	\$	\$ 320
	Windstorm Deductible		\$ Not Applicable	\$ 0
	Commercial Towing & Assistance	\$ See MA-2W80	\$	\$ 0
B	Liability Coverage	\$ Not Covered	\$	\$ 0
C	Medical Payments	\$ Not Covered	\$	\$
D	Uninsured Boater	\$ Not Covered	\$	\$
E	L&HCA	\$ Statutory Limits	\$	\$ (included in "B" if any)
F	Trailer	\$ Not Covered	\$	\$
G	Personal Property	\$ See MA-2W80	\$	\$ 0
	Premium Bearing Endt(s): See Attached Endorsements			\$ 0
NEW TOTAL ANNUALIZED PREMIUM				\$ 320

LIMITS ON USE: See Navigation Warranty See MA-2W80
ENDORSEMENTS: ALL21101 MA-13830e MA-14558b MA-1X09f MA-2W80h MA-38993 MA-BTS01
Lay-up Warranty — It is warranted the vessel will be laid up for part of the year, the dates are:
From noon:
To noon:
LOSS PAYEE: We will make payments for Part A: Property Damage losses to the Assured and

Appendix 1

Canoe and Kayak Programming

Kenmore Canoe and Kayak Club (KCKC)

c/o Duncan Cox – President
8801 NE 150th St
Kenmore, WA 98028
Ph 206 931 2423
Email Duncan.cox01@comcast.net

2. A description of the organization responsible for overall management of recreation programming, including status as a profit/nonprofit entity, mission, and governance structure. Also, the same description for all organizations who will provide recreational programming.

Kenmore Canoe and Kayak Club (KCKC) is a Kenmore resident led grassroots non-profit organization with the following goals.

1. To promote and encourage competitive canoe, kayak and crew racing in the Northshore region at local, national and international levels. (This is the part of our mission that meets IRS guidelines for 501c3 status.)
2. To encourage youth development by providing opportunities for personal and athletic growth through participation in performance paddling and crew.
3. To associate with performance paddling and crew programs in the Northwest to further our common goals;
4. To provide a community benefit by providing programs for all individuals regardless of gender, national origin, religion or ability levels.
5. To provide the Northshore community in general and Kenmore residents, in particular, with a life long, low-impact sport that increases appreciation for and connection to our local waterways.
6. To contribute to the development of a vibrant hand-powered watercraft culture in Kenmore for benefit of both youth and adults.

KCKC is a dba entity which falls under the Northshore Canoe and Kayak Club, now known as Kenmore Waterfront Activities Center (KWAC), umbrella and we are governed by their constitution.

3. A list of all individuals, including resumes, in the organization who will be directly involved in overall management of recreational programming. In addition, a list of all individuals (including resumes) for other organizations who will be overseeing and administering recreational programming. Include a description of the lead individuals' experience in hand-powered watercraft instruction and supervision.

KCKC
President: Duncan Cox
Secretary: Dawn McCravey
Treasurer: Janet Veloz

Webmaster: Traci Cole
Director: Teri Patrick
Director: Doug Ritchie
Youth Advisor: Ben Karlinsey
Youth Advisor: Dean Patrick
Youth Coach: Karol Osusky

Karol started paddling in Czechoslovakia in 1960 and soon joined the Slovak National Team and has a history of working with youth from all backgrounds, training them to become high level paddlers and leaders in their communities. He came to the US in 1983 where he continued to paddle and develop kayaking programs including cofounding the successful Green Lake program. More recently Karol worked with local athletes helping 2 of them win medals at the US Championship. Karol brings a wealth of experience and world-wide contacts in Kayak community to the club.

Karol's full resume including references is attached.

KCKC is also in discussions with Dan Henderson owner of Cascade Canoe and Kayak Centers to be part of our Kayak and Canoe programming. Dan recently lost the use of a boathouse in Renton and is looking for a new home for his program and equipment, Dan brings a wealth of knowledge and experience and we hope that we are able to work with him.

Dan Henderson, who began paddling in 1972 as a recreational canoeist, founded Cascade Canoe & Kayak Centers, Inc. in 1997. In pursuit of skill development, Dan began racing whitewater canoe in 1976 and flatwater Olympic-style canoe in 1978. Dan raced flatwater in Europe for clubs based in Hungary and for the US Team through 1988. Dan won several medals in national and international competitions.

Dan began coaching in 1989, founding the youth team at the Seattle Canoe Club and within 4 years leading that program to the top honors in the United States. In 1993 USA Canoe/Kayak hired him as National Development Coach, a position he held through 1996. During his tenure with USACK, Junior international performance reached record levels. Dan wrote the coaching manual and numerous articles as well as taught coaching development programs throughout the US.

Returning to his recreational roots, Dan began sea kayaking in 1988 and started exploring the extensive waterways of the Northwest. At Cascade he brings the technical efficiency and boat performance lessons learned in racing, combined with his love of exploration and natural places, along with a playful approach to life, to recreational paddling and Cascade leadership.

In 2004, the International Canoe Federation, the World and Olympic Governing body for canoe/kayak racing published its Level 1 Coaching Manual, written by Csaba Szanto and Dan Henderson. Dan is also a Master's Degree Candidate in Exercise Science at Western Washington University, focusing on the kinetics and kinematics of the forward kayak stroke.

4. The proposal of services to be provided. This proposal shall include a detailed description of the following for each organization:

KCKC programming vision is based upon other clubs in the region and our own experience and may vary depending upon participation and coaching. Our goal is to build a program suited to the uniqueness of the Kenmore waterfront catering to local youth. We will need to fundraise and work with other groups to help provide equipment.

- a. Services to be provided and a schedule of when those services will be available to the public. Describe any requirements for participation in Services, such as age, experience, certification, membership, etc**

Youth Sprint Team (membership required)

- 11-18yrs old
- 3 practices/week (schedule to be determined)
- Participation in local regattas
- Potential participation in Canadian regattas, USACK national
- Start with small, stable boats
- Progress to sprint boats, team boats (as we are able to procure equipment)

Adult paddling (membership required to use club equipment)

- 18+ yrs old
- 1 practice/wk to start
- Participation in local regattas
- Potential participation in Canadian regattas, USACK Masters national
- Start with small, stable boats – or participants bring own equipment

Youth jump into Paddling, summer (membership not required)

- Up to three free, open sessions to introduce youth to kayaking
- Basic boat handling skills
- Basic paddle stroke
- Water safety

Adult jump into Paddling, summer (membership not required)

- Up to three free, open sessions to introduce adults to kayaking
- Basic boat handling skills
- Basic paddle stroke
- Water safety

Summer Youth Classes/Intro to kayaking (paid classes, membership not required)

- TBD... more in depth than "jump into paddling"

Summer Adult Classes/Intro to kayaking (paid classes, membership not required)

- TBD... more in depth than "jump into paddling"

Kenmore Regatta – spring 2015?

- Initiate an annual regatta and open house, format TBD
 - Options:
 - Distance race – to Bothell and return (6mi?)

- Distance race – to Red Hook and return (12mi?)
- Sprint race – to Juanita Bridge and return (.5mi?)
- Try out boats
- Food, fun, raffle, prizes

Para-canoe.

The current dock configuration does not allow for a para-canoe program but we envision providing such a service should The City make upgrades to the existing dock for wheelchair access.

b. Benefits to City residents resulting from the Services.

1. Respond to citizen's requests for improved waterfront access
2. Enhance the city's profile as an active waterfront community
3. Enhance value of waterfront properties
4. Provide a low impact fun opportunity for exercise.

c. How the services will be marketed and promoted

1. Maintain website and Facebook communication tools
2. Develop program handout
3. Plan and host an annual Kenmore waterfront fair/regatta
4. Work with City of Kenmore to leverage city marketing channels to promote programs.
5. Host small events such as bring-your-own boat days to strengthen community among local paddlers.
6. Host an open house and offer opportunities to try out equipment on free "try it" days.

d. How the Services will highlight and benefit the City.

1. Respond to citizen's requests for improved waterfront access
2. Enhance the city's profile as an active waterfront community
3. Enhance value of waterfront properties
4. Opportunity to develop local National level athletes to further highlight Kenmore.

1. How the organization will utilize the property's features and facilities, including the buildings and dock, and how the organization will ensure continued public use when the organization has Services operating on the site.

KCKC usage will be the same as KWAC.

2. Approximate cost of each type of Service.

KCKC's fees for programming will be in line with other clubs to ensure we cover costs of coaching and equipment upkeep.

The fees for sprint training and coaching will be approximately \$100 per month

As described above we plan to provide free intro classes to members of the community

3. Number of scholarships, discounts, or no-cost services to be provided to residents of the City, and a description of eligibility requirements, all consistent with the contract template for the Services at Exhibit B to this RFP.

We will provide up to 10 scholarships by way of discounted memberships in line with other youth organizations such as the YMCA.

4. The organization's demonstrated commitment to safety, including how the organization and its members will approach safety and the safety requirements for instructors, coaches, members, and patrons.

Commitment to Safety:

1. Two-deep leadership. No adult alone with an unrelated minor on the property at any time under any circumstances.
2. Lifejackets in boats at all times (unless a specific waiver has been granted by the USCG or WA State)
3. Lifejackets to be worn for all minors
4. All programs must run a safety orientation for all program participants and renew annually.
5. All programs establish safety requirements that are approved by KWAC. These will include
 - a. Lifejacket requirements.
 - i. All participants must have life jacket in their boat in accordance with USCG and WA State regulations.
 - ii. Minors will wear lifejackets whilst in a boat.
 - b. Each operating group will provide training and orientation in the use of the craft including how to deal with capsized.

5. Preliminary budget for the Services, including anticipated revenues and expenditures.

KWAC membership fees (required for participation in all programs) estimate: 35 first year individual or family members: \$875. KWAC fees are designated for administrative costs including office supplies, web fees, business license fees, etc.

Each operating entity will have their own fee structure depending on programming which are outlined in the attached sub-proposals.

\$100/month for KCKC for three practices/week. Estimate 10 paid participants per month averaged over full year for the first year (average includes off-season). August to July: \$12,000. KCKC revenue will go to purchase equipment and provide scholarships to low-income participants.

A list of at least two references for each organization's board members (or company owner(s)) and lead instructors or coaches. References must include the name and contact information of employers, past/present clients, and/or reputable members of the community.

See attached resumes

6. Each organization's insurance coverage, which must satisfy the types, amounts, and proof of insurance as described in the contract template at Exhibit B to this RFP, together with the name and address of each organization's insurance agent.

Attached



COMMON POLICY DECLARATIONS

Policy Number: AXGL05100340-13 Renewal of: AXGL04100340-12	
AXIS Insurance Company 303 West Madison, Suite 500, Chicago, IL, 60606 1-866-259-5435	
NAMED INSURED AND MAILING ADDRESS National Paddling Committee, Inc. 601 East Boulevard Charlotte, NC 28203	AGENT NAME AND ADDRESS American Specialty Insurance & Risk Services, Inc. dba A.S.I.R.S.I. Insurance Agency, American Specialty Insurance & Risk Services Agency, and A S Insurance & Risk Services Agency 142 N. Main Street, P.O. Box 309 Roanoke, IN 46783-0309 AGENT NO. AEI01
POLICY PERIOD FROM: 12/01/13 TO: 12/01/14 AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.	
BUSINESS DESCRIPTION: Amateur Paddling FORM OF BUSINESS: ☐ Individual ☐ Partnership ☐ Joint Venture ☐ Trust ☐ Limited Liability Company ☒ Corporation ☐ Other:	
IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.	
THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. WHERE NO PREMIUM IS SHOWN, THERE IS NO COVERAGE. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
COVERAGE PART(S) Commercial Property Coverage Part Capital Assets Coverage Part Commercial General Liability Coverage Part Commercial Crime Coverage Part Commercial Inland Marine-Coverage Part Commercial Auto (Business or Truckers) Coverage Part Commercial Garage Coverage Part Terrorism Premium Tax or Surcharge	
FORMS AND ENDORSEMENTS FORM(S) AND ENDORSEMENT(S) MADE A PART OF THE POLICY AT TIME OF ISSUE: SEE SCHEDULE OF FORMS AND ENDORSEMENTS	

Countersigned:

Date: December 3, 2013

By: _____

Authorized Representative

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

Issued by: MS December 3, 2013

CO DEC0001(02/08)

18757-62nd Ave. NE
Kenmore, WA 98028
Tel 206/ 227-1506
xjob@aol.com

KAROL OSUSKY

OBJECTIVE *Community minded citizen, athlete, coach, mentor. Started two outstanding kayaking programs, resulting in US Olympians. I have been teaching kayaking youth program for the last 3 years, in Kenmore. Two Kenmore paddlers Ben Karlinsey & Dean Patrick last year won medals at US National Championship in Oklahoma*

SKILLS & ABILITIES *History of training young athletes in paddle sports and competition. Thorough understanding of canoe programs from entry level to elite. Trained as furniture designer, National Opera-Ballet stage builder-operator. Studied History of Art, Military Leadership College included 2 y. of military service in elite unit. My training in furniture and stage construction and my 54 years of paddling experience make me uniquely suited to maintain club equipment.*

WORK EXPERIENCE *Furniture and Interior designer for CzechSlovak firm & Ikea, 30 year business owner in Kenmore Washington*

*Slovak National Opera stage builder-operator
Bratislava University Kayak Club operator
30 y. owner, operator of Karl's Refacing & Countertops in WA state
Kayaks, paddle builder.
President of Czech & Slovak Assn. of WA state*

**PADDLING
EXPERIENCE** *Started paddling in TATRAN Kajak Klub- Vodaci in Czechoslovakia 1960 under 3 times Olympian Jan Matocha, as a rehabilitation after serious spinal injury. Club have 85 y. tradition*

*Member of Slovak Junior team
As a University Kayak club operator in Bratislava at Danube River, after work hr. I invited troubled street band kids to paddle with me. All of them instantly become CS. National Champions, and Stefan Lukacovic' become later renowned Czechoslovak National coach. Others become today back bone of Slovak National Canoe-Kayak Federation and ICF officials (Miroslav Haviar)*

*During my stay in Sweden 1968-70 I paddled for Stockholm Brundsviken Kanot Klub. Frequently paddled also in Hungary and Austria, where too I observed Kayak Clubs traditions, which I apply here in my new adopted country & city of **Kenmore***

I immigrated to the USA 1983, after 1y. in refugee camp. First I located Ballard community church and Kayak Club at Green Lake

Trained local paddlers including my 6 y. son Juraj Osusky, who later become US national Champion and represented USA at World Championships In Racice, Nova Scotia, Copenhagen, and with Greg Barton become in K-2 US National Champions.

My daughter Eva-Arina, harvested US champion title too next to ballet carrier. For 2. seasons we coached under Dr. Eric Hughes, beginners at GL.. Three of them become US National members, incl. Assum Saleh, who today is Junior US coach in Oklahoma City.

I lead Kenmore kids to the 2014 Ted Houk regatta at Green Lake and Bellingham regatt. I let learn my young disciples and parents to the skill of paddling, organizing, self discipline and passionate fun. They are now ready to pass experiences to next new beginners in Kenmore

*1989 I cofounded, with Dan Henderson & Dr. Eric Hughes Green Lake Canoe and Kayak Club, which is now an example program in US
Meanwhile I earned 25 US National titles and twice World champion and 2 x Masters Games World Champion in Portland or/ Lake Vancouver.*

COMMUNICATION

My background with my business and work life has taught me importance of working and communicating with people. I speak 6 languages and have for years communicated with people of many cultures and can bring to City of Kenmore Cane Kayak and Crew club a true understanding of multi cultural diversity.

LEADERSHIP

I have a long history of leading youth and adult canoe programs with various levels of skills and abilities. My work with local community and local paddlers for many years has produced great results for our community. My long time association with European paddlers, organizers and community leaders has been a great asset and can be used in the future to bring true international focus or our local community.

REFERENCES

GREGORY BARTON

*Twice Olympic winner, multiple world champion,
Excellent example for youth
Kayak design expert and owner of EPIC Co.
6851-30th Ave. NE
Seattle, WA
Tel. (206) 659-0777*

Dan Henderson

*Most continuous Canoe-Kayak Expert in the USA
Former US Junior Coach and leader of first US team for Olympic Hopes
regatta in Szeged
USACK Manager at World Championship in Hungary
Canoe-kayak enterpriser*

1. A cover page that includes the name, address, phone number, email address, and primary contact person of the organization, or if multiple organizations will provide and manage the Services, such information for all organizations.

Matthew Lacey
Executive Director
George Pocock Rowing Foundation
3320 Fuhrman Ave E
Seattle, WA 98102
206-328-0778
director@pocockrowingcenter.org

2. A description of the organization responsible for overall management of recreation programming, including status as a profit/nonprofit entity, mission, and governance structure. Also, the same description for all organizations who will provide recreational programming.

The mission of the George Pocock Rowing Foundation (GPRF) is to build and support high quality program and facilities that promote access to rowing, excellence in rowing, and use rowing as a means to foster physical activity, health, leadership, and community engagement. THE GPRF has been in existence since 1984 and successfully operated the George Pocock Memorial Rowing Center since 1994.

The GPRF is a 501C3 non-profit organization with a seven-person Board of Directors.

3. A list of all individuals, including resumes, in the organization who will be directly involved in overall management of recreational programming. In addition, a list of all individuals (including resumes) for other organizations who will be overseeing and administering recreational programming. Include a description of the lead individuals' experience in hand-powered watercraft instruction and supervision.

In its current configuration, the dock at the Tweed property is not suitable for a crew program. As such, some portions of this application left incomplete.

For KCKC –

Debra Srebnik (resume attached) is a member of the KCKC board and will oversee the development of the crew program. The program will be operated by the GPRF.

Matt Lacey is the director of the GPRF, which operates the George Pocock Memorial Rowing Center. This facility currently supports 300 active annual members, a youth (age 12-18) team of 100, and as many as 700 participants involved in its Learn to Row program per year. In addition, the GPRF has partnered with Seattle Public Schools to build a erg (rowing machine) conditioning program within the district's physical education curriculum. The GPRF also partners with Seattle Parks and Recreation to

provide youth rowing opportunities. The GPRF is currently initiating management of the Cedar River Boathouse to provide Learn-to-Row and youth and adult rowing programs. Among other duties, Matt oversees hiring of coaches and staff for the facility, ensuring appropriate levels of expertise in rowing instruction and supervision.

4. The proposal of services to be provided. This proposal shall include a detailed description of the following for each organization:

- a. Services to be provided and a schedule of when those services will be available to the public. Describe any requirements for participation in Services, such as age, experience, certification, membership, etc.**

If a crew program in Kenmore were initiated with GPFR, KWAC would provide oversight. At this time, the details of our RFP response are aspirational. We provide the general framework for what we hope to and expect the crew program to provide in the near term and looking forward.

Should a rowing team be developed it will race and participate in events using a Kenmore name.

Elsewhere in Seattle, the GPRF provides a variety of rowing opportunities for youth and adults, including Learn-to-Row classes, summer rowing camps, coached practice sessions, independent rowing sessions, recreational and competitive rowing teams, and fitness and conditioning classes. The KCKC would initially focus on a small youth Learn-to-Row programming and will build programming from there.

It should be noted that the current dock configuration at the Squires Landing property is not suitable for a crew program. If the dock were rebuilt with a longer approach and greater length along the shoreline, a crew program could be initiated there. The dock proposed at Rhododendron Park would be suitable for a crew program, and it is the hope of KWAC and GPRF that this dock is built. We also continue to explore the possibility of co-use of the Hopkins/Lakeside shellhouse property.

Learn to Row

Learn to Row classes are currently available to the public in Seattle and will be available soon in Renton. No membership requirement to participate). The same model would be used for Kenmore. The classes would initially be offered to youth (age 10-18), but later to adults. The group classes serve as an introduction to the sport and cover the basic skills involved in the rowing motion. Learn to Row sessions will be instructed by highly qualified coaches to ensure a safe and fun learning environment for all. Learn-to-Row is a 6-week class that currently costs \$85 to participants.

Youth Rowing Program

Following Learn to Row, GPRF offers youth (age 10-18) rowing in a number of recreational classes focused on skill development, team building, fitness and fun. Youth who are interested in a more time-intensive rowing

experience may join the competitive youth rowing team, otherwise known as "junior rowing". The program includes instruction, physical conditioning, and character development in both recreational and competitive settings. Junior rowing will be built around high qualified and enthusiastic coaches with a high coach to participant ratio. Goals focus on learning proper rowing technique, building teamwork and having fun.

Youth seasonal program is currently \$350 for 10-week season (M-F after school), two seasons per year (Fall and Spring). Summer programming will be approximately \$250 for 6 weeks.

Adult Rowing Program

After learning to row, GPRF also offers adults opportunities to further pursue their development in rowing through a membership program. Membership provides access to the equipment and ability to take part in programming beyond Learn-to-Row. Members have the ability to access the equipment and fitness room on their own schedule (excluding conflict with youth programming). Adult rowing is for all sizes, skills, and interest for everyone aged 19 or older. Newer rowers will move on to the intermediates program focused on skills develop and small boat competency. Experienced rowers may participate on the racing team or in other (to be developed) coached sessions. A variety of programs could be offered ranging from individual small boat instruction to competitive team racing.

Fitness and Conditioning

GPRF would-partner with KCKC to ensure that erg rowing machines would be available in the park building for training/conditioning appropriate to the programs that GPRF provides.

b. Benefits to City residents resulting from the Services.

Access to high quality physical activity and sports is more important now than ever before. The U.S. department of Health and Human Services has shown that less affluent household are more likely to be physically inactive than affluent households , and inactivity is a major risk factor for obesity and poor health outcomes. In King County, one in five youth are overweight or obese. Youth from low-income household and youth of color are disproportionately affected by obesity.

Despite these statistics, there is often a lack of access to quality physical activity, especially for youth. At first glance, rowing may seem like an odd mechanism for inspiring youth to meet their potential. However, Kenmore – due to its proximity to vast waterways - is uniquely poised to connect citizens to this transformative sport. Rowing is considered one of the best total body workouts. Rowing involves every major muscle group in the body, providing an excellent vehicle for improving cardiorespiratory endurance, muscular strength, and flexibility. The basic mechanics of rowing are relatively easy, making this efficient, low-impact sport appealing to people of all ages and abilities.

The social and emotional benefits of rowing are boundless. Often called “the ultimate team sport”, rowing is ideal for instilling persistence, resilience, and self-confidence. Rowing is also steeped in a college-aspiring culture and rich in educational networks. And, as one of the most physically demanding sports, rowing enhances lifelong health and fitness.

These benefits are typically only available to a small group of individuals. The underserved and at-risk youth who could most benefit from the benefits of rowing have historically faced significant barriers to participation, including expensive program fees, lack of transportation and lack of comfort and familiarity with water sports. The GPRF's tried and tested, collaborative approach will remove barriers to participation. GPRF's rowing programs will help youth develop:

- skills to support lifelong fitness and improved health;
- communication, teamwork and leadership skills;
- connections with caring adult mentors who are focused on students' holistic success;
- increased awareness of post-secondary educational opportunities; and
- connection to their community and environment through appreciation of and access to natural resources.

c. How the services will be marketed and promoted

The GPRF would work with existing community organization, business and schools to ensure rowing programs are promoted and accessible. GPRF will provide materials to promote the program for City events such as the summer concert series, the KBoom Play Day, waterfront activities fairs, and other parks and recreation-oriented events. When possible, GPRF will send a representative to these events to personally promote the program. GPRF will also provide short written program descriptions for inclusion in City recreation brochures, the City website, and City newsletters. GPRF hopes that the City will promote rowing and other recreation opportunities through their newsletters, e-mail lists, website and brochures.

d. How the Services will highlight and benefit the City.

The sport of rowing can change lives. Working together in a team while pushing personal and team limits serves as a metaphor that individuals take with them when they leave the boathouse. Rowing is much more than an activity; it is path toward a higher quality of life. Kenmore should enjoy these benefits, and a rowing program located along the Sammamish River at either Squires Landing or Rhododendron Park will be the key. Rowing will provide a deep and meaningful experience for the citizens of Kenmore, and will connect them to the unique waterfront environment of the City. The Kenmore rowing program will join the 127 rowing organizations in the NW serving youth, collegiate and adult athletes of all ages and abilities.

- e. How the organization will utilize the property's features and facilities, including the buildings and dock, and how the organization will ensure continued public use when the organization has Services operating on the site.**

As noted above, the current dock structure at the Squires Landing property is not appropriate for a rowing program.

If the dock at the Squires Landing property were rebuilt or the proposed dock for Rhododendron Park is built, a crew program Normally, a Learn-to-Row program employs 8-person shells to provide a true team experience to participants. Larger shells allow more youth to participate simultaneously, making the program financially viable.

When a crew program is in operation, the public will be able to use the dock whenever GPRF is not actively launching or taking out boats. The Learn-to-Row program does not use the erg conditioning of the Youth or Adult rowing programs, so the building would be available to the public at all times except the few minutes that the youth are changing in the building's restrooms. If property conditions change such that Youth and Adult programs are implemented in the future, the public would still be able to access the dock and building during non-program times, however program times would increase.

- f. Approximate cost of each type of Service.**

As noted above, the Learn-to-Row program is currently \$85 for a 6-week session. The Youth seasonal program is \$350 for 10-week season (M-F after school), two seasons per year (Fall and Spring). Summer programming is approximately \$250 for 6 weeks.

- g. Number of scholarships, discounts, or no-cost services to be provided to residents of the City, and a description of eligibility requirements, all consistent with the contract template for the Services at Exhibit B to this RFP.**

Youth who face financial and other barriers to participation in rowing may apply to receive support through the GPRFs nationally recognized youth assistance program. Available assistance includes: financial scholarships for registration and regatta fees, swimming instruction, mentorship, uniforms, training gear, and after-school snacks. No student will be turned away for lack of funds. Additionally, youth who receive support through the assistance program are also eligible to participate in enrichment activities focused on nutrition education, life skills jobs skills, and college access. Youth have access to scholarships and other support until they graduate from high school.

- h. The organization's demonstrated commitment to safety, including how the organization and its members will approach safety and the safety requirements for instructors, coaches, members, and patrons.**

The GPRF would develop written safety policies akin to those for other waterfront activities provided by vendors for the City of Kenmore and supplemented as needed by GPRF standards, an example of which can be found at (www.pocockrowingcenter.org/files/memberhandbook.pdf). Specifically, when in or on the water, every child would, at all times and without exception, wear a personal flotation device that is Coast Guard approved and meets additional "safe for use" guidelines. GPRF staff are trained in water safety standards and will be present and on guard at all times during water activities. No fewer than two GPRF staff (or one staff with an additional trained supervising adult) would be supervising water activities at any given time. Patrons and users will be provided in-depth safety instructions and taught how to properly enter and exit the water, and navigate their crafts. GPRF complies with all Washington State and US Coast Guard water safety laws. GPRF would develop written rules and procedures for emergency action plan specific to the Park location. In addition, GPRF staff are First Aid and CPR-certified.

i. Preliminary budget for the Services, including anticipated revenues and expenditures.

As noted above, the proposal for a rowing program is, at this point, aspirational. The cost of the Learn-to-Row program to participants is currently \$85 per person with scholarships available to youth with financial need. With a few 8-person shells in operation, a Learn-to-Row program could support staff time to manage it. GPRF believes shells and other equipment could be found at low or no cost (i.e., donated used equipment).

5. A list of at least two references for each organization's board members (or company owner(s)) and lead instructors or coaches. References must include the name and contact information of employers, past/present clients, and/or reputable members of the community.

N/A – no programming at this time

6. Each organization's insurance coverage, which must satisfy the types, amounts, and proof of insurance as described in the contract template at Exhibit B to this RFP, together with the name and address of each organization's insurance agent.

N/A – no programming at this time

Kenmore Waterfront Activities Center.

Response to The City of Kenmore's RFP to operate programming from the Squires Creek Property at 7353 NE 175th St, Kenmore

Kenmore Waterfront Activities Center (KWAC)

c/o Duncan Cox – President
8801 NE 150th St
Kenmore, WA 98028
Ph 206 931 2423
Email Duncan.cox01@comcast.net

RECEIVED
JUN 27 2014

Kenmore Canoe and Kayak Club (KCKC)

c/o Duncan Cox – President
8801 NE 150th St
Kenmore, WA 98028
Ph 206 931 2423
Email Duncan.cox01@comcast.net

CITY OF KENMORE

11:54am

Seattle Flying Dragons

Fong Ng
Seattle Flying Dragons – Marketing and Events
Operating location: -950 Westlake Ave N (Kenmore Air Terminal)
206-524-8888
sfdbc@live.com
fongng@macpds.com

2. A description of the organization responsible for overall management of recreation programming, including status as a profit/nonprofit entity, mission, and governance structure. Also, the same description for all organizations who will provide recreational programming.

The Kenmore Waterfront Activities Center (KWAC) has applied for non-profit status under the official name "The Northshore Canoe and Kayak Club. The mission of KWAC is:

1. To promote and encourage competitive canoe, kayak and crew racing in the Northshore region at local, national and international levels. (This is the part of our mission that meets IRS guidelines for 501c3 status.)
2. To encourage youth development by providing opportunities for personal and athletic growth through participation in performance paddling and crew.
3. To associate with performance paddling and crew programs in the Northwest to further our common goals;
4. To provide a community benefit by providing programs for all individuals regardless of gender, national origin, religion or ability levels.
5. To provide the Northshore community in general and Kenmore residents, in particular, with a life long, low-impact sport that increases appreciation for and connection to our local waterways.
6. To contribute to the development of a vibrant hand-powered watercraft culture in Kenmore for benefit of both youth and adults.

The structure and governance of KWAC are described in the Northshore Canoe and Kayak Club constitution which is attached to this response.

3. A list of all individuals, including resumes, in the organization who will be directly involved in overall management of recreational programming. In addition, a list of all individuals (including resumes) for other organizations who will be overseeing and administering recreational programming. Include a description of the lead individuals' experience in hand-powered watercraft instruction and supervision.

KWAC

President: Duncan Cox

Secretary: Dawn McCravey

Treasurer: Janet Veloz

Webmaster: Traci Cole

Director: Teri Patrick

Director: Doug Ritchie

Director: Debra Srebnik

Director: Berit McAlister

Youth Advisor: Ben Karlinsey

Youth Advisor: Dean Patrick

Resumes for individuals involved in the organizations providing programming are included as part the description of their respective services.

Additional information on the board can be found on the website www.kenmoreboathouse.com

4. The proposal of services to be provided. This proposal shall include a detailed description of the following for each organization:

KWAC is submitting a proposal to manage and operate human-powered watercraft programming actives on the Kenmore Waterfront. Initially we will provide services from the 'Squires Landing Property' located at 7353 NE 175thSt. Should The City build or acquire additional facilities for human-powered watercraft programming actives, for example Rhodendrum Park, KWAC will either develop their own programming or work with organizations to provide such programming.

For the sake of clarification, the KWAC proposal does not include not any rental or sales concessions and does not intend to compete with the existing What'SUP concession currently operating at Log Boom Park. Please note that we would allow use of club owned boats in exchange for membership/programming fees and conduct incidental fund raising related sales from the site – e.g. Regattas, T Shirts, Pancake Breakfast at events etc.

a. Services to be provided and a schedule of when those services will be available to the public. Describe any requirements for participation in Services, such as age, experience, certification, membership, etc

At this time KWAC will provide Kayak and Canoe and Dragon Boat programming and proposals for each of these disciplines are attached.

Stand Up Paddling boarding programming would be added should the need arise. For the meantime, if park users inquire about SUP lessons we would refer them to the existing What'SUP concession at LogBoom Park and Bothell Landing.

We approached The Pocock Foundation in regards to rowing at the Squires Landing Property, however the dock is not appropriate at this time. We attach a proposal from Pocock and should the dock be changed or additional facilities be developed in Kenmore we stand ready to expand our offerings to include Rowing.

b. Benefits to City residents resulting from the Services.

1. Respond to citizen's requests for improved waterfront access
2. Enhance the city's profile as an active waterfront community
3. Enhance value of waterfront properties
4. Provide a low impact fun opportunity for exercise.

c. How the services will be marketed and promoted

1. Maintain website and Facebook communication tools
2. Develop program handout
3. Plan and host an annual Kenmore waterfront fair/regatta
4. Work with City of Kenmore to leverage city marketing channels to promote programs.

5. Host small events such as bring-your-own boat days to strengthen community among local paddlers.
6. Host an open house and offer opportunities to try out equipment on free "try it" days.

d. How the Services will highlight and benefit the City.

1. Respond to citizen's requests for improved waterfront access
2. Enhance the city's profile as an active waterfront community
3. Enhance value of waterfront properties
4. Opportunity to develop local National level athletes to further highlight Kenmore.

1. How the organization will utilize the property's features and facilities, including the buildings and dock, and how the organization will ensure continued public use when the organization has Services operating on the site.

1. The facilities include a house and garage. KWAC will have oversight over use of these buildings and will restrict use to members and program participants.
2. KWAC intends to use the garage for secure boat storage.
3. KWAC will use the house for office space, changing rooms, conditioning, membership events and club activities.
1. KWAC would like to use the mailing address of the house as the official address for the organization (requires a locking mailbox).
2. KWAC will post signage to clarify schedule and priority of programs for dock usage during program hours.
3. For security reasons, KWAC will restrict access to the house and garage to program coaches and identified responsible parties.

2. Approximate cost of each type of Service.

1. KWAC will charge a membership fee for the umbrella organization as follows: \$25/year program membership - required in order to sign up for individual programs. \$35 for families. Reduced fee for families identified for scholarship program is \$10.
2. Each program operating under KWAC will set its own program fees as needed to cover costs.

3. Number of scholarships, discounts, or no-cost services to be provided to residents of the City, and a description of eligibility requirements, all consistent with the contract template for the Services at Exhibit B to this RFP.

We will provide up to 10 scholarships by way of discounted memberships in line with other youth organizations such as the YMCA.

4. The organization's demonstrated commitment to safety, including how the organization and its members will approach safety and the safety requirements for instructors, coaches, members, and patrons.

Commitment to Safety:

1. Two-deep leadership. No adult alone with an unrelated minor on the property at any time under any circumstances.

2. Lifejackets in boats at all times (unless a specific waiver has been granted by the USCG or WA State)
3. Lifejackets to be worn for all minors
4. All programs must run a safety orientation for all program participants and renew annually.
5. All programs establish safety requirements that are approved by KWAC. These will include
 - a. Lifejacket requirements.
 - i. All participants must have life jacket in their boat in accordance with USCG and WA State regulations.
 - ii. Minors will wear lifejackets whilst in a boat.
 - b. Each operating group will provide training and orientation in the use of the craft including how to deal with capsized.
 - c.
- 5. Description of property maintenance and utility services expected to be provided by the City; requested subsidy (if any) from the City; and description of the benefit the City and its residents will realize in return for that subsidy.**

1. KWAC expects the city to maintain and provide utilities in the same manner they provide for other parks. Including but not limited to:
 - a. Basic upkeep
 - b. Long term maintenance
 - c. Provision of consumables for publically used areas.
2. Signage for general parking including 'no parking' in front of garages during operational hours. (We also need permission to post our own KWAC signs detailing priority hours for use of dock.)
3. Way-finding signs
4. Banner visible from Slough promoting program.
5. Fencing and security
6. City provides secured keyed access to each building, separately. (Ideally, we would have a master key, plus individual building keys.)
7. City provides locking mailbox for KWAC at house.
8. City to maintain and enforce fire lanes in accordance with current ordinances.

6. Conversely, a description of the utility and maintenance costs the organization proposes to pay; and/or the rent amount the organization proposes to pay the City in exchange for using the property.

1. KWAC will focus on successful delivery of programming and oversight, but not general maintenance.
2. KWAC will provide consumables, e.g. toilet paper etc. in the properties which are not accessible to the general public
3. KWAC will organize or participate in an annual property clean-up day and keep the area generally free of trash on an ongoing basis.
4. KWAC will establish an ethic of stewardship among members to ensure a shared value of leaving the property in as good or better condition than we find it.
5. KWAC will organize workdays to develop storage systems for the boats.

7. A description of any improvements and/or property maintenance services the organization will provide that are considered essential to operations; or conversely, any improvements to the property that the organization requests the City to complete prior to the organization providing services.

1. KWAC will ensure that the building is left clean after use and that use/storage does not create any fire or safety hazards.
2. KWAC will ensure that the dock is left after use in the condition it was found.
3. KWAC will inform the City facilities manager of any safety or maintenance issues discovered with regard to the building, dock, or part more broadly.

8. A statement that all staff involved in the delivery of Services to youth and/or vulnerable populations will be subject to full background checks.

KWAC and its subordinate organizations will ensure that all staff involved in the delivery of Services to youth and/or vulnerable populations will be subject to full background checks.

9. Preliminary budget for the Services, including anticipated revenues and expenditures.

KWAC membership fees (required for participation in all programs) estimate: 35 first year individual or family members: \$875. KWAC fees are designated for administrative costs including office supplies, web fees, business license fees, etc.

Each operating entity will have their own fee structure depending on programming which are outlined in the attached sub-proposals.

\$100/month for KCKC for three practices/week. Estimate 10 paid participants per month averaged over full year for the first year (average includes off-season). August to July: \$12,000. KCKC revenue will go to purchase equipment and provide scholarships to low-income participants.

5. A list of at least two references for each organization's board members (or company owner(s)) and lead instructors or coaches. References must include the name and contact information of employers, past/present clients, and/or reputable members of the community.

See attached

6. Each organization's insurance coverage, which must satisfy the types, amounts, and proof of insurance as described in the contract template at Exhibit B to this RFP, together with the name and address of each organization's insurance agent.

Each organization will provide their own insurance coverage, see attached.

Subject/Topic: June 2014 Financial Report Presentation

Prepared by: Joanne Gregory

Initial & Date

Approved by Department Head:

Approved by City Attorney:

Approved by Finance Director:

Approved by City Manager:

18 July 2014

Proposed Council Action/Motion:

Receive and File June 2014 Financial Report for the City of Kenmore, Washington

Exhibits/Attachments:

June 2014 Financial Report for the City of Kenmore,
Washington.

Expenditure Required N/A

Amount Budgeted

\$53,651,122 Revenues, as amended

\$55,617,808 Expenditures, as amended

Appropriation Required N/A

INFORMATION/BACKGROUND:

The June 2014 monthly financial report is presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2013-2014 amended biennial budget. The adopted budget was amended on March 25, 2013, December 2, 2013, and May 12, 2014 and this report reflects the amended appropriations. It also provides an opportunity to identify any potential variances or fluctuations from the budget.

This June report includes an update of performance and workload measures for the first half of 2014.

FISCAL CONSIDERATION:

This June marks the 18th month of the 24 month 2013-2014 biennium and, as a benchmark, the City is 75% through the budget period. The monthly schedules attached include the Transportation Benefit District Fund for informational purposes although it is a separate entity.

As of the end of June, the national unemployment rate dropped to a new low of 6.1%, the Washington State rate fell to 5.8%, the lowest in six years, and the Seattle –Bellevue-Everett area rate fell to 4.8%; all good news. The Dow Jones closed with little change from May, at 16,826.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

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



The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: July 9, 2014
RE: June 2014 Financial Reports for the City of Kenmore, Washington

June 2014 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- All Funds Cash Summary
- Street Fund Summary - New
- Other Funds Monthly Activity
- Cash and Investment Report
- Schedule of Investments
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Monthly Report for Kenmore Village
- Report for Transportation Benefit District
- June 2014 Performance and Workload Measures

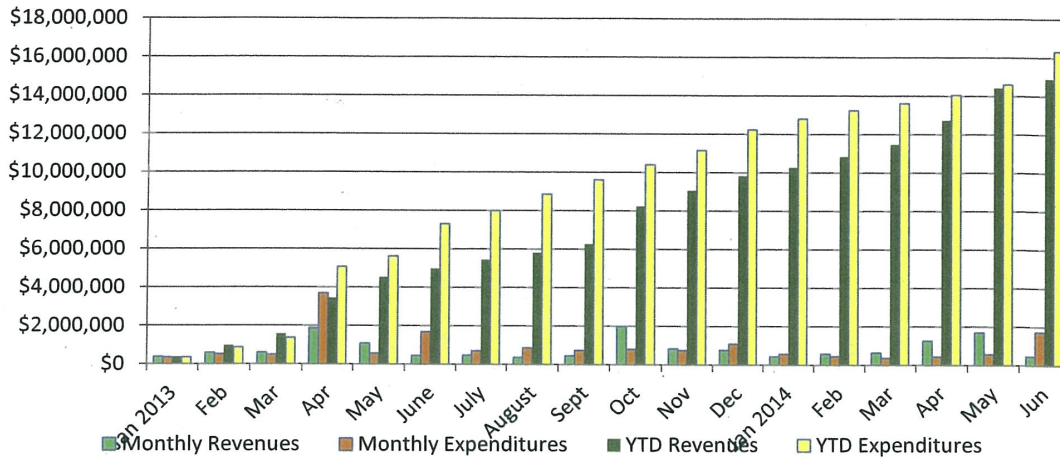
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, June is the eighteenth month (75%) of the 2013-2014 biennial budget period. For the month of June, expenditures exceeded revenues in the General Fund by \$1,257,139. Biennium expenditures exceed revenue by \$1,438,188; however removing the one-time \$2.5M transfer to the Strategic Opportunities Fund from the comparison shows that biennium to date revenues exceed expenditures by \$1,061,812.

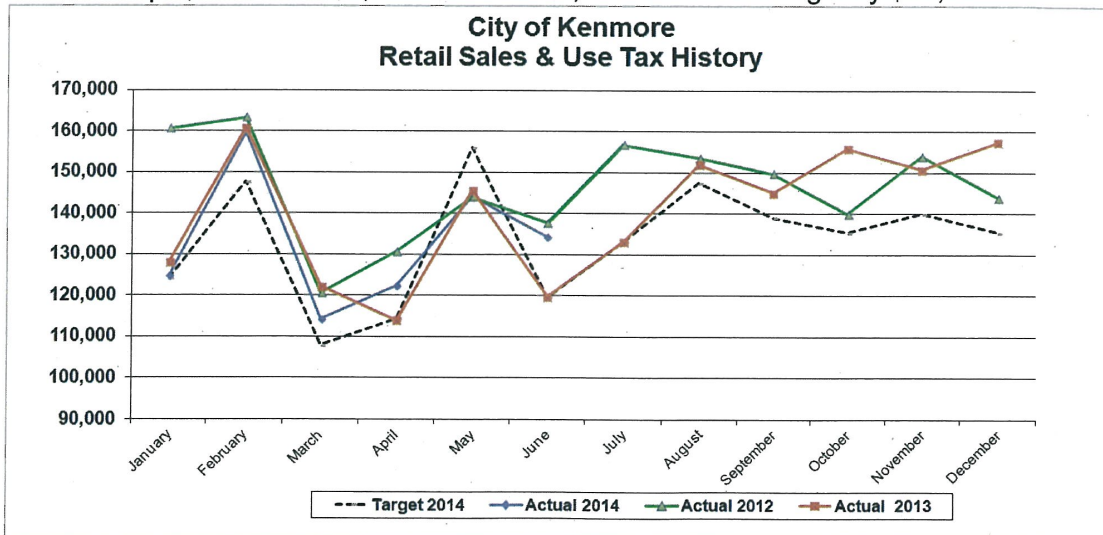
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through June 2014.

City of Kenmore, Washington
Monthly Financial Report
June 2014



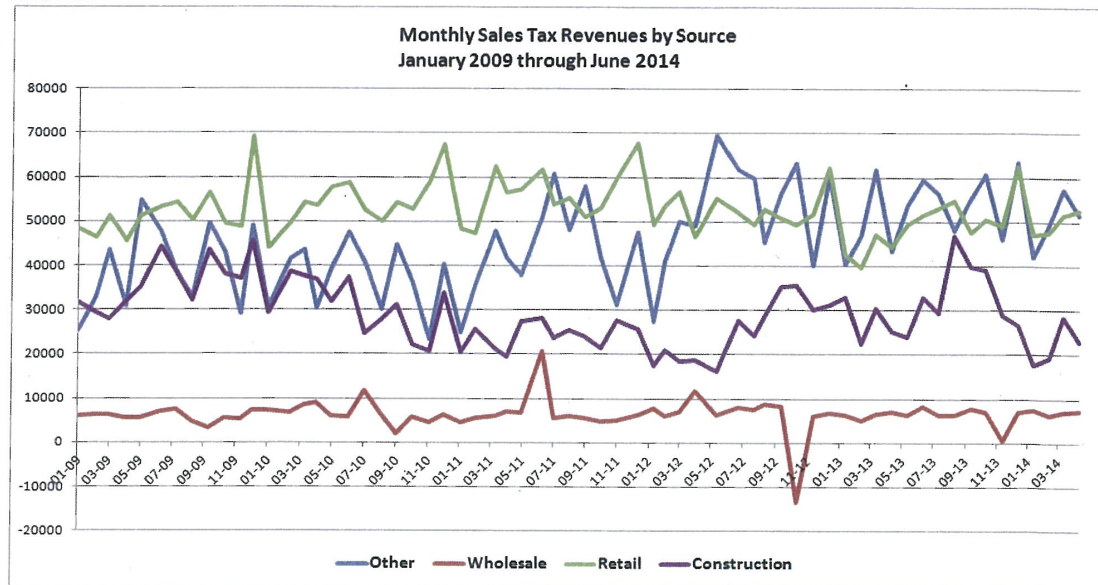
Total **revenues** for the month were **\$461,389**. Biennium to date revenues are \$14,882,242 which is 77% of the budgeted revenues of \$19,234,471. Primary sources of revenue for the month included property taxes in the amount of \$16,309 development fees & permits in the amount of \$91,496, retail sales and use taxes in the amount of \$134,390, and utility taxes in the amount of \$100,064.

A summary of sales tax revenues received in June is attached. These receipts are based on April sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2014 line is a monthly average of actual receipts during 2011, 2012, and 2013. The blue line represents 2014 actual receipts, which are \$9,476 above 2013, and ahead of budget by \$30,025.

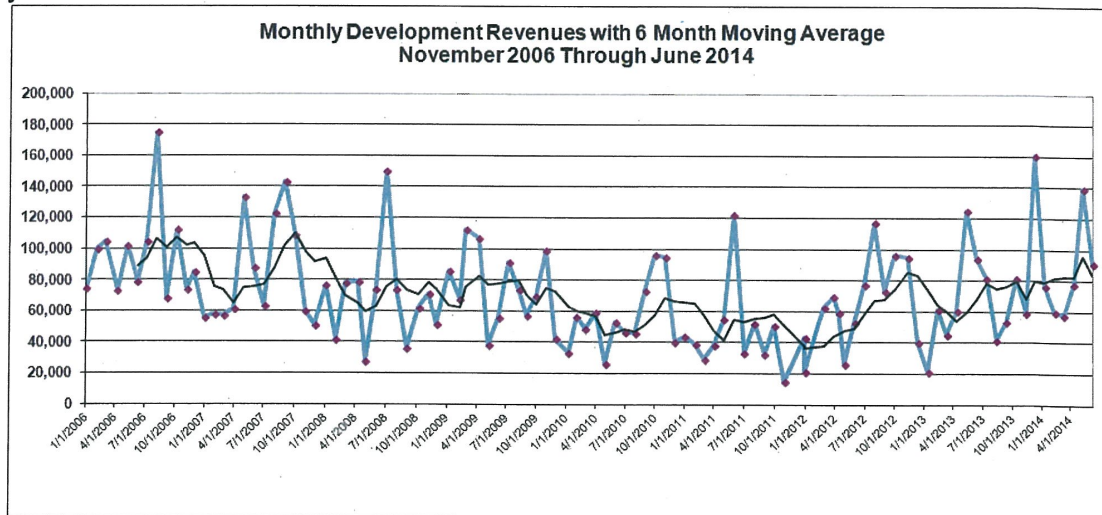


The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2009 through June 2014.

City of Kenmore, Washington
Monthly Financial Report
June 2014



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



June 2014 expenditures were \$1,718,528. Biennium to date expenditures are \$16,320,430, which is 73.7% of the amended budget expenditures of \$22,156,570, a high percentage due to the \$3M interfund transfers recorded in April 2013. Removing the one-time \$2.5M transfer to the Strategic Opportunities Fund from the expenditure balance indicates that expenditures are right at 62% of the biennial budget.

City of Kenmore, Washington
Monthly Financial Report
June 2014

OTHER FUNDS

The June cash activity for all funds is presented on the attached All Funds Cash Summary. Total City cash (\$9,541,710) and long term investments (\$11,091,032), at the end of June, totaled \$20,632,742. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2013-2014 biennial budget.

Total non-General Fund revenues were \$481,627 and total non-General Fund expenditures were \$946,351.

In the **Street Fund** revenue from gas tax distributions was \$36,294. The attached Street Fund Summary Report is a new report that illustrates the monthly and budget-to-date activity of the fund.

There was \$17,759 in revenues for the **Park Impact Fee** fund during the month of June. Revenues are not meeting budget projections and are presently at 57% of the biennial budget or about \$60,928 less than expected for biennium. This fund has a significant fund balance that is supporting current park projects so the shortfall does not have an immediate impact.

There was \$74,373 in revenues for the **Transportation Impact Fee** fund during the month of June. The revenues are at 75% of the budget. There are adequate funds available for the projects currently budgeted and proposed in the CIP.

The **Real Estate Excise Tax** Fund received \$88,070 of real estate excise taxes (REET) in June from sales activity that occurred in May. 47 transactions were reported this month. Biennial to date revenue exceeds the 2013-14 budget by \$427,821.

The **Transportation Benefit District** Fund received \$30,235 in vehicle license fees during the month bringing the biennium to date revenues to \$312,341 which is 58% of the \$535,000 budgeted for biennium.

The **Surface Water Fund** revenues are tracking ahead of budget (78%) and operating expenditures are at 49%.

The **Park Capital** Funds (Park Impact Fees) were used to purchase the Twedt property in the amount of \$645,799 during the month of June.

SUMMARY

This concludes the financial report for the City of Kenmore as of **June 30, 2014**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

City of Kenmore, Washington
General Fund Summary Report
June 30, 2014



	CURRENT PERIOD 2013-2014				PRIOR PERIOD 2011-2012			
	MONTH June 2014	BIENNIUM TO DATE 2013-2014	% of BUDGET	BUDGET 2013-2014	CURRENT June 2012	BIENNIUM TO DATE 2011-2012	% of BUDGET	BIENNIUM BUDGET 2011-2012
REVENUES								
Beginning Fund Balance		5,539,954		5,338,942				4,941,884
Property Taxes	16,309	6,605,360	77.3%	8,542,053	24,361	6,341,410	76.8%	8,254,387
Sales and Use Taxes	173,664	3,191,490	80.6%	3,960,331	169,768	3,194,013	73.6%	4,339,202
Utility Taxes	100,064	2,119,115	72.0%	2,942,395	107,655	2,206,313	73.5%	3,002,082
Other Taxes	676	73,242	119.5%	61,300	667	43,906	42.2%	104,104
Development Fees & Permits	91,496	1,392,794	95.1%	1,465,185	53,045	851,359	59.2%	1,439,095
Franchise Fees	0	458,320	46.2%	992,405	0	530,694	81.6%	650,588
Intergovernmental and Grants	68,662	551,289	86.2%	639,866	90,911	574,429	75.4%	761,476
Investment Interest	5,927	77,719	133.1%	58,400	11,196	82,105	146.6%	56,000
Fines and Forfeitures	5	-1,905	0.0%	0	2	669	n/a	0
Transfers and Other Revenues	4,586	414,817	72.5%	572,536	5,156	215,243	63.6%	338,662
Total Revenues	461,389	14,882,242	77.4%	19,234,471	462,762	14,040,143	74.1%	18,945,596
Total Revenues & Beginning Fund Balance		20,422,196		24,573,413				23,887,480

	CURRENT PERIOD 2013-2014				PRIOR PERIOD 2011-2012			
	MONTH June	BIENNIUM TO DATE 2013-2014	% of BUDGET	BUDGET 2013-2014	CURRENT June	BIENNIUM TO DATE 2011-2012	% of BUDGET	BIENNIUM BUDGET 2011-2012
EXPENDITURES								
Cost Center								
City Council	4,830	159,280	74.4%	213,950	10,616	185,884	85.4%	217,644
City Manager	71,202	1,566,462	72.0%	2,176,804	109,807	1,447,990	80.6%	1,796,600
City Clerk	7,317	152,218	62.6%	243,139	46,573	408,630	76.2%	536,261
Finance	25,846	483,920	62.5%	773,929	40,197	471,327	73.7%	639,213
Legal	1,016	324,137	67.5%	480,000	5,173	402,290	81.4%	494,285
Non-Departmental	30,568	1,269,459	79.7%	1,592,487	69,432	1,468,150	95.8%	1,532,818
Interfund Transfers*	0	3,316,000	81.8%	4,056,101	647,000	1,247,000	79.7%	1,564,000
Public Safety	1,371,468	5,374,259	70.7%	7,600,348	1,287,339	4,873,104	67.9%	7,179,563
Engineering	61,365	1,021,418	75.0%	1,361,385	81,433	819,272	78.3%	1,045,741
Planning & Community Dev	36,003	716,523	76.3%	939,441	39,971	498,523	70.0%	712,632
Land Dev & Permitting	59,653	957,320	70.3%	1,361,715	69,698	848,390	56.5%	1,501,147
Parks & Facility Maintenance	49,260	979,434	72.2%	1,357,271	54,527	999,210	58.9%	1,695,042
Total Expenditures	1,718,528	16,320,430	73.7%	22,156,570	2,461,765	13,669,770	72.3%	18,914,946
Ending Fund Balance		4,101,766		2,416,843			0.0%	4,972,534
Total Expenditures and Ending Fund Balance		20,422,196		24,573,413				23,887,480

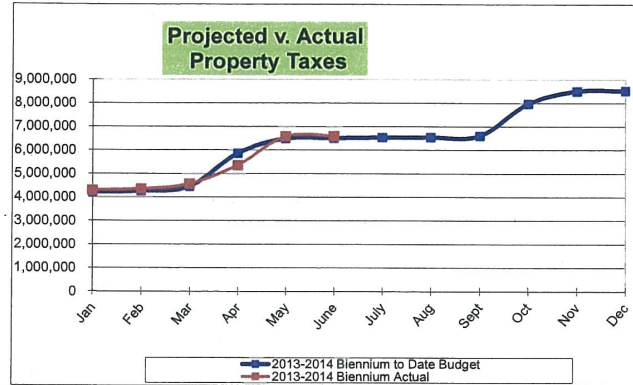
*Interfund Transfers in 2013 include one time \$2.5M transfer to Strategic Opportunities Fund.

City of Kenmore, Washington
General Fund Revenue Graphs
June 30, 2014

PROPERTY TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	4,213,917	4,286,383
Jan	4,225,990	4,303,470
Feb	4,273,536	4,360,664
Mar	4,467,727	4,576,272
Apr	5,875,364	5,369,199
May	6,501,422	6,589,051
June	6,526,310	6,605,360
July	6,554,092	
Aug	6,561,697	
Sept	6,622,547	
Oct	7,984,205	
Nov	8,521,972	
Dec	8,542,053	

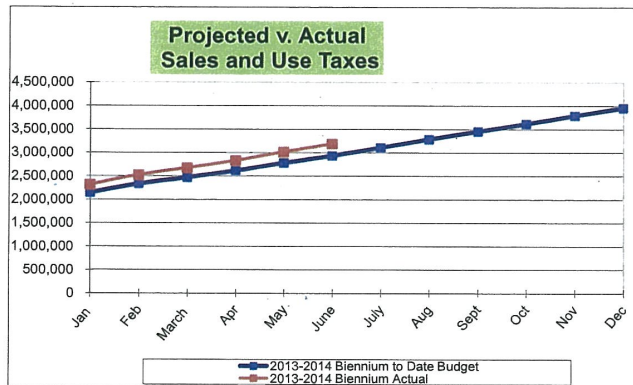
Year To Date
 Actual v. Projected 101%



SALES, USE, CRIM JUSTICE TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	1,975,227	2,151,641
Jan	2,151,044	2,315,482
Feb	2,338,721	2,524,411
March	2,475,114	2,675,389
Apr	2,621,639	2,833,010
May	2,785,165	3,017,826
June	2,939,366	3,191,490
July	3,114,057	
Aug	3,288,505	
Sept	3,458,591	
Oct	3,620,443	
Nov	3,796,178	
Dec	3,960,331	

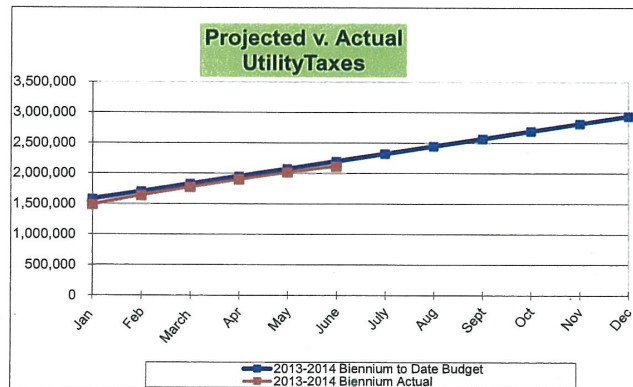
Year To Date
 Actual v. Projected 109%



UTILITY TAXES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	1,458,389	1,352,891
Jan	1,582,056	1,489,689
Feb	1,705,723	1,639,874
March	1,829,391	1,776,666
Apr	1,953,058	1,902,958
May	2,076,725	2,019,052
June	2,200,392	2,119,115
July	2,324,059	
Aug	2,447,726	
Sept	2,571,394	
Oct	2,695,061	
Nov	2,818,728	
Dec	2,942,395	

Year To Date
 Actual v. Projected 96%

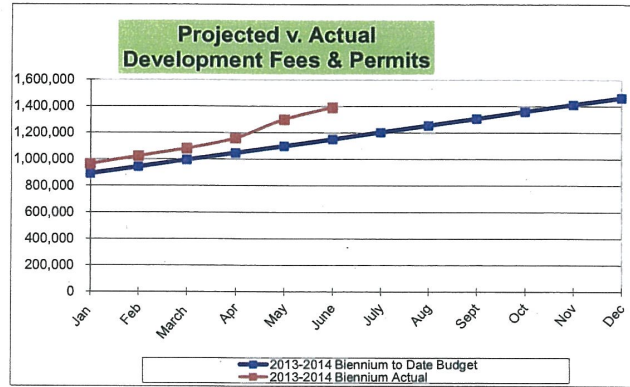


City of Kenmore, Washington
General Fund Revenue Graphs
June 30, 2014

DEVELOPMENT FEES & PERMITS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	842,335	888,463
Jan	894,239	965,292
Feb	946,143	1,025,424
March	998,048	1,083,266
Apr	1,049,952	1,161,337
May	1,101,856	1,301,298
June	1,153,760	1,392,794
July	1,205,664	
Aug	1,257,568	
Sept	1,309,473	
Oct	1,361,377	
Nov	1,413,281	
Dec	1,465,185	

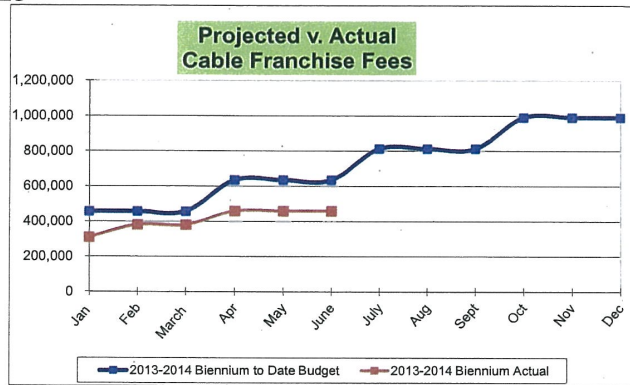
Year To Date
 Actual v. Projected 121%



CABLE/WATER/SEWER FRANCHISE FEES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	280,537	303,218
Jan	458,504	309,382
Feb	458,504	380,667
March	458,504	380,667
Apr	636,471	458,319
May	636,471	458,319
June	636,471	458,319
July	814,438	
Aug	814,438	
Sept	814,438	
Oct	992,405	
Nov	992,405	
Dec	992,405	

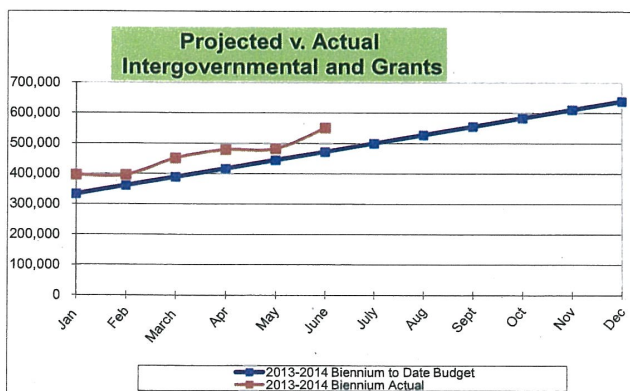
Year To Date
 Actual v. Projected 72%



INTERGOVERNMENTAL & GRANTS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	305,882	366,889
Jan	333,714	396,495
Feb	361,546	396,495
March	389,378	451,412
Apr	417,210	479,277
May	445,042	482,627
June	472,874	551,289
July	500,706	
Aug	528,538	
Sept	556,370	
Oct	584,202	
Nov	612,034	
Dec	639,866	

Year To Date
 Actual v. Projected 117%

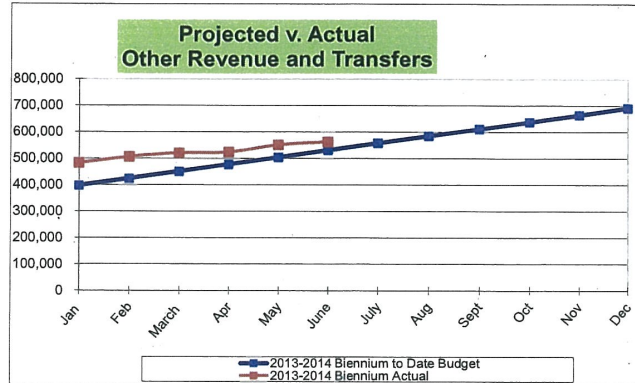


**City of Kenmore, Washington
General Fund Revenue Graphs
June 30, 2014**

OTHER REVENUES AND TRANSFERS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	371,901	472,991
Jan	398,596	483,827
Feb	425,290	507,647
March	451,985	521,850
Apr	478,679	525,425
May	505,374	552,680
June	532,069	563,874
July	558,763	
Aug	585,458	
Sept	612,152	
Oct	638,847	
Nov	665,541	
Dec	692,236	

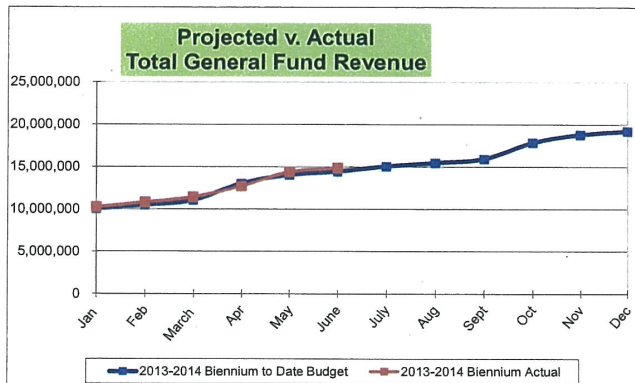
Year To Date
Actual v. Projected 106%



TOTAL GENERAL FUND REVENUE

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	10,044,143	10,263,636
Feb	10,509,463	10,835,183
March	11,070,146	11,465,523
Apr	13,032,373	12,729,526
May	14,052,055	14,420,853
June	14,461,242	14,882,242
July	15,071,779	
Aug	15,483,930	
Sept	15,944,965	
Oct	17,876,540	
Nov	18,820,139	
Dec	19,234,470	

Year To Date
Actual v. Projected 103%

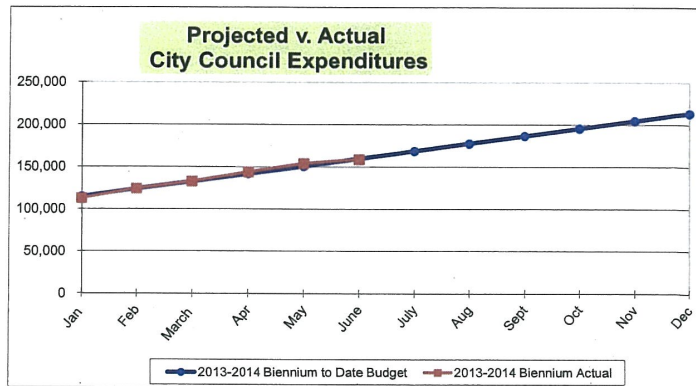


City of Kenmore, Washington
General Fund Expenditure Graphs
June 30, 2014

CITY COUNCIL

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	106,114	105,395
Jan	115,100	113,127
Feb	124,087	124,585
March	133,073	133,214
Apr	142,059	144,162
May	151,046	154,451
June	160,032	159,280
July	169,018	
Aug	178,005	
Sept	186,991	
Oct	195,977	
Nov	204,964	
Dec	213,950	

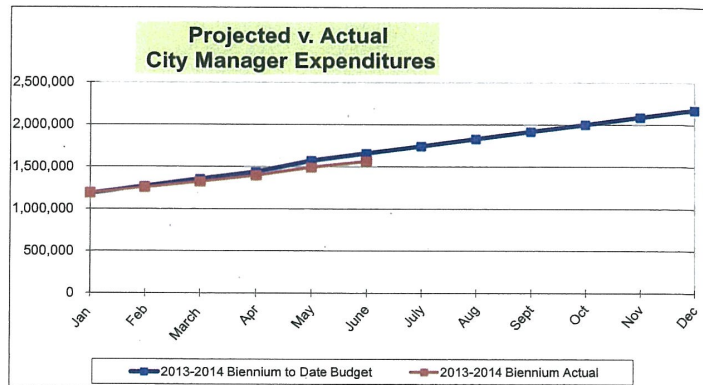
Year To Date
 Actual v. Projected 100%



CITY MANAGER

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	1,097,895	1,130,965
Jan	1,183,852	1,189,496
Feb	1,269,809	1,257,866
March	1,355,766	1,324,359
Apr	1,441,723	1,398,892
May	1,575,105	1,495,261
June	1,661,062	1,566,463
July	1,747,019	
Aug	1,832,976	
Sept	1,918,933	
Oct	2,004,890	
Nov	2,090,847	
Dec	2,176,804	

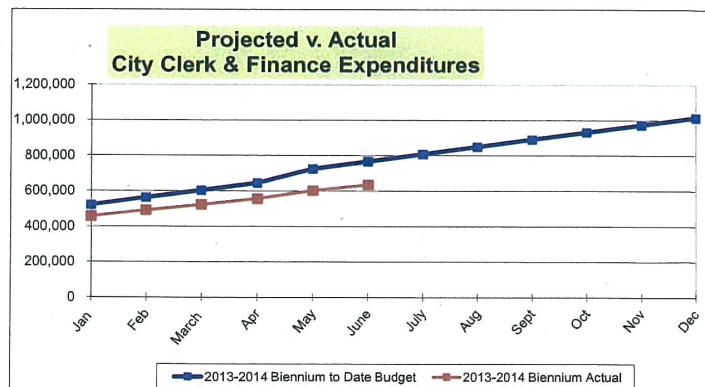
Year To Date
 Actual v. Projected 94%



CITY CLERK & FINANCE

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	480,650	425,025
Jan	522,143	457,052
Feb	563,636	490,739
March	605,130	523,431
Apr	646,623	556,263
May	726,616	602,975
June	768,109	636,138
July	809,602	
Aug	851,095	
Sept	892,589	
Oct	934,082	
Nov	975,575	
Dec	1,017,068	

Year To Date
 Actual v. Projected 83%

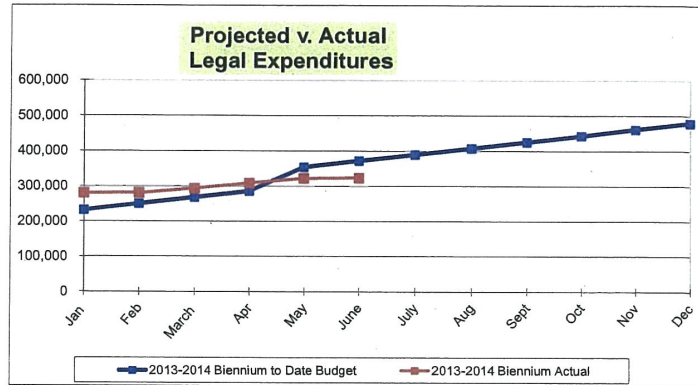


City of Kenmore, Washington
General Fund Expenditure Graphs
June 30, 2014

LEGAL

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	215,000	281,017
Jan	232,917	281,092
Feb	250,833	281,317
March	268,750	294,026
Apr	286,667	309,629
May	354,583	323,120
June	372,500	324,136
July	390,417	
Aug	408,333	
Sept	426,250	
Oct	444,167	
Nov	462,083	
Dec	480,000	

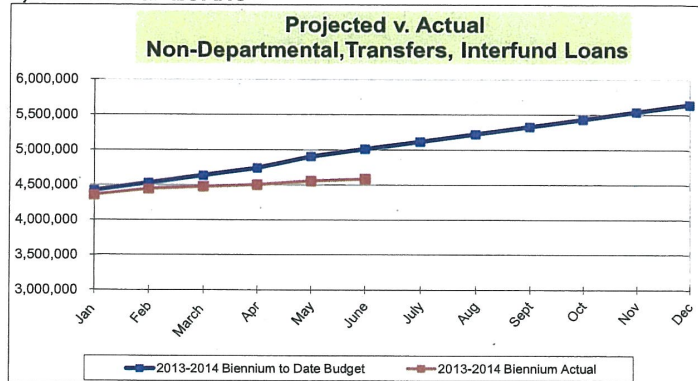
Year To Date
 Actual v. Projected 87%



NON-DEPARTMENTAL, TRANSFERS, INTERFUND LOANS

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	4,318,276	4,104,765
Jan	4,424,219	4,357,541
Feb	4,530,161	4,443,879
March	4,636,104	4,475,316
Apr	4,742,047	4,500,992
May	4,906,989	4,554,891
June	5,012,932	4,585,459
July	5,118,875	
Aug	5,224,817	
Sept	5,330,760	
Oct	5,436,703	
Nov	5,542,645	
Dec	5,648,588	

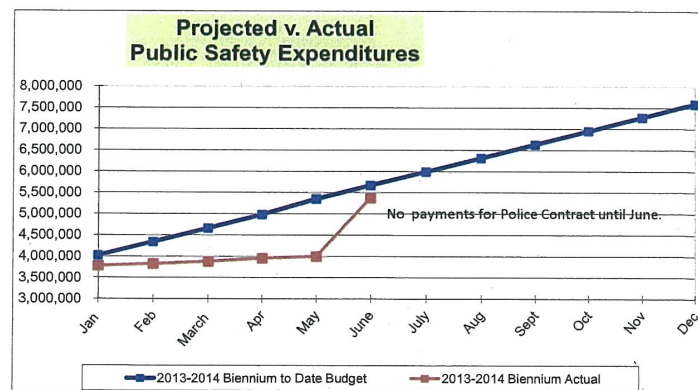
Year To Date
 Actual v. Projected 91%



PUBLIC SAFETY

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	3,707,398	3,758,635
Jan	4,027,894	3,779,350
Feb	4,348,390	3,826,193
March	4,668,886	3,879,765
Apr	4,989,381	3,958,434
May	5,356,877	4,002,791
June	5,677,373	5,374,259
July	5,997,869	
Aug	6,318,365	
Sept	6,638,861	
Oct	6,959,356	
Nov	7,279,852	
Dec	7,600,348	

Year To Date
 Actual v. Projected 95%

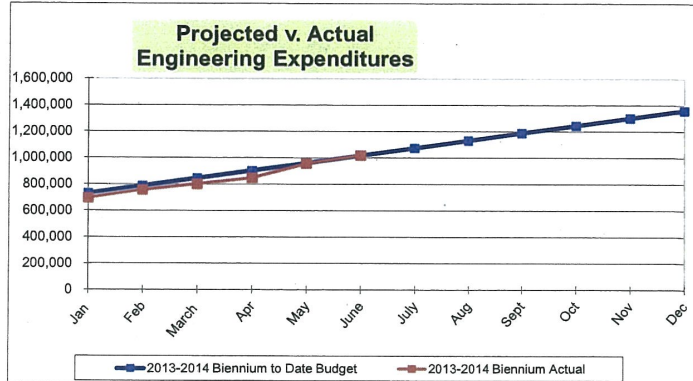


City of Kenmore, Washington
General Fund Expenditure Graphs
June 30, 2014

ENGINEERING

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	676,151	654,546
Jan	733,254	698,559
Feb	790,357	759,345
March	847,460	803,854
Apr	904,562	850,150
May	961,665	960,052
June	1,018,768	1,021,417
July	1,075,871	
Aug	1,132,974	
Sept	1,190,077	
Oct	1,247,179	
Nov	1,304,282	
Dec	1,361,385	

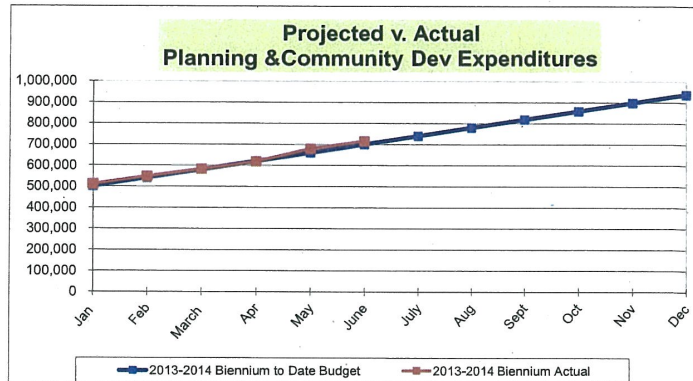
Year To Date
 Actual v. Projected 100%



PLANNING & COMMUNITY DEV

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	462,482	477,890
Jan	502,229	512,492
Feb	541,975	549,038
March	581,722	583,810
Apr	621,468	619,806
May	661,215	680,519
June	700,962	716,522
July	740,708	
Aug	780,455	
Sept	820,201	
Oct	859,948	
Nov	899,694	
Dec	939,441	

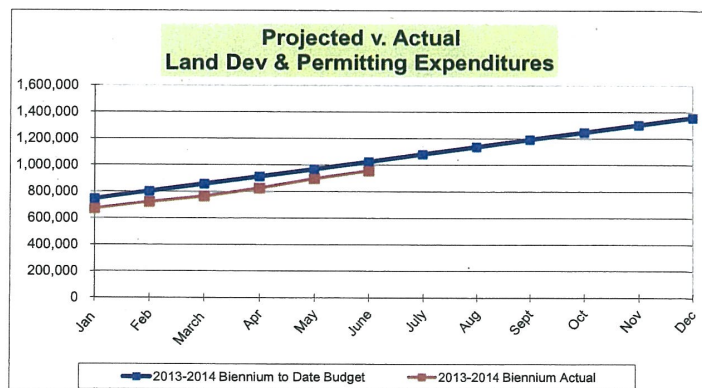
Year To Date
 Actual v. Projected 102%



LAND DEV & PERMITTING

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	691,577	629,252
Jan	747,422	672,655
Feb	803,267	721,497
March	859,112	764,921
Apr	914,956	824,980
May	970,801	897,667
June	1,026,646	957,320
July	1,082,491	
Aug	1,138,336	
Sept	1,194,181	
Oct	1,250,025	
Nov	1,305,870	
Dec	1,361,715	

Year To Date
 Actual v. Projected 93%

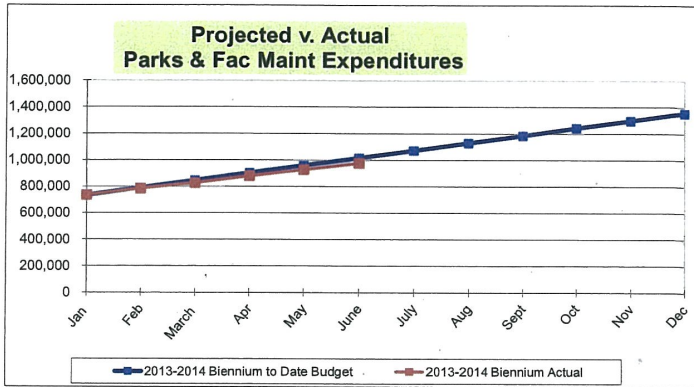


City of Kenmore, Washington
General Fund Expenditure Graphs
June 30, 2014

PARKS & FACILITY MAINT

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
2013	678,530	671,352
Jan	735,092	738,323
Feb	791,654	787,241
March	848,215	828,858
Apr	904,777	882,640
May	961,339	930,174
June	1,017,901	979,434
July	1,074,462	
Aug	1,131,024	
Sept	1,187,586	
Oct	1,244,148	
Nov	1,300,709	
Dec	1,357,271	

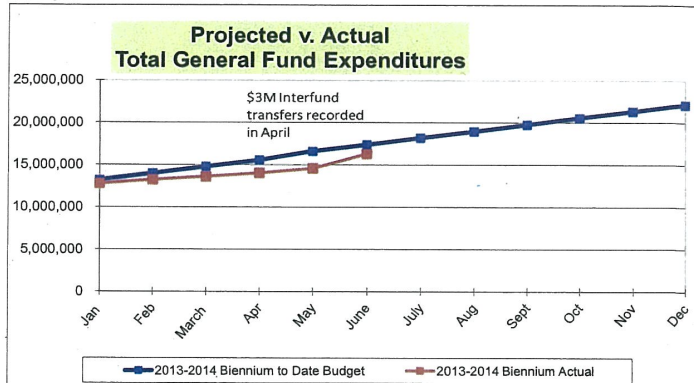
Year To Date
 Actual v. Projected 96%



TOTAL GENERAL FUND EXPENDITURES

	2013-2014 Biennium to Date Budget	2013-2014 Biennium Actual
Jan	13,224,121	12,799,687
Feb	14,014,168	13,241,700
March	14,804,216	13,611,555
Apr	15,594,264	14,045,948
May	16,626,236	14,601,902
June	17,416,284	16,320,430
July	18,206,332	
Aug	18,996,379	
Sept	19,786,427	
Oct	20,576,475	
Nov	21,366,522	
Dec	22,156,570	
2013-2014	21,914,645	

Year To Date
 Actual v. Projected 94%



City of Kenmore, Washington
All Funds Cash Summary
June 30, 2014



	2011-2012			2013-2014
	BIENNIUM TO DATE	BUDGET	June	BIENNIUM TO DATE
GENERAL FUND				
Beginning Cash	4,941,884	4,337,249		4,337,249
Interfund Loan Repayment	0	0		1,200,000
Revenues	18,860,927	19,234,470	461,389	14,882,242
Total Sources	23,802,811	23,571,719	461,389	20,419,491
Interfund Loans	1,200,000	0		0
Expenditures	18,262,857	22,156,570	1,718,528	16,320,430
Ending Cash	4,339,954	1,415,149		4,099,061
Total Uses	23,802,811	23,571,719	1,718,528	20,419,491
STREET FUND				
Beginning Cash	2,040,582	1,513,938		1,513,938
Interfund Loan	0	0		0
Revenues	2,144,716	3,514,173	36,294	2,041,508
Total Sources	4,185,298	5,028,111	36,294	3,555,446
Expenditures	2,672,835	3,534,126	127,913	1,676,189
Ending Cash	1,512,463	1,493,985		1,879,257
Total Uses	4,185,298	5,028,111	127,913	3,555,446
TRANSPORTATION CAPITAL FUND				
Beginning Cash	1,209,197	427,539		427,539
Revenues	4,657,682	12,656,875	204,139	2,370,522
Total Sources	5,866,879	13,084,414	204,139	2,798,061
Expenditures	4,447,557	12,246,837	35,837	2,401,009
Ending Cash	1,419,322	837,577		397,053
Total Uses	5,866,879	13,084,414	35,837	2,798,061
PUBLIC ART FUND				
Beginning Cash	68,244	68,540		68,540
Revenues	1,296	600	0	447
Total Sources	69,540	69,140	0	68,987
Expenditures	1,000	1,766	0	1,557
Ending Cash	68,540	67,374		67,430
Total Uses	69,540	69,140	0	68,987
PARK IMPACT FEE FUND				
Beginning Cash	1,354,455	1,610,440		1,610,440
Revenues	285,604	346,567	17,759	198,463
Total Sources	1,640,059	1,957,007	17,759	1,808,903
Expenditures	29,620	1,105,000	0	659,000
Ending Cash	1,610,439	852,007		1,149,903
Total Uses	1,640,059	1,957,007	0	1,808,903
TRANSPORTATION IMPACT FEE FUND				
Beginning Cash	545,655	240,535		240,535
Revenues	916,135	876,670	74,373	656,064
Total Sources	1,461,790	1,117,205	74,373	896,599
Expenditures	1,221,255	822,500	0	248,000
Ending Cash	240,535	294,705		648,599
Total Uses	1,461,790	1,117,205	0	896,599
SWAMP CREEK BASIN FUND				
Beginning Cash	1,762,640	1,581,067		1,581,067
Revenues	16,536	16,000	0	10,057
Total Sources	1,779,176	1,597,067	0	1,591,124
Expenditures	198,109	160,000	0	109,873
Ending Cash	1,581,067	1,437,067		1,481,251
Total Uses	1,779,176	1,597,067	0	1,591,124
TRANSPORTATION BENEFIT DISTRICT FUND				
Beginning Cash	0	0		0
Revenues	0	535,000	30,235	312,340
Total Sources	0	535,000	30,235	312,340
Expenditures	0	535,000	0	7,500
Ending Cash	0	0		304,840
Total Uses	0	535,000	0	312,340
SAMMAMISH BRIDGE REPLACEMENT FUND				
Beginning Cash	0	0		0
Revenues	0	80,000	0	80,264
Total Sources	0	80,000	0	80,264
Expenditures	0	80,000	0	0
Ending Cash	0	0		80,264
Total Uses	0	80,000	0	80,264

City of Kenmore, Washington
All Funds Cash Summary
June 30, 2014



	2011-2012 BIENNIUM TO DATE	BUDGET	June	2013-2014 BIENNIUM TO DATE
REAL ESTATE EXCISE TAX FUND				
Beginning Cash	1,866,318	1,965,806		1,965,806
Revenues	1,497,557	1,147,317	88,070	1,286,214
Total Sources	3,363,874	3,113,123	88,070	3,252,019
Expenditures	2,386,812	2,757,050	0	1,181,929
Ending Cash	977,062	356,073		2,070,090
Total Uses	3,363,874	3,113,123	0	3,252,019
KENMORE VILLAGE FUND				
Beginning Cash	60,725	163,588		163,588
Interfund Loan	1,200,000			0
Revenues	555,153	4,576,500	480	4,627,423
Total Sources	1,815,878	4,740,088	480	4,791,011
Interfund Loans	0	0		1,200,000
Expenditures	1,663,002	2,500,646	2,808	303,418
Ending Cash	152,875	2,239,442		3,287,593
Total Uses	1,815,878	4,740,088	2,808	4,791,011
PARK CAPITAL FUND				
Beginning Cash	0	0		0
Revenues	0	1,916,534	15,716	830,479
Total Sources	0	1,916,534	15,716	830,479
Expenditures	0	1,873,000	660,885	1,528,642
Ending Cash	0	43,534		(698,163)
Total Uses	0	1,916,534	660,885	830,479
SURFACE WATER MANAGEMENT FUND				
Beginning Cash	1,590,280	1,419,392		1,419,392
Revenues	3,739,336	3,824,176	4,263	2,979,293
Total Sources	5,329,616	5,243,568	4,263	4,398,685
Expenditures	3,908,437	4,908,887	90,638	2,419,537
Ending Cash	1,421,179	334,681		1,979,148
Total Uses	5,329,616	5,243,568	90,638	4,398,685
SURFACE WATER CAPITAL FUND				
Beginning Cash	0	0		0
Revenues	0	1,988,261	0	493,045
Total Sources	0	1,988,261	0	493,045
Expenditures	0	1,988,261	3,681	252,776
Ending Cash	0	0		240,270
Total Uses	0	1,988,261	3,681	493,045
STRATEGIC RESERVE FUND				
Beginning Cash	1,264,464	1,264,464		1,264,464
Interfund Loan Repayment	0			0
Revenues	0	0	0	0
Total Sources	1,264,464	1,264,464	0	1,264,464
Interfund Loans	0			0
Expenditures	0	0	0	0
Ending Cash	1,264,464	1,264,464		1,264,464
Total Uses	1,264,464	1,264,464	0	1,264,464
STRATEGIC OPPORTUNITIES FUND				
Beginning Cash	0	0		0
Revenues	0	3,301,862	1,850	2,530,934
Total Sources	0	3,301,862	1,850	2,530,934
Expenditures	0	1,190,900	7,540	965,388
Ending Cash	0	2,110,962		1,565,546
Total Uses	0	3,301,862	7,540	2,530,934
EQUIPMENT REPLACEMENT FUND				
Beginning Cash	524,310	490,603		490,603
Revenues	188,365	155,142	0	52,858
Total Sources	712,675	645,745	0	543,461
Expenditures	222,072	276,250	15,532	81,873
Ending Cash	490,603	369,495		461,587
Total Uses	712,675	645,745	15,532	543,461
TRUST AND AGENCY (NON BUDGETED FUND)*				
Beginning Cash	278,859	247,209		247,209
Revenues	122,994	0	8,449	134,277
Total Sources	401,854	247,209	8,449	381,486
Expenditures	154,645	0	1,519	27,338
Ending Cash	247,209	247,209		354,149
Total Uses	401,854	247,209	1,519	381,486
TOTALS				
Beginning Cash	17,507,613	15,330,369		15,330,369
Interfund Loan	0	0		1,200,000
Revenues	32,986,301	54,170,147	943,016	33,486,429
Total Sources	50,493,914	69,500,516	943,016	50,016,798
Interfund Loans	1,200,000	0		1,200,000
Expenditures	34,970,092	56,136,793	2,664,879	28,184,457
Ending Cash	15,325,713	13,363,723		20,632,341
Total Uses	51,495,805	69,136,516	2,664,879	50,016,798

I:\Admin & Finance\Monthly Reports\2014\June.xlsx All Funds

**City of Kenmore, Washington
Street Fund Summary Report
June 30, 2014**

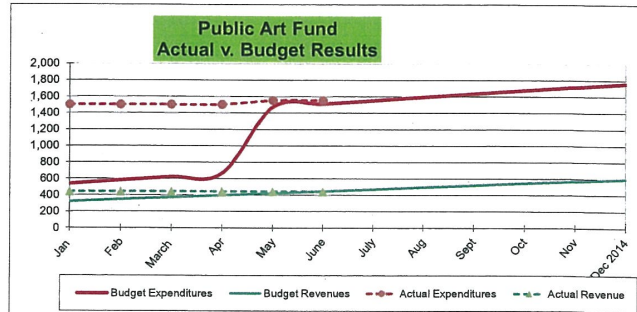


	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>June 2014</u>	<u>2013-2014</u>	<u>BUDGET</u>	<u>2013-2014</u>
REVENUES				
Beginning Fund Balance		1,512,154		1,513,938
Fuel Tax	36,294	643,004	76.3%	843,072
FEMA Assistance	0	100	-	0
Brightwater Mitigation	0	250,000	-	250,000
Investment Interest	0	11,941	59.7%	20,000
Miscellaneous	0	462	-	0
Transfer from General Fund	0	736,000	49.9%	1,476,101
Transfer from REET	0	400,000	100.0%	400,000
Transfer from TBD	0	0	0.0%	525,000
Total Revenues	36,294	2,041,507	58.1%	3,514,173
Total Revenues & Beginning Fund Balance		3,553,661		5,028,111

	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>June</u>	<u>2013-2014</u>	<u>BUDGET</u>	<u>2013-2014</u>
EXPENDITURES				
Salary and Benefits	14,522	268,203	71.4%	375,821
Maintenance & Operations	88,393	1,041,592	65.9%	1,581,305
Overlay	17,265	308,757	22.3%	1,386,000
Capital (Wayfinding and Banners)	7,733	32,637	81.6%	40,000
Transfer to Transportation Capital	0	0	0.0%	86,000
Transfer to Surface Water Mgt.	0	25,000	100.0%	25,000
Total Expenditures	127,913	1,676,189	48.0%	3,494,126
Ending Fund Balance		1,877,472		1,533,985
Total Expenditures and Ending Fund Balance		3,553,661		5,028,111

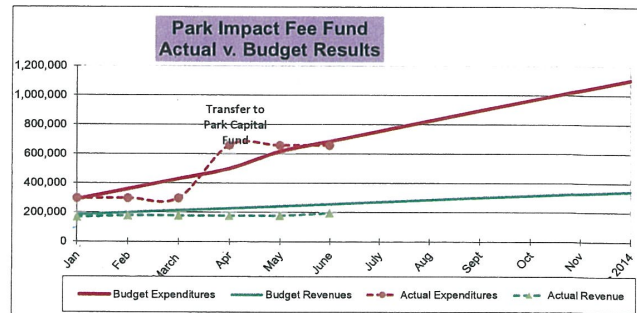
**City of Kenmore, Washington
Other Funds Monthly Activity
June 30, 2014**

PUBLIC ART FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	500	1,507	300	447
Jan	542	1,507	325	447
Feb	583	1,507	350	447
March	625	1,507	375	447
Apr	667	1,507	400	447
May	1,474	1,557	425	447
June	1,516	1,557	450	447
July	1,558		475	
Aug	1,599		500	
Sept	1,641		525	
Oct	1,683		550	
Nov	1,724		575	
Dec 2014	1,766		600	
2013-2014	1,000		600	
Total Actual to Date vs Total Budget		156%		75%



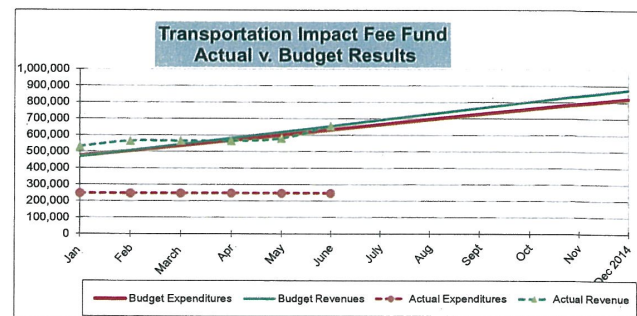
This fund accounts for public art authorized by Ordinance 01-0115. One percent (1%) of public project construction contracts is contributed to this fund to provide for public art displays or performing arts events as authorized by the City Council.

PARK IMPACT FEE FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	220,000	297,921	172,214	145,576
Jan	289,917	297,921	186,743	170,556
Feb	359,833	297,921	201,273	180,704
March	429,750	297,921	215,802	180,704
Apr	499,667	659,000	230,332	180,704
May	615,583	659,000	244,861	180,704
June	685,500	659,000	259,391	198,463
July	755,417		273,920	
Aug	825,333		288,449	
Sept	895,250		302,979	
Oct	965,167		317,508	
Nov	1,035,083		332,038	
Dec 2014	1,105,000		346,567	
2013-2014	1,059,000		346,567	
Total Actual to Date vs Total Budget		62%		57%



This fund accounts for City imposed park impact fees on new development. Expenditures are for public park acquisitions and improvements. In the 2011-2012 budget, expenditures represent transfers to Municipal Capital Fund for improvements to City parks.

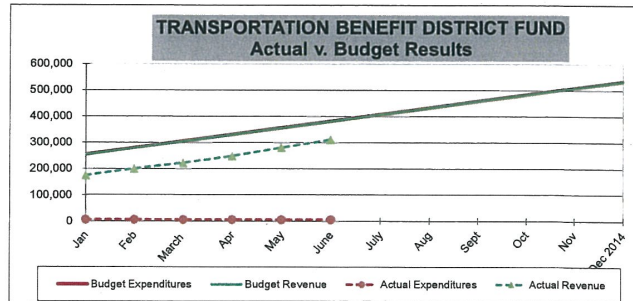
TRANSPORTATION IMPACT FEE FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	442,500	248,000	435,973	423,858
Jan	474,167	248,000	472,698	532,620
Feb	505,833	248,000	509,423	566,356
March	537,500	248,000	546,147	566,356
Apr	569,167	248,000	582,872	566,356
May	600,833	248,000	619,597	581,691
June	632,500	248,000	656,322	656,063
July	664,167		693,046	
Aug	695,833		729,771	
Sept	727,500		766,496	
Oct	759,167		803,221	
Nov	790,833		839,945	
Dec 2014	822,500		876,670	
2013-2014	822,500		876,670	
Total Actual to Date vs Total Budget		30%		75%



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

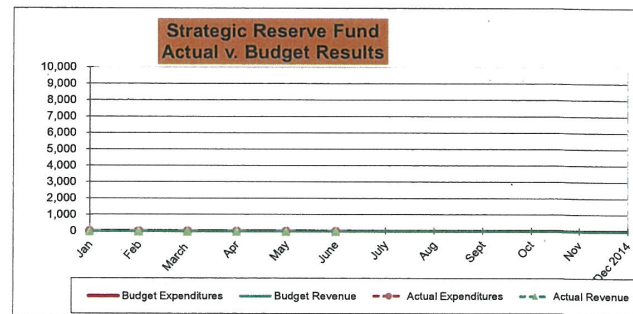
**City of Kenmore, Washington
Other Funds Monthly Activity
June 30, 2014**

TRANSPORTATION BENEFIT DISTRICT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	230,000	5,000	230,000	151,178
Jan	255,417	7,500	255,417	175,714
Feb	280,833	7,500	280,833	201,632
March	306,250	7,500	306,250	224,211
Apr	331,667	7,500	331,667	250,268
May	357,083	7,500	357,083	282,106
June	382,500	7,500	382,500	312,341
July	407,917		407,917	
Aug	433,333		433,333	
Sept	458,750		458,750	
Oct	484,167		484,167	
Nov	509,583		509,583	
Dec 2014	535,000		535,000	
2013-2014	535,000		535,000	
Total Actual to Date vs Total Budget		1%		58%



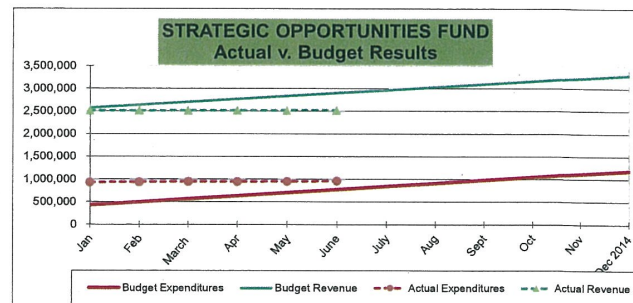
The Transportation Benefit District fund accounts for the \$20 vehicle license tab fees levied on vehicles located in the Kenmore city limits. The revenue generated will be used in maintaining the City's transportation system.

STRATEGIC RESERVE FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	0	0	0	0
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0		0	
Aug	0		0	
Sept	0		0	
Oct	0		0	
Nov	0		0	
Dec 2014	0		0	
2013-2014	0		0	
Total Actual to Date vs Total Budget		0%		0%



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

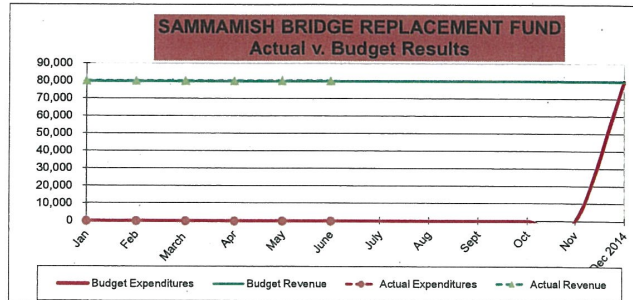
STRATEGIC OPPORTUNITIES FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	364,100	928,553	2,512,500	2,521,694
Jan	433,000	932,712	2,578,280	2,522,844
Feb	501,900	941,850	2,644,060	2,523,544
March	570,800	953,684	2,709,841	2,525,844
Apr	639,700	952,558	2,775,621	2,527,934
May	708,600	957,849	2,841,401	2,529,084
June	777,500	965,388	2,907,181	2,530,934
July	846,400		2,972,961	
Aug	915,300		3,038,741	
Sept	984,200		3,104,522	
Oct	1,053,100		3,170,302	
Nov	1,122,000		3,236,082	
Dec 2014	1,190,900		3,301,862	
2013-2014	1,190,900		3,301,862	
Total Actual to Date vs Total Budget		81%		77%



The purpose of the Strategic Opportunities Fund is to have funds available for the City to make key investments or take advantage of strategic opportunities as they present themselves. For 2013-14, the Business Incubator expenditures are budgeted in this fund.

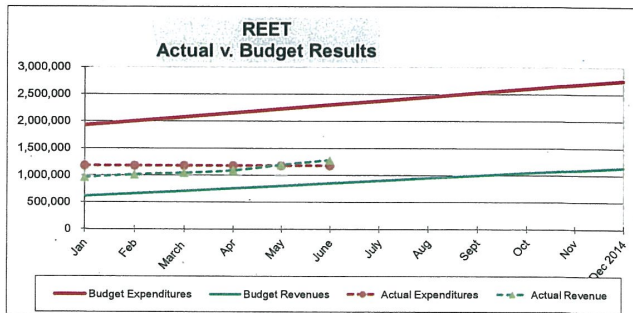
City of Kenmore, Washington
Other Funds Monthly Activity
June 30, 2014

SAMMAMISH BRIDGE REPLACEMENT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	0	0	80,000	80,264
Jan	0	0	80,000	80,264
Feb	0	0	80,000	80,264
March	0	0	80,000	80,264
Apr	0	0	80,000	80,264
May	0	0	80,000	80,264
June	0	0	80,000	80,264
July	0	0	80,000	
Aug	0	0	80,000	
Sept	0	0	80,000	
Oct	0	0	80,000	
Nov	0	0	80,000	
Dec 2014	80,000		80,000	
2013-2014	80,000		80,000	
Total Actual to Date vs Total Budget		0%		100%



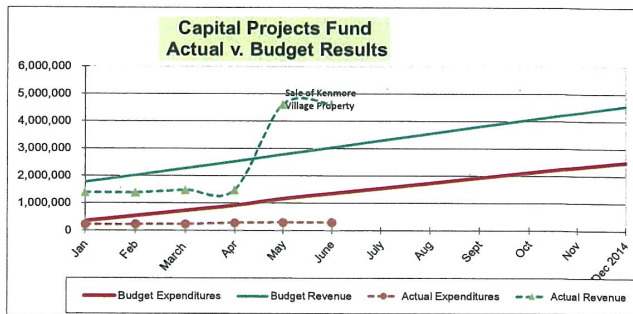
The Sammamish Bridge Replacement fund is a fund used to put money aside for the replacement of the West Sammamish bridge.

REAL ESTATE EXCISE TAX FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	1,852,050	1,181,929	569,468	894,198
Jan	1,927,467	1,181,929	617,622	966,304
Feb	2,002,883	1,181,929	665,776	1,020,343
March	2,078,300	1,181,929	713,930	1,050,769
Apr	2,153,717	1,181,929	762,084	1,095,886
May	2,229,133	1,181,929	810,238	1,198,143
June	2,304,550	1,181,929	858,393	1,286,214
July	2,379,967		906,547	
Aug	2,455,383		954,701	
Sept	2,530,800		1,002,855	
Oct	2,606,217		1,051,009	
Nov	2,681,633		1,099,163	
Dec 2014	2,757,050		1,147,317	
2013-2014	2,757,050		1,147,317	
Total Actual to Date vs Total Budget		43%		112%



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

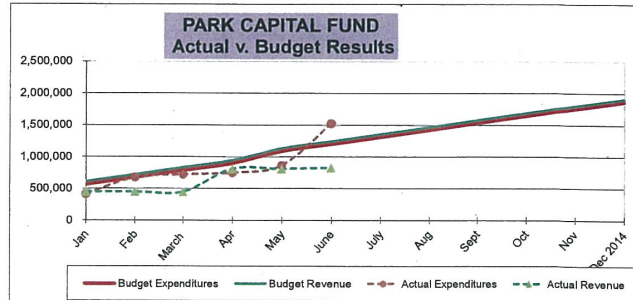
KENMORE VILLAGE FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	161,600	223,689	1,523,020	1,403,543
Jan	352,357	228,343	1,777,477	1,403,543
Feb	543,114	232,785	2,031,933	1,404,293
March	733,872	240,111	2,286,390	1,495,043
Apr	924,629	287,786	2,540,847	1,496,055
May	1,165,346	300,610	2,795,303	4,626,943
June	1,356,103	303,418	3,049,760	4,627,422
July	1,546,860		3,304,217	
Aug	1,737,617		3,558,673	
Sept	1,928,375		3,813,130	
Oct	2,119,132		4,067,587	
Nov	2,309,889		4,322,043	
Dec 2014	2,500,646		4,576,500	
2013-2014	2,450,686		4,576,500	
Total Actual to Date vs Total Budget		12%		101%



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

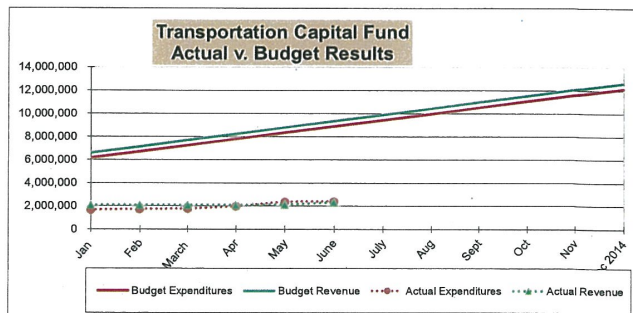
**City of Kenmore, Washington
Other Funds Monthly Activity
June 30, 2014**

PARK CAPITAL FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	460,000	416,805	503,534	435,869
Jan	571,417	416,805	614,951	453,684
Feb	682,833	681,756	726,367	453,684
March	794,250	727,532	837,784	453,684
Apr	905,667	754,427	949,201	814,763
May	1,093,083	867,757	1,136,617	814,763
June	1,204,500	1,528,642	1,248,034	830,479
July	1,315,917		1,359,451	
Aug	1,427,333		1,470,867	
Sept	1,538,750		1,582,284	
Oct	1,650,167		1,693,701	
Nov	1,761,583		1,805,117	
Dec 2014	1,873,000		1,916,534	
2013-2014	1,797,000		1,840,534	
Total Actual to Date vs Total Budget		85%		45%



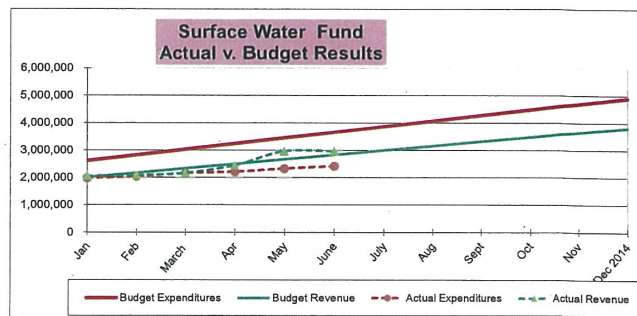
The Park Capital fund will account for Park Capital Projects formerly included in the Municipal Capital fund. In addition, distributions from the King County Proposition 2 Parks Expansion Levy will be receipted into this fund

TRANSPORTATION CAPITAL FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	5,635,750	1,671,348	6,081,950	2,127,659
Jan	6,179,174	1,679,339	6,629,860	2,127,659
Feb	6,722,598	1,739,110	7,177,771	2,127,659
March	7,266,022	1,794,315	7,725,681	2,127,659
Apr	7,809,446	1,990,022	8,273,592	2,127,659
May	8,352,870	2,365,172	8,821,502	2,166,383
June	8,896,294	2,401,009	9,369,413	2,370,522
July	9,439,717		9,917,323	
Aug	9,983,141		10,465,233	
Sept	10,526,565		11,013,144	
Oct	11,069,989		11,561,054	
Nov	11,613,413		12,108,965	
Dec 2014	12,156,837		12,656,875	
2013-2014	12,156,837		12,656,875	
Total Actual to Date vs Total Budget		20%		19%



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

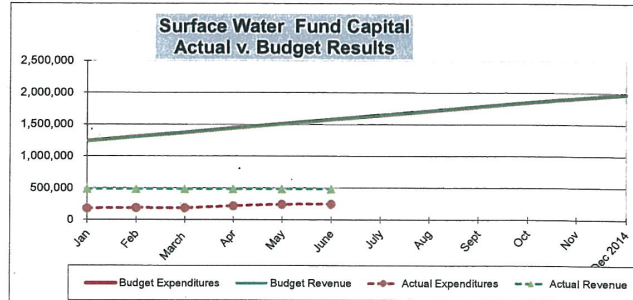
SURFACE WATER MANAGEMENT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	2,407,615	1,947,517	1,859,138	2,068,281
Jan	2,616,054	1,984,043	2,022,891	2,072,887
Feb	2,824,494	2,048,468	2,186,644	2,100,032
March	3,032,933	2,174,549	2,350,398	2,180,736
Apr	3,241,372	2,214,282	2,514,151	2,460,553
May	3,449,812	2,328,898	2,677,904	2,975,029
June	3,658,251	2,419,536	2,841,657	2,979,292
July	3,866,690		3,005,410	
Aug	4,075,130		3,169,163	
Sept	4,283,569		3,332,917	
Oct	4,492,008		3,496,670	
Nov	4,700,448		3,660,423	
Dec 2014	4,908,887		3,824,176	
2013-2014	4,908,887		3,824,176	
Total Actual to Date vs Total Budget		49%		78%



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

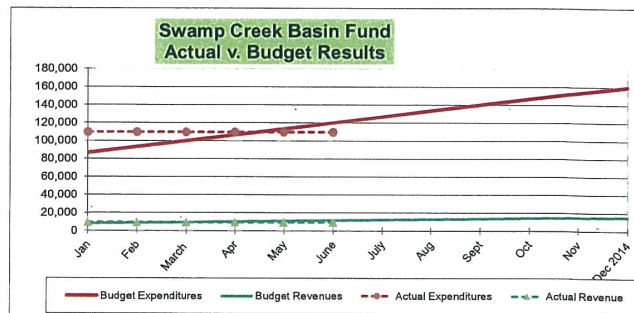
**City of Kenmore, Washington
Other Funds Monthly Activity
June 30, 2014**

SURFACE WATER CAPITAL FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	1,175,250	178,118	1,175,250	493,045
Jan	1,243,001	186,350	1,243,001	493,045
Feb	1,310,752	192,993	1,310,752	493,045
March	1,378,503	193,047	1,378,503	493,045
Apr	1,446,254	224,776	1,446,254	493,045
May	1,514,005	249,094	1,514,005	493,045
June	1,581,756	252,775	1,581,756	493,045
July	1,649,506		1,649,506	
Aug	1,717,257		1,717,257	
Sept	1,785,008		1,785,008	
Oct	1,852,759		1,852,759	
Nov	1,920,510		1,920,510	
Dec 2014	1,988,261		1,988,261	
2013-2014	1,988,261		1,988,261	
Total Actual to Date vs Total Budget		13%		25%



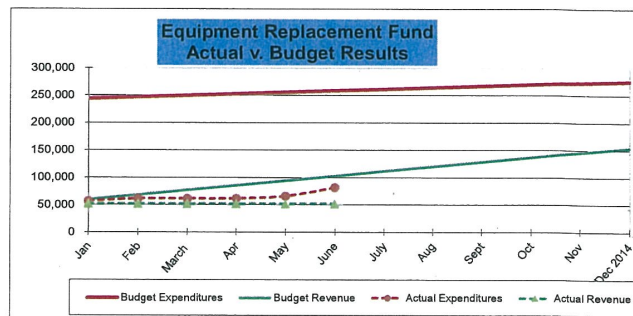
This fund accounts for the expenditures for Surface Water Capital Improvements. Revenue sources for this fund include a variety of federal, state, or local grants, surface water management fees transferred from the Surface Water Management Fund and real estate excise taxes.

SWAMP CREEK BASIN FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	80,000	109,873	8,200	10,057
Jan	86,667	109,873	8,850	10,057
Feb	93,333	109,873	9,500	10,057
March	100,000	109,873	10,150	10,057
Apr	106,667	109,873	10,800	10,057
May	113,333	109,873	11,450	10,057
June	120,000	109,873	12,100	10,057
July	126,667		12,750	
Aug	133,333		13,400	
Sept	140,000		14,050	
Oct	146,667		14,700	
Nov	153,333		15,350	
Dec 2014	160,000		16,000	
2013-2014	160,000		16,000	
Total Actual to Date vs Total Budget		69%		63%



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

EQUIPMENT REPLACEMENT FUND				
	2013-2014 Budget Expenditures	2013-2014 Actual Expenditures	2013-2014 Budget Revenue	2013-2014 Actual Revenue
2013	241,250	57,389	51,850	52,858
Jan	244,167	57,389	60,458	52,858
Feb	247,083	61,687	69,065	52,858
March	250,000	61,687	77,673	52,858
Apr	252,917	62,104	86,281	52,858
May	255,833	66,341	94,888	52,858
June	258,750	81,873	103,496	52,858
July	261,667		112,104	
Aug	264,583		120,711	
Sept	267,500		129,319	
Oct	270,417		137,927	
Nov	273,333		146,534	
Dec 2014	276,250		155,142	
2013-2014	276,250		155,142	
Total Actual to Date vs Total Budget		30%		34%



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

City of Kenmore, Washington
Cash and Investment Report
June 30, 2014



Fund	Beg. Cash & Inv.	Monthly	Monthly	End. Cash & Inv.
	from Prev. Mo.	Revenues	Expenditures	Current Month
General	\$5,356,897	\$461,389	\$1,718,528	4,099,758
Street	1,969,399	36,294	127,913	1,877,781
Transportation Capital	1,220,535	204,139	35,837	1,388,837
Public Art	67,431	0	0	67,431
Park Impact Fee	1,136,802	17,759	0	1,154,561
Transportation Impact Fee	574,227	74,373	0	648,600
Swamp Creek Basin	1,481,252	0	0	1,481,252
Transportation Benefit District	274,606	30,235	0	304,840
Sammamish Bridge Replacement	80,264	0	0	80,264
Real Estate Excise Tax	993,275	88,070	0	1,081,345
Kenmore Village	3,279,205	480	2,808	3,276,877
Park Capital	-52,994	15,716	660,885	(698,163)
Surface Water Management	2,067,311	4,263	90,638	1,980,936
Surface Water Capital	243,951	0	3,681	240,270
Strategic Reserve	1,264,465	0	0	1,264,465
Strategic Opportunities	1,571,235	1,850	7,540	1,565,546
Equipment Replacement	477,118	0	15,532	461,586
Trust & Agency	347,215	8,449	1,519	354,145
Totals	\$22,352,193	\$943,016	\$2,664,879	\$20,630,329

Fund	Cash, Savings,	(> One Year)	
	Local Govt Investment Pool	Fixed Investments	Total
General	-\$1,392,593	\$5,506,032	4,113,439
Street	1,027,781	850,000	1,877,781
Transportation Capital	397,054	0	397,054
Public Art	52,431	15,000	67,431
Park Impact Fee	219,905	930,000	1,149,905
Transportation Impact Fee	618,601	30,000	648,601
Swamp Creek Basin	81,252	1,400,000	1,481,252
Transportation Benefit District	304,840	0	304,840
Sammamish Bridge Replacement	80,264	0	80,264
Real Estate Excise Tax	2,070,089	0	2,070,089
Kenmore Village	2,825,090	450,000	3,275,090
Park Capital	-698,163	0	(698,163)
Surface Water Management	1,469,149	510,000	1,979,149
Surface Water Capital	240,270	0	240,270
Strategic Reserve	414,465	850,000	1,264,465
Strategic Opportunities	1,565,546	0	1,565,546
Equipment Replacement	11,587	450,000	461,587
Trust & Agency	254,145	100,000	354,145
Totals	\$9,541,712	\$11,091,032	\$20,632,744

City of Kenmore, Washington
Schedule of Investments
June 30, 2014



Report by Security	Investment #	Type	Average Yield to Maturity-Securities				Possible Call Date	Overall Average Yield	0.53%
			Maturity Date	Purchase Date	Rate	Yield		Principal or Balance	Yield Equivalents
Piper Jaffray									
	313371PC4	FHLB	12/12/2014	6/7/2011	0.88%	0.88%	no call	991,238.90	8,722.90
	3136G0QY0	FNMA	7/25/2017	7/25/2012	0.75%	0.75%	7/25/2013	1,000,000.00	7,500.00
	31771J4M9	FICO	9/26/2017	8/14/2012	1.13%	1.13%	non callable	894,731.88	10,137.31
Total Piper Jaffrey Purchases								2,885,970.78	26,360.21
Time Value Investments									
	313586QR3	FNMA	7/5/2014	6/7/2011	1.00%	compounds	no call	998,858.37	9,988.58
	3136G1BT5	FNMA	8/7/2017	7/2/2013	1.30%	1.30%	8/7/2013	982,099.00	12,767.29
	3135G0XK4	FNMA	5/25/2018	11/25/2013	1.38%	1.38%	2/25/2014	985,750.00	13,583.64
	3135G0XK4	FNMA	5/25/2018	2/27/2014	1.30%	1.30%	2/25/2014	989,691.00	12,865.98
	31359MEL3	FNMA	4/22/2017	10/22/2012	0.86%	0.86%	no call	999,468.08	8,595.43
Total TVI Purchases								4,955,866.45	57,800.91
Banner Bank CD's									
	5740005425	CD	2/6/2016	2/6/2014	0.32%	0.32%		1,000,000.00	3,200.00
Total Banner Bank CD's								1,000,000.00	3,200.00
Sound Community Bank CD's									
	18299229	CD	2/11/2016	2/14/2014	0.80%	0.80%		1,000,000.00	8,000.00
Total Sound Community Bank CD's								1,000,000.00	8,000.00
Opus Bank CD's									
	280140042	CD	3/16/2015	3/15/2011	1.15%	1.15%		249,194.49	2,865.74
	11495975	CD	8/10/2015	2/10/2014	0.35%	0.35%		1,000,000.00	3,500.00
Total Cascade Bank CD's								1,249,194.49	6,365.74
TOTAL ALL SECURITIES								\$ 11,091,031.72	\$ 101,726.87
Banner Checking and Savings						0.07% Banner		2,298,526.23	1,608.97
Cash								1,005.00	-
Local Government Investment Pool						0.09% LGIP		7,242,179.38	6,517.96
Total Accounts								\$ 20,632,742.33	109,853.80

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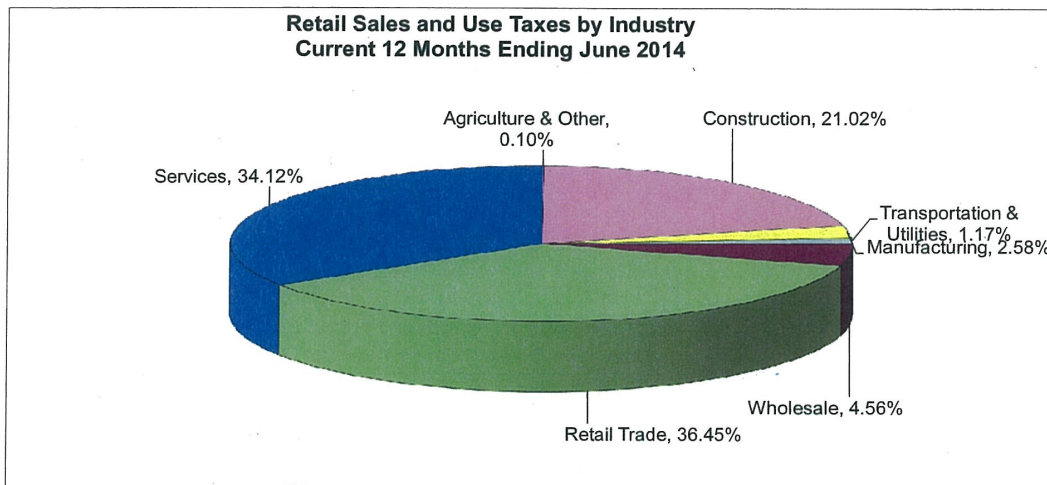
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 June 2014

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	190.00	0.00	190.00	0.1%
CONSTRUCTION	22,220.03	661.63	22,881.67	17.0%
MANUFACTURING	3,462.69	10.45	3,473.15	2.6%
TRANSPORTATION & UTILITIES	756.50	550.11	1,306.61	1.0%
WHOLESALE	7,071.40	154.90	7,226.30	5.4%
RETAIL TRADE	52,508.41	158.35	52,666.76	39.2%
SERVICES	34,880.30	775.81	35,656.11	26.5%
INFORMATION	8,328.39	161.25	8,489.64	6.3%
PUBLIC SERVICES	4.48	2,495.73	2,500.21	1.9%
	<u>129,422.20</u>	<u>4,968.25</u>	<u>134,390.45</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
June 30, 2014

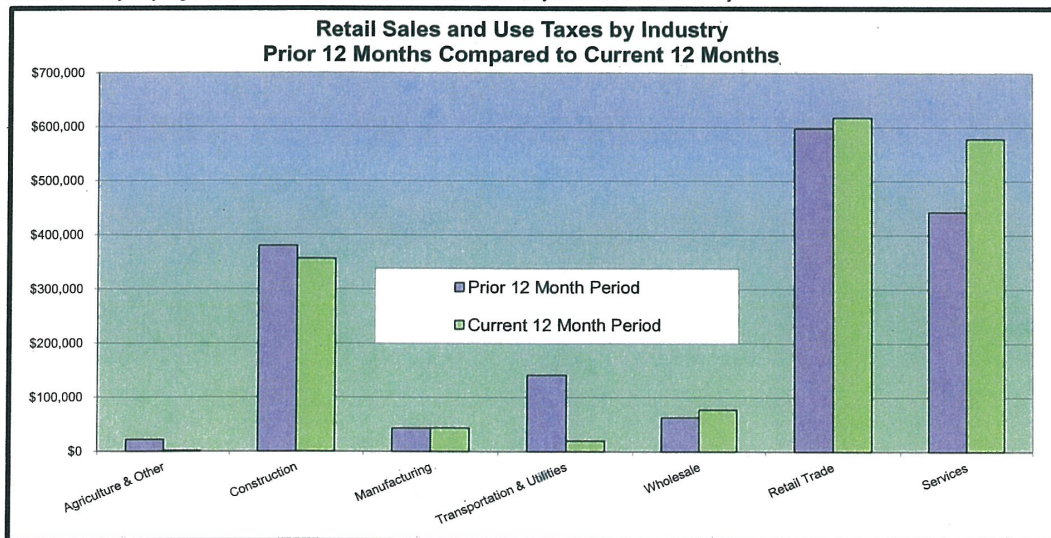


Industry	Prior 12 Months ending June 2013	Current 12 Months ending June 2014	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	\$21,898	\$1,772	-91.91%	0.10%
Construction	379,625	356,181 *	-6.18%	21.02%
Manufacturing (Printing, Publishing, Other Manuf.)	43,278	43,712	1.00%	2.58%
Transp/Comm/Utilities (Telecomm., Air Transport.)	141,335	19,824	-85.97%	1.17%
Wholesale (Lumber, Other Wholesale)	62,767	77,252	23.08%	4.56%
Retail Trade (Eating, Merchandise, Food Stores)	597,459	617,578	3.37%	36.45%
Services (Auction, Recreation, Auto Repair, Financial)	442,614	578,189	30.63%	34.12%
Totals	\$1,688,975	\$1,694,507	0.33%	100%
Increase/(Decrease)		\$5,532	0.33%	



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

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



City of Kenmore, Washington
Real Estate Excise Tax Report
June 30, 2014

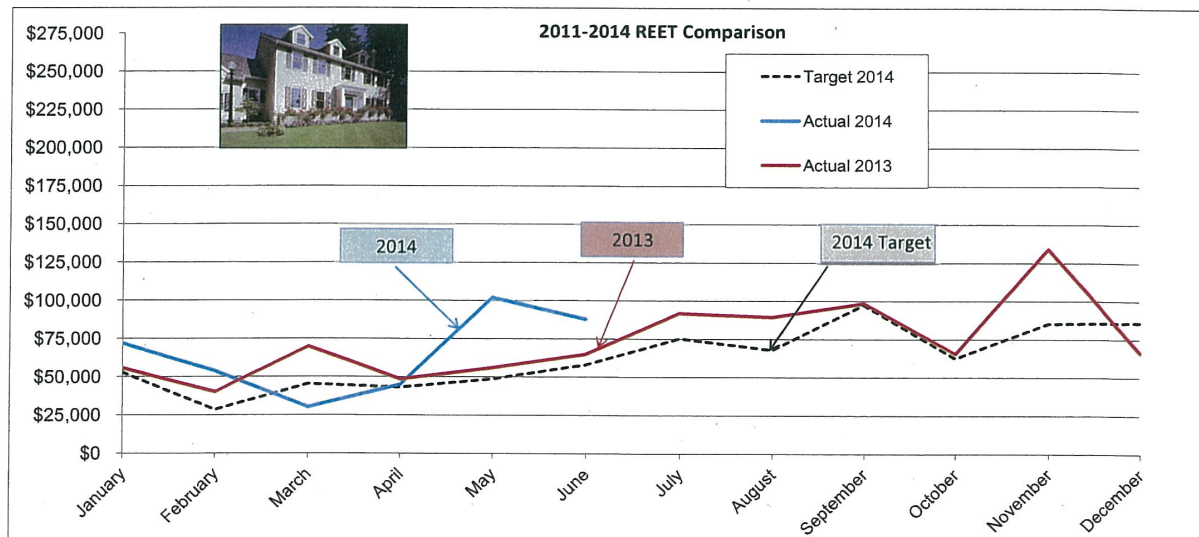


Real Estate Excise Taxes (REET) 2011 - 2014 Monthly Receipts					
	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Target 2014
January	48,679	54,359	55,801	72,106	52,921
February	27,294	18,064	40,281	54,038	28,533
March	36,507	29,691	69,946	30,426	45,360
April	50,463	30,662	48,671	45,118	43,245
May	37,671	52,575	56,178	102,257	48,785
June	48,938	60,408	64,938	88,070	58,067
July	53,012	81,316	91,779		75,333
August	57,471	56,626	89,496		67,832
September	111,107	82,785	98,573		97,442
October	61,805	60,265	65,596		62,525
November	33,475	88,057	134,286		85,232
December	39,510	152,262	66,342		85,997
	\$605,931	\$767,070	\$881,886		\$751,629

For 2014, REET is \$56,200 more than the same period last year and more than the 2014 target by \$115,105

* NOTE THE 2014 target is computed on a 3 year average (2011-2013) of actual receipts

Real Estate Excise Taxes (REET) 2011 - 2014 Property Sales > \$500,000								
(The sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the revenue)								
Taxes from > \$500,000 Sale Amounts								
	2011	2012	2013	2014	2011	2012	2013	2014
January	1,046,085	5,515,283	3,380,165	4,699,850	5,178	27,301	16,732	23,264
February	547,257	1,152,000	3,417,500	3,930,920	2,709	5,702	16,917	19,458
March	1,100,000	750,000	3,514,000	2,175,430	5,445	3,713	17,394	10,768
April	1,075,000	870,000	1,570,450	4,266,725	5,321	4,307	7,774	21,120
May	2,372,000	2,796,250	3,634,210	12,347,730	11,741	13,841	17,989	61,121
June	2,605,000	1,215,000	2,761,500	7,353,999	12,895	6,014	13,669	36,402
July	3,354,950	4,196,500	8,478,706		16,607	20,773	41,970	0
August	3,045,950	1,756,200	6,131,455		15,077	8,693	30,351	0
September	15,691,044	4,859,500	10,911,500		77,671	24,055	54,012	0
October	7,873,950	3,087,500	5,568,400		38,976	15,283	27,564	0
November	875,000	8,334,960	18,620,230		4,331	41,258	92,170	0
December	2,189,000	23,033,200	4,606,450		10,836	114,014	22,802	0
	\$41,775,236	\$57,566,393	\$72,594,566	\$34,774,654	206,787	284,954	359,344	172,133



City of Kenmore, Washington
Monthly Report for Kenmore Village Fund
June 30, 2014



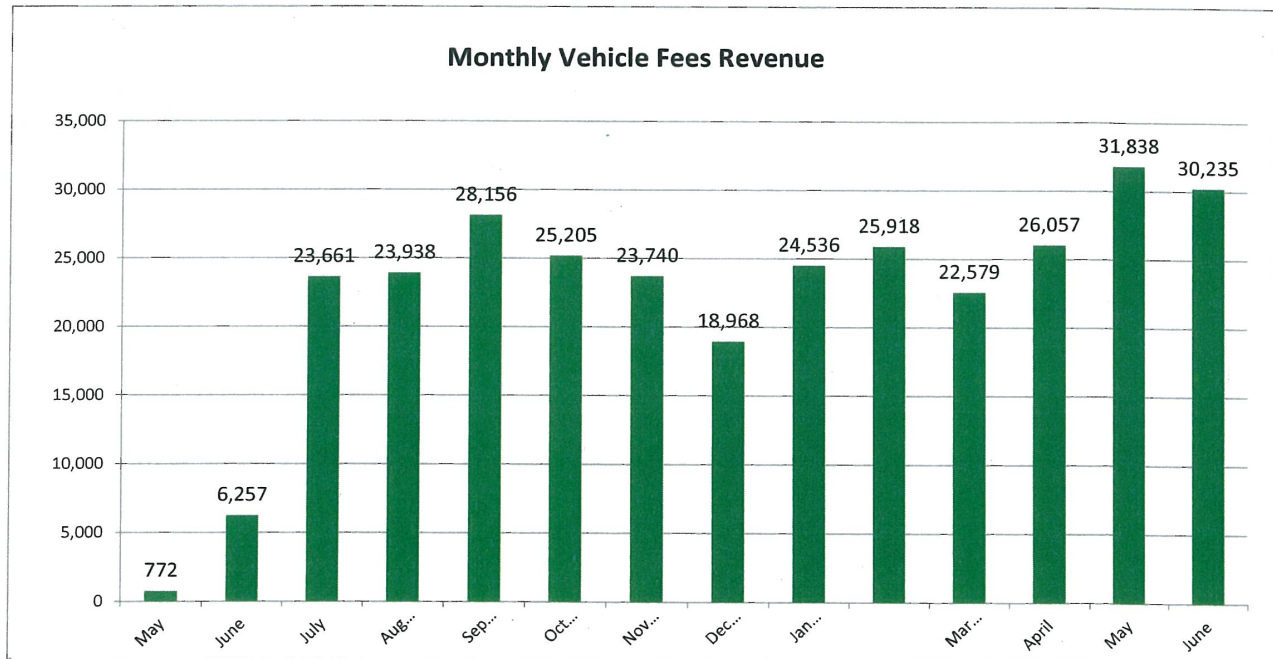
<u>Revenues</u>	<u>June 2014</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Lease Income (USPS & Kenmore Village)	0	50,750	102,100
Return of Security Deposit	0	0	0
Other Rent Income	0	15,100	15,000
Landlord Expense (CAM*) Reimbursement	0	0	0
Investment Interest	0	933	4,500
Sale of Property	0	4,555,922	4,440,000
Leasehold Excise Returned	480	4,718	14,900
Total Revenues	480	4,627,423	4,576,500
<u>Expenditures</u>			
6700 Building Improvements	0	0	11,000
Downtown Plan Services	2,645	214,752	228,168
Property Management	0	3,263	43,200
Utilities and Insurance - Kenmore Village	0	44,965	6,600
Repairs, Maintenance, Other Services	163	24,015	34,918
Transfers to Other Funds	0	0	926,800
Total Expenditures	2,808	286,996	1,250,686
 Net Income (Loss)	 -2,328	 4,340,429	 3,325,814

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

**Kenmore Transportation Benefit District
Monthly Report
June 30, 2014**



<u>Revenues</u>	<u>June 2014</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Vehicle Fees			
Total Revenues	<u>\$ 30,235</u>	<u>\$223,730</u>	<u>\$535,000</u>
<u>Expenditures</u>			
WCIA Insurance	0	7,500	10,000
Reimbursement to Street Fund	<u>0</u>	<u>0</u>	<u>525,000</u>
Total Expenditures	<u>0</u>	<u>7,500</u>	<u>535,000</u>
Net Income (Loss)	<u>\$ 30,235</u>	<u>\$216,230</u>	<u>\$0</u>





The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

City Manager Department

Workload Measure	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Population Served	20,780	21,020	21,170	21,370
Public Records Requests Processed	185	216	318	140
Inquiries to Front Desk (phone & in-person)	425 per week (70 phone/15 in-person per day)	525 per week (80 phone/25 in-person per day)	<u>Actual Sept:</u> Avg: 480/week: (332 phone 130 in person 18 Police)	<u>Actual thru June 30th</u> Total: 5658 Phone: 3998 In Person: 1373 Police: 129
Business Open Houses/Seminars	2	2	2	

Performance Measure	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Positive Media Stories on Kenmore	140	145	150	111
Hits to City Website	81,953	78,215	85,759	32,138
Facebook "Likes"	N/A	115	218	301
Public Records Requests responses provided on time	N/A	83%	98.25%	100%
Event Sponsorship	\$15,250	\$12,500	\$15,775	\$12,500

Finance and Administration Department

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Ordinances processed, including codification	13	20	20	12
Council and Transportation Benefit District meetings supported	43	55	48	28
Number of invoices paid	3,120	3,147	3,219	1,413
Number of checks processed	1,885	1,941	2,004	871
FTE positions recruited and filled	2	4	2.55	3
Contracts processed	90	115	192	68

<u>Performance Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
% of Council meeting minutes presented for approval at Council	n/a	n/a	100%	65%

City of Kenmore, Washington
Monthly Financial Report
June 2014

meeting within 30 days of meeting				
% of Council meeting minutes posted to web within 48 hours of approval	n/a	n/a	90%	0%
% of Council meeting audio posted to web within 2 business days of meeting	n/a	n/a	90%	50%
Monthly financial reports to Council within 45 days	n/a	n/a	8% (1 report)	67% (4 reports)
Clean audit report received	Yes	Yes	Audit not performed yet	Audit not performed yet
Number of years City has received Distinguished budget awards received from GFOA	9	9	10	10

Non Departmental

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Number of registered voters	12,914	12,911	13,655	10,946
Animals sheltered by PAWS	51	53	53	17
Human Services contributions distributed	\$297,805	\$278,106	\$183,815	\$57,000
Pet license revenue	\$58,554	\$59,663	\$61,575	\$27,360
Computer and servers maintained	44	44	58	65
Number of network users supported	35	36	45	51
Number of tort claims filed	8	9	6	
Received Well City Award	Yes	Yes	Yes	Yes

Public Safety

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Dispatch calls for service	3,193	3319	3,077	1,756
Jail booking	149	255	246	61
Jail housing days	1990	3986	4,441	902
Work release days	150	436	289	28
Arrests: Felonies	47	66	88	25
Arrests: Misdemeanors	509	560	365	210

<u>Performance Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Reduce traffic accidents in the city by 1% per year through education and enforcement	174 accidents .96%	238 accidents 1.3%	249 accidents	144 accidents
Identify and lift 100% of latent prints at all burglaries	89 Lifted 100%	117 Lifted 100%	116 Lifted 100%	56 Lifted 100%
Close 60% of all assigned cases	612 of 1014 cases 60.3%	492 of 917 cases 54%	64% average	66% average

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City of Kenmore, Washington
Monthly Financial Report
June 2014

Priority X response times, in minutes: "Priority X" designates critical dispatches. These are incidents that pose an obvious danger to life of an officer or citizen. It is used for felony crimes in-progress where the possibility of confrontation between a victim and suspect exists. Examples include shooting, stabbings, robberies or burglaries.	2.76 minutes	2.78 minutes	Not available	2.61minutes first quarter 1.97 minutes second quarter
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Engineering and Environmental Services

Workload Measures	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Dollar Value of CIP Projects Managed	\$2.9 M per CIP	\$4.2 M per CIP	\$1.74M	\$858k
Number of Grant/Loan Applications Completed	2	6	8	8*
Performance Measures	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Amount of Grant funding Secured to Move Forward with SR 522 Project	\$650k	\$8.8M	\$475,000**	0 additional

*includes support for Simonds Overlay grant

**\$475,000 was the DOE surface water grant for SR 522 West A: grant app accounted for in SWM.

Community Development Department

Workload Measures	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Number of park capital projects managed	N/A	5	10	11
Number of new initiatives identified (policies, programs, services, funding strategies)	N/A	N/A	0	0
Number of meetings with council and planning commission (related to department objectives/work program)	N/A	12	34	17
Number of grants identified/applications submitted	N/A	3	6	4
Number of work program projects managed	N/A	4	6	6

Performance Measures	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
% of park capital projects within	N/A	20	70	70

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City of Kenmore, Washington
Monthly Financial Report
June 2014

scope, on time and within budget				
Number of new initiatives brought forward for implementation	N/A	N/A	0	0
% of planning commission recommendations & council decisions consistent with options presented by staff	N/A	90	90	90
Number of grant applications awarded	N/A	0	1	0
% of work program projects meeting deadlines	N/A	60	90	90

Development Services Department

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Land-use applications processed	40	56	59	
Construction permits processed	610	612	658	
Construction inspections performed	2495	2904	2597	
Number of code enforcement cases	380	381	110	

<u>Performance Measures</u>				
% of customers rating review and development services as excellent or good	n/a	n/a	94%	
% of applications processed on time	90%	97%	95%	
% of inspections performed on the day requested	98%	99%	99%	
% of total applications applied for on-line	23%	24%	28%	
% of violations resolved through voluntary compliance methods	98%	98%	98%	

Parks and Facility Maintenance Department

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Number of Citizen Action Requests Logged	882	964	1009	700

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Special Events Applications	12	14	12	10
Facility Rental Applications	20	19	40	15
<u>Performance Measures</u>				
Citizen Action Requests (CAR) Response Time: investigation and response of findings/action plan within two weeks of receipt	N/A	N/A	95%	
Parks Volunteer Events	1 Event	2 Events	3	7

Street Fund

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Number of ROW* Franchise Utility Permits Applications processed	111	163	176	113
ROW Permit Applications (non franchise)	7	13	17	10
<u>Performance Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Citizen Action Requests (CAR) Response Time: investigation and response of findings/action plan within two weeks of receipt	N/A	N/A	95%	
Annual Pavement Rehabilitation Program	\$606,056	\$447,775	N/A	290,894.47
Process ROW Franchise Utility Permit Applications within 5 days of receipt	100%	100%	75%	67%

Surface Water Management

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Number of Grant/Loan Applications Completed	2	2	1*	1

*Another SWM grant was applied for and tracked separately for SR 522.

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Workload Measures				
Number of Facilities	132	146	151	151
Performance Measures				
Number of Facilities Inspected	132	146	151	0
Facilities Requiring Maintenance	85	81	64	0
Facilities Receiving Maintenance	85	81	64	0

Workload Measures	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Number of Private Facilities	100	101	102	103
Performance Measures				
Number of Facilities Inspected	90	100	100	54
Facilities Requiring Maintenance	63	66	63	29
Facilities Re-inspected	0	33 (Est)	63	3
Enforcement Actions	0	5 (Est)	14	7

Workload Measures	2011 Actual	2012 Actual	2013 Actual	2014 As of June 30
Number of Catch Basins	4,200	4,200	4,328	4,328
Number of Manholes	39	39	52	52
Feet of Conveyance	474,000	474,000	476,500	476,500
Performance Measures				
Number of Catch Basins Inspected	3,700	4,200	5,221	350
Number of Manholes Inspected	23	23	50	7
Feet of Conveyance Inspected	14685	14,950	69,794	9,600

n/a = not available or not applicable to this period